

FRANCHISE DISCLOSURE DOCUMENT

PINK'S FRANCHISING LLC
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You will operate a residential and commercial window cleaning and pressure washing business under the "Pink's Window Services" trademarks.

The total investment necessary to begin operation of a Pink's Window Services franchise is \$128,000 to \$166,500. This includes ~~\$8970~~,500 to ~~\$8772~~,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a Pink's Window Services multi-unit development business ranges from \$177,000 to \$293,500. This includes a \$108,000 to \$186,000 development fee that must be paid to the franchisor and/or its affiliate(s). The low end of our estimate assumes a development fee for two start-up Businesses. The high end of our estimate assumes a development fee for four start-up Businesses.

The total investment necessary to begin operation of five Pink's Window Services franchises ranges from \$560,000 to \$790,000. This includes ~~\$294241~~,500 to ~~\$357282~~,500 that must be paid to the franchisor or its affiliate(s).

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

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at

Special Risks to Consider About *This* Franchise

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

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in Texas. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Texas than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Minimum Sales Performance Requirement.** 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. **LimitedShort Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Minimum Advertising Payments.** You must make minimum 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. **Financial Condition. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.**

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

The Franchise Offered:

We offer franchises for the right to operate a residential and commercial window washing and pressure washing business under the Pink's Window Services Marks and using our distinctive operating procedures and standards in a Territory (the "Franchised Business"). The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the "System").

Multi-Unit Offering

We also offer qualified parties the right to enter into a Multi-Unit Addendum to operate the Franchised Business in multiple Territories, which is attached to this Franchise Disclosure Document as Exhibit C (the "Multi-Unit Addendum").

Subject to the terms of the Multi-Unit Addendum, you will be granted the right to execute multiple Franchise Agreements to open and operate the Franchised Business in multiple Territories in accordance with a defined development schedule (the "Development Schedule"). You will execute these Franchise Agreements (which is attached hereto as Exhibit B) at the same time as your Multi-Unit Addendum. The number of Franchise Agreements that you execute will depend on the number of Territories that you purchase the right to operate in. We will mutually agree upon your Development Schedule and the Development Schedule will depend on factors such as (i) how many Territories you purchase the right to operate in, and (ii) where the Territories are located. While each Territory is typically contiguous with one another, we may, at our discretion, grant you the right to operate the Franchised Business in multiple Territories that are not contiguous to one another.

We also offer qualified parties the right to open a Franchised Business in five (5) or more Territories under our CEO Model. Under the CEO Model, you will either (i) serve as the Regional Director, or (ii) hire a Regional Director to manage all local Territory managers.

Market and Competition:

The market for your Franchised Business consists of residential and commercial buildings that require window or pressure washing. The market for our services is not seasonal but does have peak periods. The market may also be affected by economic conditions in your designated territory.

This is a well-developed industry and you will compete with other window washing or pressure washing companies, including national, regional and local companies, offering services similar to those offered by your Franchised Business. There are other window washing and pressure washing franchises, as well as independent businesses and individual providers that may offer similar services and products.

Industry Specific Regulations:

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

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

addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing a Pink's Window Services franchise.

ITEM 2: BUSINESS EXPERIENCE

CEO and Founder: Steven Montgomery

Company Name	Title	Dates Employed	Location
That 1 Painter Franchising, LLC	CEO and Founder	November 2020 – Present	Round Rock, Texas
ResiBrands, LLC	CEO and Founder	September 2022 - Present	Round Rock, Texas
That 1 Painter Holdings, LLC	CEO and Founder	November 2020 – Present	Round Rock, Texas
<u>That 1 Painter, LLC</u>	<u>CEO and Founder</u>	<u>August 2011 – Present</u>	<u>Round Rock, Texas</u>
ResiCreative LLC	CEO and Founder	September 2022- Present	Round Rock, Texas
ResiConnect, LLC	CEO and Founder	September 2022 – Present	Round Rock, Texas
Garage Up Franchising, LLC	CEO and Founder	November 2022 - Present	Round Rock, Texas
Pink's Franchising, LLC	CEO and Founder	May 2023 – Present	Round Rock, Texas

Chief Growth Officer and Co-Founder: Allan Alarcon

Company Name	Title	Dates Employed	Location
That 1 Painter Franchising, LLC	CGO and Co-Founder	November 2020 – Present	Round Rock, Texas
ResiBrands, LLC	Co-Founder	January 2023 - Present	Round Rock, Texas
Garage Up Franchising, LLC	CGO and Co-Founder	February 2023 - Present	Round Rock, Texas
Pink's Franchising, LLC	CGO and Co-Founder	May 2023 – Present	Round Rock, Texas
That 1 Painter, LLC	General Manager	April 2019 – June 2021	Round Rock, Texas

Chief Sales Officer: Sean Bush

Company Name	Title	Dates Employed	Location
That 1 Painter Franchising, LLC	Chief Sales Officer	May 2023 - Present	Round Rock, Texas
Garage Up Franchising, LLC	Chief Sales Officer	May 2023 - Present	Round Rock, Texas
Pink's Franchising, LLC	Chief Sales Officer	May 2023 - Present	Round Rock, Texas
ResiBrands, LLC	Chief Sales Officer	May 2023 - Present	Round Rock, Texas
LUSA Holdings, LLC	Vice President	April 2018 –	Austin, Texas

