

FRANCHISE DISCLOSURE DOCUMENT



Homestretch Home Services II LLC
An Ohio limited liability company
5041 Oaklawn Drive
Cincinnati, Ohio 45227
(513) 268-7088
franchise@home-stretch.com
www.home-stretch.com

We offer qualified individuals and entities the right to operate a business offering residential and commercial (with our prior approval) home clear-outs, handyman services, interior and exterior painting, pressure washing, landscaping, junk removal, cleaning, and carpet/flooring replacements under our then-current proprietary mark, which is currently “HOMEstretch” (the “Franchised Business”).

The total investment necessary to begin operation of a Franchised Business ranges from \$104,400 - \$171,800, which includes \$60,000 that must be paid to us or our affiliates prior to opening.

We also offer qualified parties the right to enter into multiple franchise agreements at once in addition to a multi-territory addendum to operate multiple Franchised Businesses. The total investment necessary to operate three (3) Franchised Businesses is \$179,400 - \$246,800. This amount includes (i) the initial investment necessary to begin operation of the Franchised Business in the first territory, and (ii) a \$135,000 multi-territory fee that must be paid to us or our affiliates. The total investment necessary to operate six (6) Franchised Businesses is \$284,400 - \$351,800. This amount includes (i) the initial investment necessary to begin operation of a Franchised Business in the first territory, and (ii) a \$240,000 that must be paid to us or our affiliates. The total investment necessary to operate ten (10) Franchised Businesses is \$394,400 - \$461,800. This amount includes (i) the initial investment necessary to begin operation of the Franchised Business in the first territory, and (ii) \$350,000 that must be paid to us or our affiliates. The minimum number of Franchised Businesses you are required to develop under the Multi-Territory Addendum is two (2).

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Homestretch Home Services II LLC at 5041 Oaklawn Drive, Cincinnati, Ohio 45227, or call (513) 268-7088.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an 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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The Franchisor is referred to in this Disclosure Document as “we,” “us” or “our.” “You” or “your” means the person who buys the franchise and includes your owners and principals if you are a corporation, limited liability company, or other business entity.

The Franchisor

We are a limited liability company organized under the laws of the State of Ohio formed on August 15, 2022. Our principal business address is 5041 Oaklawn Drive, Cincinnati, OH 45227. We conduct business under our company name and our then-current proprietary marks, which is currently “HOMEstretch.” Our agents for service of process are listed in Exhibit A to this Disclosure Document.

We grant qualified individuals and entities the right to operate a business offering residential home clear-outs, painting, pressure washing, handyman services, landscaping, junk removal, cleaning, and carpet/flooring replacements, and other services (collectively, the “Approved Services”), under our then-current proprietary mark(s), which is currently “HOMEstretch” (the “Franchised Business”). Upon our prior written approval, we may also allow you to provide the Approved Services to commercial customers. The Franchisee will provide some services directly to customers, however, most of the time spent should be building relationships with people or organizations searching for the Approved Services such as real estate agents and brokers, banks, relocation companies, title agents, real estate attorneys, appraisers, mortgage brokers and lenders, and financial institutions (each, a “Referral Source”). However, some of the Approved Services offered by the Franchised Business will be provided by third-party subcontractors that have the appropriate licensing, permits and credentials to provide the Approved Services at issue to the customer. You will not be able to offer skilled services that require a license such as finished carpentry, electrical or plumbing work without our written authorization. You must also offer and sell to your customers designated products (the “Approved Products”) associated with the Services.

We started franchising on December 20, 2022. Except as set forth above, we do not engage in any other business activities and have not offered franchises in any other line of business. We have not conducted a business of the type to be operated by you.

The Franchised Business

Each Franchised Business operates according to our proprietary business system which includes our valuable know-how, information, trade secrets, methods, Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential communications, methods of Internet usage, marketing programs, and research and development (collectively, the “System”). We reserve the right to add, modify or change the System, Approved Products and Approved Services at any time.

You must enter into our current form of franchise agreement (each, a “Franchise Agreement”), which is attached to this Disclosure Document as Exhibit B, for each Franchised Business we grant you the right to open and operate.

Multi-Territory Offering

We also offer qualified parties the right to enter into a Multi-Territory Addendum attached to this Franchise

and regulations before purchasing a franchise from us.

Each state, county, or municipality may have different licensing requirements for performing repair and/or remodeling services. We are aware of the following states which may require a license for performing some types of home repairs and/or remodeling: Arizona, Florida, California, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Oregon, Utah, Virginia, Washington, and certain counties in Florida. There may be other states, counties, or municipalities that also require a license.

You must investigate all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, with an attorney and/or financial advisor before purchasing a Franchised Business from us. ~~It is solely your responsibility to investigate these laws and regulations, and you alone are responsible for compliance despite any advice or information that we may give you.~~ We have not researched any of these laws or regulations to determine their specific applicability to your Franchised Business. Applicable laws and regulations are subject to change.

ITEM 2 BUSINESS EXPERIENCE

Derek Shewmon: Chief Executive Officer

Mr. Shewmon has been our Chief Executive Officer since our inception in Cincinnati, Ohio. Mr. Shewmon is also: (i) Founder of Homestretch Services, LLC and has held this position since March 2019 in Cincinnati, Ohio; (ii) Member of Ohio Building Services and has held this position since March 2019 in Cincinnati, Ohio; and (iii) an Adjunct Professor at the University of Cincinnati and has held this position since January 2019. Mr. Shewmon was also previously the Vice President of Local Markets for Everything But The House in Blue Ash, Ohio and held that position from September 2015 to March 2019.

Nick Lobert: President

Mr. Lobert has been our President since our inception in Cincinnati, Ohio. Mr. Lobert is also: (i) a Founder of Homestretch Services, LLC and has held this position since March 2019 in Cincinnati, Ohio; and (ii) Member of Ohio Building Services and has held this position since March 2019 in Cincinnati, Ohio. Mr. Lobert also previously served as General Manager of Everything But The House in Blue Ash, Ohio and held this position from April 2014 to March 2019.

Allie Wood: Director of Marketing

Ms. Wood has been our Marketing Director since August 2020 and is located in Cincinnati, Ohio. Ms. Wood also previously held the following positions: (i) RTW Design Intern of STAUD in Los Angeles, California from August 2019 to December 2019; and (ii) Production Design Assistant of Grind & Glaze in Cincinnati, Ohio from January 2019 to May 2019.

Evan Lewis: Franchise Business Manager

Mr. Lewis has been our Director of Business Development since September 2021 and is located in Cincinnati, Ohio. Mr. Lewis also previously served as the Clinical Data Coordinator at Medpace in Cincinnati, Ohio from July 2020 to September 2021.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Franchise Agreement

Initial Franchise Fee. You must pay us an initial franchise fee amounting to \$60,000 (the “Initial Franchise Fee”) in a lump sum at the time you enter into your Franchise Agreement with us, which is deemed fully earned when paid and is non-refundable upon payment.

Veterans Discount. For qualified individuals who were honorably discharged from any branch of the United States Military, the Initial Franchise Fee will be discounted by \$5,000. The discount only applies to your first Franchised Business/Designated Territory.

Multi-Territory Addendum

Multi-Territory Fee. If we grant you the right to participate in our Multi-Territory Offering, then you must pay us a multi-territory fee based on the number of Franchised Businesses we grant you the right to operate. The minimum number of Franchised Businesses you are required to develop under the Multi-Territory Addendum is two (2).

Our multi-territory fee is set forth below (“Multi-Territory Fee”):

<u>Number of Territories</u>	<u>Multi-Territory Fee</u>
1	\$60,000
2	\$110,000
3	\$135,000
4	\$180,000
5	\$225,000
6	\$240,000
7	\$280,000
8	\$320,000
9	\$360,000
10 +	\$350,000 (plus \$35,000 for each additional Franchised Business above ten)

Except as described above, all of the fees described in this Item 5 are paid in a lump sum and are uniformly

amounts owed to us and/or our affiliates through an electronic funds transfer program (the “EFT Program”), under which we automatically deduct all payments owed to us and/or our affiliates, from the bank account you provide to us for use in connection with EFT Program (the “EFT Account”). You must immediately deposit all revenues from operation of your Franchised Business into this bank account within two (2) days upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, you must provide us with: (i) your bank’s name, address, and account number; and (ii) a voided check from the bank account. You must immediately notify us of any change in your banking relationship, including any change to the EFT Account. We reserve the right to require you to pay any fees due under by other means as we may specify from time to time. If any Gross Revenue Report has not been received within the required time period, then we may process an electronic funds transfer for the subject month based on the most recent Gross Revenue Report you submitted, provided, that if a Gross Revenue Report for the subject month is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the electronic funds transfer, then we may withdraw additional funds through an electronic funds transfer from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the electronic funds transfer, then we will credit the excess amount to the payment of your future obligations.

2. Royalty Fee; Minimum Weekly Royalty Fee.

Royalty Fee. You must pay us a weekly royalty fee (the “Royalty Fee”), which is equal to the greater of (i) 7.25% of Gross Revenues, or (ii) the Minimum Royalty Fee (as defined below). The Royalty Fee is currently deducted on Friday of each week. We reserve the right to change the interval when you pay the Royalty Fee to us upon reasonable notice to you.