Co-Founder and Co-President: Carter Smith

Company Name	Title	Dates Employed	Location
Pink's Franchising LLC	Co-Founder and Co-President	May 2023-Present	Round Rock, TX
Pink's Window Services	Co-Founder	June 2020-Present	Austin, TX
Tecovas Boots	Senior Customer Experience Manager	October 2018-March 2020	Austin, TX

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is \$59,000. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

Initial Training Fee / Regional Director Training / Optional Commercial Training

We will charge you an Initial Training Fee of \$1,500 per individual that will attend training. The Initial Training Fee is due in a lump sum when you sign the Franchise Agreement and is not refundable under any circumstances. You are responsible for travel and other related training expenses for your trainees. Typically, 1-2 individuals attend the training program per territory for a total of \$1,500 - \$3,000. Under the CEO model, typically 2-6 individuals attend the training program in total for a total of \$3,000 - \$9,000.

For franchisees who choose the CEO Model in connection with the purchase of five or more Territories, an additional \$3,500 training fee will be applied for training their Regional Director.

There is an optional, additional 2-week Commercial Training offered for a \$10,000 training fee per attendee.

~~*Grand Opening Advertising*~~

~~You are required to spend between \$10,000 and \$15,000 90 days prior to the launch of your Franchised Business or 90 days following the launch of your Franchised Business. While neither we nor our affiliate currently collect any of the Grand Opening Advertising, we reserve the right to do so in the future.~~

~~If you operate the Franchised Business under our CEO Model, you will spend between \$50,000 to \$75,000 on Grand Opening Advertising.~~

Marketing Development Fee

Upon execution of the Franchise Agreement, we will charge you a Marketing Development Fee of \$5,000 to cover initial webpage development, localized SEO, customized graphics and design, custom ad development and copy.

If you operate the Franchised Business under our CEO Model, you will spend between \$5,000 to \$25,000 on the Marketing Development Fee.

Master Class

You are required to pay us a fee equal to \$5,000 for access to our Master Class coaching. This includes two seats to attend our monthly master class meetings.

If you operate the Franchised Business under our CEO Model, you will spend between \$5,000 to \$20,000 on Master Class coaching.

Discounts

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

We currently offer a 10% off for clergy, realtors, young entrepreneurs (age 29 and under), first responders, and veterans of the U.S. armed forces who have been honorably discharged from the military and who otherwise meet our requirements. This discount is only applicable in connection with your purchase of the first Territory.

Some franchisees in the previous year paid a discounted Initial Franchise Fee. [None of the fees in this Item 5 are refundable.](#)

Multi-Unit Addendum

Development Fee

We will charge you a development fee ("Development Fee") when you sign the Multi-Unit Addendum. The Development Fee is equal to \$59,000 for the first Pink's Window Services Territory that you are required to develop under the Multi-Unit Addendum, plus \$49,000 for the second Territory, and \$39,000 for each additional Territory you commit to develop under the Multi-Unit Addendum (if purchased at the same time). The Development Fee is not refundable under any circumstance and due in full upon signing the Multi-Unit Addendum. There is a minimum of two units you must purchase for a Multi-Unit Addendum.

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ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee ¹	7% of Gross Revenue	Weekly via ACH on Wednesday following the close of each calendar week (Monday through Sunday)	Payable to us.
Local Advertising ²	<p>\$2,000 per month for the first year of operation</p> <p>Greater of 3% of Gross Revenue or \$2,000 per month thereafter</p>	As required	Payable to third parties or us or an affiliate.
Local Advertising Management Fee ²	<p>\$500 per month, per unit</p> <p>\$300 per additional unit after the first unit, if the additional units are operated out of one central location</p> <p>The Local Advertising Management Fee will not increase by more than 15% each year</p>	Monthly, first ACH of the month for the prior month fee, <u>starting the month the Franchised Business opens.</u>	Payable to third parties or us or an affiliate.

Type of Fee	Amount	Due Date	Remarks
Brand Fund Contribution ³	2% of weekly Gross Revenue, subject to increases not to exceed 3% of weekly Gross Revenue	Weekly collected at the same time and in the same manner as Royalty	Payable directly to the Brand Fund.
Advertising Cooperative ⁴	Currently \$0. If a cooperative is established, 1% of Gross Revenue or \$1,000 per month (whichever is greater) unless a majority of the cooperative members agree on a higher contribution	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Pink's Window Services outlets in a designated geographic area, or we may establish a national cooperative comprised of all franchised Pink's Window Services outlets.
Technology Fee ⁵	Approximately \$650 to \$1,000 per month The Technology Fee will not increase by more than 15% each year	Monthly <u>after the Franchised Business opens</u>	Payable to third-party suppliers or to us.
Late Charge	\$50	As incurred	If you fail to pay us the Continuing Royalty Fee, Brand Fund Fee, Technology Fee or if you fail to submit your Gross Revenue report when due, we may charge you \$50 for each late submission in addition to interest charges explained below.
Interest Charge	1.5% per month from due date or maximum allowed by law, whichever is higher	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-sufficient Funds Fee	\$100 per check or ACH	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.

Type of Fee	Amount	Due Date	Remarks
Successor Agreement Fee	10% of the then-current initial franchise fee	Before signing renewal agreement	Payable to us. See Item 17.
Transfer Fee	20% of the then-current initial franchise fee plus any third-party broker costs or referral fees If you engage us or our affiliate to assist in the resale of your business, then you will pay us an additional 10% of the then-current initial franchise fee, plus the applicable transfer fee set forth above	Before approval of the transfer	Payable to us. See Item 17
Additional Training ⁶	A reasonable fee for additional training. You pay all training. <u>\$500 per trainer per day plus actual expenses.</u> You pay all travel and other related expenses incurred by you and your personnel	As incurred.	
Annual Conference or Business Meeting ⁷	\$500 to \$5,000, plus travel expenses	As incurred.	
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is \$500 per day, plus travel and other expenses	As incurred.	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.

² *Local Advertising Management Fee/ Local Advertising.* Local Advertising expenditures are paid to local suppliers, and our affiliate will manage and administer your Local Advertising with the suppliers. The Local Advertising Management Fee is paid to our affiliate for this management and administration. During the first year of operation, you are required to spend a minimum of \$2,000 per month on local advertising. Thereafter, you are required to spend the greater of 3% of Gross Revenue or \$2,000 per month.

³ *Brand Fund Contribution.* You must pay directly to our Brand Fund a Brand Fund Contribution of two percent (2%) of weekly Gross Revenue, subject to increases not to exceed three percent (3%) of weekly Gross Revenue, generated by your Pink's Window Services outlet. Payments are due on Wednesday of each week for the previous calendar week. You are required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report any sales in a week then the Brand Fund will collect 120% of the last Brand Fund Contribution collected and settle the balance the next week in which you report sales.

⁴ *Advertising Cooperative.* You will not be required to contribute more than 1% of your Gross Revenue, or One Thousand Dollars (\$1,000.00), whichever is greater, to an advertising cooperative, if one is established. This contribution is in addition to your required contributions to the Brand Fund. Any contributions made by you to the advertising cooperative shall be credited against your required expenditures for local advertising.

⁵ *Technology Fee.* You are required to pay a one-time fee to install House Call Pro. You must also pay all fees required to keep your computer and electronic communications (Internet/Intranet) systems current and functional. These fees include, but are not limited to, computer software license fees, Internet access fees, and help desk fees. Such fees are payable directly to the hardware, software, internet service providers and/or us or our affiliate.

⁶ **Additional⁶ Additional Training.** We may offer mandatory additional training programs from time to time. You and your general or location manager must participate in refresher training for up to five (5) days per year, at a location we designate. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training and without limitation, costs of travel, lodging, meals and wages. ~~The Franchisor reserves the right to impose a reasonable fee for additional training programs.~~

⁷ *Annual Conference or Business Meeting.* We may require you to attend a national business meeting or annual convention for up to five (5) days per year, at a location we designate. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with attendance at Franchisor's national business meeting or annual convention.

⁸ *Appointment Center.* Our Appointment Center will field telephonic and electronic customer inquiries and arrange appointments with the customer for your follow-up. You must participate in the Appointment Center program. We reserve the right to modify the Appointment Center program as we deem appropriate.

⁹ *National Accounts and Corporate Sales.* We have the right to negotiate arrangements with customers who have regional or nationwide locations ("National Accounts") or other customers that were generated and sold as part of our marketing ("Corporate Sales"), including pricing, which will bind all franchisees providing services to such National Accounts or Corporate Sales. If you are given a National Account or Corporate Sale, you must pay this National Accounts and Corporate Sales fee for each sale. You must participate in the National Accounts and Corporate Sales program. We reserve the right to modify the National Accounts and Corporate Sales program as we deem appropriate.

¹⁰ *Interim Management Fee.* In the event of your death or disability, your default of the Franchise Agreement, absence of a qualified general manager, or other reasons, in our sole discretion, we may provide interim on-site management of your Pink's Window Services outlet. This also applies to investors who have a Regional Director for franchisees with more than 5 units.

¹¹ *Proposed Item or Supplier Evaluation Costs.* If you wish to purchase, lease or use any, equipment, supplies, services or other items from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service.

¹² *Indemnification.* You must indemnify and hold us, our affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

¹³ *Non-Compliance Fee/Reimbursement of Cost and Expenses for Non-compliance.* \$500 per documented incident. If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Pink's Window Services outlet or take steps to modify, alter or de-identify the Franchised Location upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Location.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$59,000	Lump Sum	At signing of FA	Us
Your Training Expenses ¹	\$3,000 to \$5,500	As arranged	As incurred	Third parties and Us
Vehicle Lease and Wrap ²	\$3,000 to \$12,000	As arranged	As arranged	Third parties
Master Class ³	\$5,000	As arranged	At signing of FA	Us
Business Licenses and Permits ⁴	\$0 to \$1,000	As arranged	As incurred	Third parties
Computer System and Setup ⁵	\$500 to \$1,000	As arranged	As arranged	Third parties
Uniforms and Branded Materials ⁶	\$2,000 to \$3,000	As arranged	As arranged	Third parties
Office Equipment and Supplies ⁷	\$500 to \$2,500	As arranged	As arranged	Third parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Professional Fees ⁸	\$500 to \$2,500	As arranged	As incurred	Third parties
Marketing Development Fee ⁹	\$5,000	As arranged	As incurred Before opening	Us or an affiliate
Grand Opening Advertising/ Marketing ¹⁰	\$10,000 to \$15,000	As arranged	As incurred	Third parties, us or an affiliate
Insurance ¹¹	\$2,500 to \$5,000	As arranged	As arranged	Insurance Broker / Company
Initial Inventory and Equipment ¹²	\$12,000 to \$15,000	As arranged	As arranged	Third parties
Real Estate ¹³				
Additional Funds (3 Months) ^{13 14}	\$25,000 to \$35,000	As arranged	As incurred	Third parties
TOTAL ¹⁴ TOTAL	\$128,000 \$166,500			

Notes:

¹ **Your Training Expenses.** The cost of the Initial Management Training Program is \$1,500 per individual trained and we typically expect 1-2 individuals to attend the training program. The chart estimates the costs for transportation, lodging, and meals for your trainee(s). Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation, and living expenses. The duration of the onsite training program is up to three days. This estimate does not include (i) the \$10,000 fee in connection with our optional commercial training program, or (ii) employee wages.

² **Vehicle Lease and Wrap.** You must use a vehicle of the make, model, and age we require, for travel to your clients' properties. Your vehicle must be no more than three years old and in good condition at the time vehicle wrapping occurs, free of noticeable dents or damage. You may use a vehicle you currently own, if we determine, in our sole discretion, that it meets our specifications, and we give our consent. Our standard offering assumes that you will lease the vehicle. The high end of both estimates represents the cost of vehicle lease payments for three months (along with getting the vehicle wrapped) plus taxes, fees, and registration. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches.

³ **Master Class.** This is a one-time charge for access to our master class coaching. This includes two seats to attend our monthly master class meetings. Each additional seat is \$2,500 per person.

⁴ **Business Licenses and Permits.** You are responsible for applying for, obtaining, and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the cost of local business licenses that typically remain in effect for 1 year. This estimate further includes the initial cost of licenses, certifications and/or permits that may be required by you or your employees to provide services offered by the Franchise. The costs of permits and licenses will vary

by location. The low end of this estimate assumes that you are already in possession of the business licenses and permits.

5 Computer System and Setup. We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. This estimate includes the cost of a laptop, smartphone, tablet, or an iPad, and purchase, installation and access to the software we require. This estimate also includes the cost to install House Call Pro. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and revenue and customer information. We reserve the right to change your requirements for computer hardware and software at any time.

6 Uniform and Branded Materials. You are responsible for obtaining shirts, hats, business cards, and other items for your business.

7 Office Equipment and Supplies. Our standard offering assumes you will operate from an office in your home. You will need miscellaneous office supplies and consumables. This estimate includes office equipment and supplies for 3-4 people.

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

9 Marketing Development Fee. You are responsible for paying us a Marketing Development Fee of \$5,000 to cover initial webpage development, localized SEO, customized graphics and design, custom ad development.

10 Grand Opening Advertising/Marketing. You are required to spend between \$10,000 to \$15,000 during the 90 days prior to the launch of your business or 90 days following the launch of your business, in addition to \$3,000 per month local ad spend after the launch of your business.

11 Insurance. Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. We estimate that you will have to pay your insurance carrier or agent the full annual premium in advance. Insurance costs and requirements may vary widely in different localities. The estimate is for one year of liability insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

12. Initial Inventory and Equipment. Equipment includes items such as a water filtration system, ladder, hoses, pressure washer, and other window cleaning items.

~~**13-Additional Funds.**~~ **13 Real Estate.** Because our standard offering assumes that you will operate from a home office, we do not include any amounts for the purchase or rental of any real estate.

14 Additional Funds. When calculating Additional Funds, we relied upon the experience of our affiliate owned Pink's Window Services outlet to compile this range, as well as amounts provided by our franchisees and suppliers. This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, additional marketing costs and

other miscellaneous items. The estimate for the employee model is higher because it assumes that you will need additional funds for payroll in connection with those employees. These estimates do not include any compensation to you nor do they include debt service.

~~¹⁴**Total.** We relied upon the experience of our affiliate owned Pink's Window Services outlet to compile these estimates along with amounts provided by our franchisees and suppliers. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period. We estimate that a franchisee can expect to put additional cash into the business during at least the first three months, and sometimes longer.~~

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

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

YOUR ESTIMATED INITIAL INVESTMENT – MULTI-UNIT ADDENDUM¹

Type of Expenditure	Offering	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ²	2 Territories	\$108,000	Lump Sum	On signing Multi-Unit Addendum	Us
	3 Territories	\$147,000			
	4 Territories	\$186,000			
Initial Investment to Open the Franchised Business in One Territory ³		\$69,000 to \$107,500	See Item 7 Table above for the estimated initial investment to open a Franchised Business		
TOTAL⁴	2 Territories	\$177,000 to \$215,500	This is the total estimated initial investment to enter into a Multi-Unit Addendum for the right to develop two to four Territories, as well as the costs to open and commence operating the Franchised Business in the first Territory for the first three months.		
	3 Territories	\$216,000 to \$254,500			
	4 Territories	\$255,000 to \$293,500			

Notes

¹ All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Multi-Unit Addendum for the right to develop between two and four Territories, as well as the initial investment to open your Franchised Business in the first Territory.

² The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to develop between two to four Territories. The Development Fee is calculated as follows: (i) \$59,000 for the first Territory, (ii) \$49,000 for the second Territory, and (iii) \$39,000 for the third and each additional Territory, if purchased at the same time.

³ This figure represents the total estimated initial investment required to open the Franchised Business in one Territory. You will be required to enter into all of the Franchise Agreements for the Territories that you purchase the right to develop upon execution of the Multi-Unit Addendum. This range includes all of the items outlined in the first Item 7 Chart above, except for the \$59,000 Initial Franchise Fee because, upon full payment of the Development Fee, you will not be required to pay any Initial Franchise Fee in connection with your initial Territory and each Territory you develop under the Multi-Unit Addendum.

⁴ Please note that this row does not include the initial investment you will need to undertake in connection with developing your second and any other Territory you are granted the right to develop under your Multi-Unit Addendum.

**YOUR ESTIMATED INITIAL INVESTMENT – FIVE TERRITORIES
(CEO - MODEL)**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$225,000	Lump Sum	At signing of FA	Us
Your Training Expenses ¹	\$6,000 to \$18,000	As arranged	As incurred	Third parties and Us
Vehicle Lease and Wrap ²	\$15,000 to \$60,000	As arranged	As arranged	Third parties
Master Class ³	\$5,000 to \$20,000	As arranged	At signing of FA	Us
Business Licenses and Permits ⁴	\$0 to \$3,500	As arranged	As incurred	Third parties
Computer System and Setup ⁵	\$3,000 to \$6,000	As arranged	As arranged	Third parties
Uniforms and Branded Materials ⁶	\$10,000 to \$15,000	As arranged	As arranged	Third parties
Office Equipment and Supplies ⁷	\$3,000 to \$15,000	As arranged	As arranged	Third parties
Professional Fees ⁸	\$500 to \$2,500	As arranged	As incurred	Third parties
Marketing Development Fee ⁹	\$5,000 to \$25,000	As arranged	As incurred <u>Before Opening</u>	Us or an affiliate

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Inventory and Equipment	\$60,000 to \$75,000	As arranged	As incurred	Third parties
Grand Opening Advertising/ Marketing ¹⁰	\$50,000 to \$75,000	As arranged	As incurred	Third parties, us or an affiliate
Insurance ¹¹	\$12,500 to \$25,000	As arranged	As arranged	Insurance Broker / Company
6 Months RD Salary ¹²	\$40,000 to \$50,000	As arranged	As arranged	Regional Director
<u>Real Estate</u> ¹³	<u>\$0</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Additional Funds (3 Months) ^{13,14}	\$125,000 to \$175,000	As arranged	As incurred	Third parties
TOTAL <u>TOTAL</u> ¹⁴	\$560,000 to \$790,000			

Notes

¹ **Your Training Expenses.** The cost of the Initial Management Training Program is \$1,500 per individual trained and we typically expect 2-6 individuals to attend the training program. The chart estimates the costs for transportation, lodging, and meals for your trainee(s). Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation, and living expenses. The duration of the onsite training program is up to three days. This estimate does not include (i) the \$10,000 fee in connection with our optional commercial training program, or (ii) employee wages.

² **Vehicle Lease and Wrap.** You must use a vehicle of the make, model, and age we require, for travel to your clients' properties. Your vehicle must be no more than three years old and in good condition at the time vehicle wrapping occurs, free of noticeable dents or damage. You may use a vehicle you currently own, if we determine, in our sole discretion, that it meets our specifications, and we give our consent. Our standard offering assumes that you will lease the vehicle. The high end of both estimates represents the cost of vehicle lease payments for three months (along with getting the vehicle wrapped) plus taxes, fees, and registration. This estimate assumes the lease for five to six vehicles. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches.

³ **Master Class.** This is a one-time charge for access to our master class coaching. This estimate is for 2-8 people to attend the Master Classes.

⁴ **Business Licenses and Permits.** You are responsible for applying for, obtaining, and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the cost of local business licenses that typically remain in effect for 1 year. This estimate further includes the initial cost of licenses, certifications and/or permits that may be required to provide services offered by the Franchise. The low end of this estimate assumes that you are already in possession of the business licenses and permits.

⁵ **Computer System and Setup.** We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. This estimate includes the cost of a laptop, smartphone, tablet, or an iPad for five to six people. It also includes purchase, installation and access to the software we require, as well as the cost to install House Call Pro. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and revenue and customer information. We reserve the right to change your requirements for computer hardware and software at any time.

⁶ **Uniform and Branded Materials.** You are responsible for obtaining shirts, hats, business cards, and other items for your business.

⁷ **Office Equipment and Supplies.** Our standard offering assumes you will operate from an office in your home. You will need miscellaneous office supplies and consumables. This estimate includes office equipment and supplies for five Territory Managers and one Regional Director.

⁸ **Professional Fees.** You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. ~~We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document and the Franchise Agreement.~~ It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Business.

⁹ **Marketing Development Fee.** You are responsible for paying us a Marketing Development Fee of \$5,000 - \$25,000 to cover initial webpage development, localized SEO, customized graphics and design, custom ad development. -We will determine how much your Marketing Development Fee will be based on the size and number of Territories as well as whether your Territories are contiguous with one another.

¹⁰ **Grand Opening Advertising/Marketing.** You are required to spend between \$50,000 to \$75,000 (\$10,000 - \$15,000 per Territory) during the 90 days prior to the launch of each Territory or 90 days following the launch of each Territory, in addition to \$3,000 per month per territory local ad spend after the launch of your business.

¹¹ **Insurance.** Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. We estimate that you will have to pay your insurance carrier or agent the full annual premium in advance. Insurance costs and requirements may vary widely in different localities. The estimate is for one year of liability insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

^{12.} **6 Months RD Salary.** If you decide to obtain a Regional Director rather than assuming that role yourself, then this estimate includes salary for the Regional Director for 3 months prior to opening and 3 months after opening the Franchised Business.

^{13.} **Additional Funds. Real Estate.** Because our standard offering assumes that you will operate from a home office, we do not include any amounts for the purchase or rental of any real estate.

¹⁴ **Additional Funds.** When calculating Additional Funds, we relied upon the experience of our affiliate owned Pink's Window Services outlet to compile this range, as well as amounts provided by our franchisees and suppliers. This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business

that may exceed this estimate. This estimate includes such items as initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, additional marketing costs and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service.

~~¹⁴**Total.** We relied upon the experience of our affiliate owned Pink's Window Services outlet to compile these estimates along with amounts provided by our franchisees and suppliers. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period.~~

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

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

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ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

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

suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee of \$500.

Our officers, Steven Montgomery and Allan Alarcon, own an interest in ResiCreative LLC. Our officer, Steven Montgomery, owns interest in ResiConnect LLC. Except as set forth herein, none of our officers own any interest in any other supplier other than us. We are the only approved supplier for the Master Class and the services provided for the Marketing Development Fee.

During the 2023 calendar year, we derived the following amounts from franchisee required purchases: (i) \$25,000 in Marketing Development Fees, and (ii) \$1,200 in Technology Fees. This amounts to 24% of our total revenue of \$108,955 from 2023. We do not currently receive any rebates from our suppliers, however, we reserve the right to receive rebates from suppliers in the future.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately between 20% and 31% of your costs to establish your Franchised Business and approximately 18%-25% of your costs for ongoing operation.

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

You must obtain the following insurance coverages:

Liability. Comprehensive general liability insurance, including errors and omissions coverage, personal and advertising injury coverage, and in the form of a general liability rider or as a separate policy, in the amount of at least One-Million Dollars (\$1,000,000) per occurrence and Two-Million Dollars (\$2,000,000) in the aggregate;

Employment. Worker's compensation coverage in the limits required by state law, employment practices/abuse, and employee dishonesty insurance with third-party coverage in the amount of at least One-Thousand-Four Hundred Dollars (\$1,400), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

Auto. Commercial automobile insurance in the amount of at least a combined single limit for bodily and property damage of at least a Seven Hundred and Fifty Thousand dollars (\$750,000), or greater if required by state law;

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

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

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the

- d. provide you with initial training at our headquarters in Austin, Texas. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).
- e. provide you with samples or digital artwork of advertising and promotional materials for your initial marketing activities (Franchise Agreement, Section 10.4).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is forty-five to ninety (45-90) days. Before you may open, you must (i) complete our Initial Management Training Program, (ii) hire and train your staff, if required, (iii) acquire all equipment, computer systems, software, applications and vehicle we require, and (iv) obtain required licenses to operate the Franchised Business. This timeline assumes that you already have the requisite experience to meet the requirements to obtain a license in your Territory. Factors that may affect this time period include your ability to acquire license and permits and completion of required training. If you have not opened your Franchised Business within ninety (90) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. ~~(Franchise Agreement, Sections 8.2) Although our standard offering assumes that you will operate the Franchised Business from a home office, if you choose to secure a commercial space, you must secure a space that meets our then-current requirements. We will consider factors such as the general location and neighborhood, distance from competitors, demographics, zoning, traffic patterns, parking, and overall interior and exterior size. We will review and approve or disapprove of any site within 20 days of your submission of the information for that site to us. If we cannot agree on a site for the Franchised Business, your Franchise Agreement may be terminated and you may lose your Initial Franchise Fee. The site for your business must be located within your Territory. (Franchise Agreement, Sections 8.1, 8.2 and 8.3).~~

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a ~~reasonable fee~~ of \$500 per trainer per day, plus actual expenses for tuition and/or attendance for all additional training programs, including as well as a fee for the annual business meeting or conference ~~with a fee ranging~~ from \$500 to \$5,000. You must also pay for your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).
- b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.4).

- c. upon your request, provide individualized assistance to you ~~within reasonable limits~~ by telephone, video conference, electronic mail or postage service, subject at all times to availability of our personnel ~~and in reasonable limits~~ (Franchise Agreement, Section 7.5).
- d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.4).
- e. maintain the Pink's Window Services website with a link to your Franchised Business contact information and completed work. (Franchise Agreement, Section 12.3.6).
- f. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.5).
- g. subject to applicable law, recommend minimum and maximum prices for the services and products offered by your Franchised Business. You may provide your Franchised Business services and products at any price that you determine within our parameters. Our suggested prices are not a representation, warranty or guarantee that such prices will enhance your sales or profit (Franchise Agreement, Section 12.5,12.7).
- h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within thirty (30) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within thirty (30) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6); and
- i. approve your office location, ~~if you choose to relocate to commercial premises, which approval is in our sole discretion~~ (Franchise Agreement, Section 10.1).

4. Advertising

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

Your initial campaign will include ~~(i)~~ establishing a social media presence in accordance with our standard Grand Opening. You are required to spend between \$10,000 to \$15,000 per Territory during the 90 days prior to the launch of your business or 90 days following the launch of your business, in addition to your local ad spend. While we do not currently collect this amount, both us and our affiliate reserve the right to collect it in the future. You are also responsible for paying us a Marketing Development Fee of \$5,000 per Territory to cover initial webpage development, localized SEO, customized graphics and design, custom ad development and copy. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

You are required to spend a minimum of \$2,000 per month on local advertising and marketing during the first year of operation. Thereafter, you must spend the greater of \$2,000 per month or 3% of gross revenue. ~~We may increase your minimum local advertising expenditure, in our reasonable discretion.~~ Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

You will pay our affiliate a Local Advertising Management Fee for the management and administration of your Local Advertising in conjunction with your local advertising suppliers. The Local Advertising Management Fee is \$500 per month per outlet. If you are a multi-unit developer and your all your

outlets are operated out of one central location, the Local Advertising Management Fee for each outlet after the first will be \$300 per month per outlet.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within thirty (30) business days; however, if we do not respond within thirty (30) business days, the proposed advertising or marketing material is deemed “disapproved”.

You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Pink’s Window Services franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, TikTok, YouTube, or any other social media and/or networking site without our prior written approval.

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

You are required to contribute to the Brand Development Fund two percent (2%) Gross Revenue per week, which may be increased to up to three percent (3%) Gross Revenue per week, ~~in our reasonable discretion.~~ Each Pink’s Window Services outlet operated by our affiliate or us will contribute to the Brand Development Fund on the same basis as System franchisees. Depending on the year a franchisee executed their franchise agreement, they may be required to contribute different amounts that you.

The Brand Development Fund is administered by our accounting and marketing personnel. ~~We may use Brand Development Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Development Fund contributions to pay any and all costs of marketing seminars and training programs, market research, soliciting National Accounts, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Development Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund. The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.~~

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

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

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

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

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

In 2023, the Brand Fund Contributions were spent as follows: (i) 100% on advertising.

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

Regional Advertising (Franchise Agreement, Section 13.4)

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

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

Advertising Council (Franchise Agreement, Section 9.5)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, ~~in~~at our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance, and profitability. We reserve the right to change or dissolve the council at any time.

5. Computer Systems (Franchise Agreement, Section 12.3)

You are required to have an internet-capable laptop computer, smartphone, tablet, or an iPad that can operate the latest versions of software and computer platforms we require. You will also need House Call Pro. The cost of purchasing the required software is \$500 - \$1,000. ~~The current software access fees are approximately \$800 per month, subject to increase.~~ You are also required to pay our then-current Technology Fee.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross

Safety & Security	2	0	Online
Project Management	2	0	Online
Administration	2	0	Online
Vendors, Suppliers, and Resources	10	0	Online
Compliance	1	0	Online
TOTAL	39	20.5	

We periodically conduct our Initial Management Training Program throughout the year, as needed.

Our Co-Founders/Co-Presidents, Brandon Downer, and Carter Smith, oversee the training program. Brandon and Carter have owned and operated Pink’s Window Services since 2020.

Our training materials consist of videos, reference books, worksheets, and forms and/or our Operations Manual. You will receive both classroom instruction and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

Our current fee to provide initial training is \$1,500 per person. Typically, 1-2 trainees attend the training program per Territory. The cost of our instructors and training materials and up to three days on-site training are included in this Initial Training Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation and most meals for yourself and your personnel. Additionally, we also offer an optional 2-week commercial training program that costs \$10,000 per person.

If you purchase the right to operate in five or more territories, you are required to retain a Regional Director to manage all local territory managers and that Regional Director will be required to complete an additional week of training at our headquarters at a cost of \$3,500 per person.

If you do not complete our Initial Management Training Program to our satisfaction, (meaning that you complete each portion of the Initial Management Training Program), we reserve the right to terminate the Franchise Agreement.

We may conduct mandatory additional training programs, including an annual conference or national business meeting. If we require it, you and/or your location manager must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee of \$500 per trainer per day, plus actual expenses for tuition and/or attendance for all additional training programs, including as well as a fee for the annual business meeting or conference with a fee ranging from \$500 to \$2,500 to \$5,000. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer’s travel costs.

business by word of mouth referral or for commercial work outside of their territory even if it is in another franchisee's territory (v) you otherwise obtain our prior approval.

ITEM 13: TRADEMARKS

Pink's Franchise Holdings, LLC ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a Pink's Window Services outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Pink's Window Services Marks, as described below (the "Principal Marks").

~~We have filed applications for registration of~~ Licensor owns the following Principal Marks that are currently registered on the Principal Register of the United States Patent and Trademark Office:

Mark	<u>Serial</u> Registration Number	Registration <u>Filing</u> Date	Register
Pink's Window Services	<u>979314497406164</u>	<u>May 11, 2023</u> <u>June 4, 2024</u>	Principal
	<u>980009467407113</u>	<u>May 17, 2023</u> <u>June 4, 2024</u>	Principal

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

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

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

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

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

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

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law is void.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Item 5 is hereby supplemented by adding the following:

Payment of the Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

AMENDMENT TO THE PINK’S FRANCHISING LLC FRANCHISE AGREEMENT AND MULTI-UNIT ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”), which govern the attached Pink’s Franchising LLC Franchise Agreement (the “Franchise Agreement”), the parties thereto agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

2. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

“Illinois law governs the terms of this Franchise Agreement and Multi-Unit Addendum.”

3. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

4. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

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

6. No statement, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

7. Section 6 of the Franchise Agreement and Section 2 of the Multi-Unit Addendum are amended by adding the following language:

Payment of the Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement and Multi-Unit Addendum on the same date as that on which the Franchise Agreement and Multi-Unit Addendum were executed.

FRANCHISOR:

Pink's Franchising LLC

By: _____

Steven Montgomery , CEO
(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

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

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Maryland Franchise Law”). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a Pink’s Window Services franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.

2. No statement, questionnaire, ~~clause,~~ or ~~statement acknowledgment~~ signed ~~or agreed to~~ by a franchisee in connection with the commencement of the franchise relationship shall ~~be construed or interpreted as have the effect of~~ (i) waiving any ~~claim of claims under any applicable state franchise law, including~~ fraud in the inducement, ~~whether common law or statutory, or as~~ (ii) disclaiming reliance on ~~or the right to rely upon~~ any statement made ~~or information provided~~ by any franchisor, ~~broker franchise seller,~~ or other person acting on behalf of the franchisor ~~that was a material inducement to a franchisee’s investment.~~ This provision supersedes any other ~~or inconsistent~~ term of any document executed in connection with the franchise.

33. Item 5 is hereby amended to include the following language: Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fee and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

4. Item 17 is amended to state:

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

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

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

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

THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

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AMENDMENT TO THE PINK'S WINDOW SERVICES FRANCHISE AGREEMENT AND MULTI-UNIT ADDENDUM REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Pink's Franchising LLC Franchise Agreement (the "Franchise Agreement") and Multi-Unit Addendum ("Multi-Unit Addendum") agree as follows:

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

2. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

3. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

4. To the extent of any inconsistencies, the Franchise Agreement and Multi-Unit Addendum are hereby amended to further state:

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

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. No statement, questionnaire, ~~clause~~, or ~~statement acknowledgment~~ signed ~~or agreed to~~ by a franchisee in connection with the commencement of the franchise relationship shall ~~be construed or interpreted as~~ have the effect of (i) waiving any ~~claim of claims under any applicable state franchise law, including~~ fraud in the

inducement, ~~whether common law or statutory, or as(ii)~~ disclaiming reliance on ~~or the right to rely upon~~ any statement made ~~or information provided~~ by any franchisor, ~~broker~~franchise seller, or other person acting on behalf of the franchisor ~~that was a material inducement to a franchisee's investment.~~ This provision supersedes any other ~~or inconsistent~~ term of any document executed in connection with the franchise.

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

The parties hereto have duly executed this Maryland Amendment to the Franchise Agreement and Multi-Unit Addendum on the same date as that on which the Franchise Agreement and Multi-Unit Addendum were executed.

FRANCHISOR:

Pink's Franchising LLC

By: _____

Steven Montgomery, CEO

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Franchise Disclosure Document is agreed to this day of _____, 20__, and effectively amends and revises said Franchise Disclosure Document, Franchise Agreement and Multi-Unit Addendum as follows:

1. The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Addendum are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Addendum are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Addendum are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Addendum are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. The Franchise Agreement, and Multi-Unit Addendum are hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 20 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The Franchise Agreement and Multi-Unit Addendum are hereby amended accordingly.

9. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

10. 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 with the franchise.

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statement is added to the Franchise Disclosure Document:

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.

The following statement is added to the Risk Factor Page:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$128,000 to \$166,500. This amount exceeds the franchisor's stockholder's equity as of December 31, 2023, which is \$70,703.

The following statements are added to Item 17.h.

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

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

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

The following is hereby added to the Franchise Agreement:

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.

FRANCHISOR:

PINK'S FRANCHISING LLC

By:

Steven Montgomery, Founder
(Print Name, Title)

Date:

FRANCHISEE:

By:

(Print Name, Title)

Date:

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

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

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

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

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

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

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

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

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending Registration <u>May 29, 2024</u>
Hawaii	Pending Effective Registration
Illinois	Pending Registration
Indiana	Pending Registration <u>May 10, 2024</u>
Maryland	Pending Registration
Michigan	February 16, 2024
Minnesota	Pending Registration
New York	Pending Registration
North Dakota	Pending Registration
Rhode Island	Pending Registration <u>May 22, 2024</u>
South Dakota	Pending Registration <u>May 3, 2024</u>
Virginia	Pending Registration <u>June 21, 2024</u>
Washington	Pending Registration
Wisconsin	Pending Registration <u>May 2, 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.