Minimum Royalty Fee. Your Minimum Royalty Fee is based upon: (i) the number of months the Franchised Business has been open and operating; and (ii) the number of Territories that you operate in. The Franchised Business is considered open and operating in all Territories on the day that you open and operate in the first Territory. The minimum weekly royalty fee is (the “Minimum Weekly Royalty Fee”):

Months of Operation	1 Territory	2 Territories	3 Territories	4 Territories	5 Territories	6 + Territories
0 -12	\$0	\$0	\$0	\$0	\$0	\$0
13 – 24	\$275	\$425	\$570	\$725	\$860	\$990
25 – 36	\$350	\$600	\$825	\$1,025	\$1,200	\$1,350
4737 – 48+	\$425	\$725	\$975	\$1,225	\$1,425	\$1,600

Gross Revenues. “Gross Revenues” means all revenue that Franchisee receives or otherwise derives from operating the Franchised Business, whether from cash, check, credit or debit card, or other credit transactions. If Franchisee receives any proceeds from any business interruption insurance applicable to loss of revenue at the Franchised Business, there shall be added to Gross Revenue an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Revenue includes promotional allowances or rebates paid to Franchisee in connection with Franchisee’s purchase of products or supplies or its referral of customers. Gross Revenue does not include (i) any bond fide returns and credits that are actually provided to customers, and (ii) any sales or other taxes that Franchisee collects from customers and pays directly to the appropriate

B. YOUR ESTIMATED INITIAL INVESTMENT FOR A MULTI-TERRITORY OFFERING¹

TYPE OF EXPENDITURE	OFFERING	AMOUNT	METHOD OF PAYMENT	TIME OF PAYMENT	TO WHOM PAYMENT IS TO BE MADE
Multi-Territory Fee (Note 2)	3 Territories	\$135,000	Lump Sum	Upon Execution of Multi-Territory Addendum	Us
	6 Territories	\$240,000			
	10 Territories	\$350,000			
Initial Investment to Open Initial Franchised Business in One Territory (Note 3)		\$44,400 - \$111,800	See Item 7, Chart A		
Total (Note 4)	3 Territories	\$179,400 - \$246,800	This is the total estimated initial investment to enter into a Multi-Territory Addendum for the right to develop either 3, 6, or 10 territories, as well as the costs to open and commence operating your initial Franchised Business in one (1) Territory for the first three (3) months.		
	6 Territories	\$284,400 - \$351,800			
	10 Territories	\$394,400 - \$461,800			

Explanatory Notes

1. Generally. 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-Territory Addendum for the right to own and operate a Franchised Business in either three (3), six (6), or ten (10) Territories, as well as the initial investment to open your initial Franchised Business. The minimum number of Franchised Businesses you are required to develop under the Multi-Territory Addendum is two (2).
2. Multi-Territory Fee. You will be required to execute a Franchise Agreement for each Franchised Business you are granted as part of your Multi-Territory Offering, as well as the prescribed form of Multi-Territory Addendum, all at the same time. Upon the execution of these agreements, you will be required to pay us a Multi-Territory Fee as detailed in Item 5 of this Franchise Disclosure Document. The Multi-Territory Fee is deemed fully earned and non-refundable upon payment.
3. Total. Please note that this row does not include the initial investment you will need to undertake in connection with opening your second and any additional Franchised Business you are granted the right to open under your Multi-Territory Addendum.

**ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate your Franchised Business in conformance with our methods, standards, and specifications, which we prescribe in our confidential and proprietary operations manual (the “Operations Manual”), and various other confidential manuals, writings, and other information prepared by us for your use in operating a Franchised Business which are provided in the Operations Manual or other means. We may periodically change our standards and specifications at our sole discretion, and you must comply with

Rights Reserved By Us

Among other things, we and our affiliates also reserve the exclusive right to: (i) establish and operate, and license third parties the right to establish and operate, other Franchised Businesses using the Proprietary Marks and System at any location outside of the Designated Territory; (ii) acquire, merge with, engage in joint ventures with, or otherwise affiliate with, and thereafter own and operate and franchise others the right to own and operate, any business of any kind, including businesses that offer products that are similar to those provided by your Franchised Business, within or outside your Designated Territory; (iii) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (iv) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited under your Franchise Agreement; (v) designate and service National Accounts; (vi) service, route, and/or assign any and all customer work orders and inquiries received through our Call Center; and (vii) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System to engage in any other activities not expressly prohibited under your Franchise Agreement.

While we reserve the right to open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks, neither we nor our affiliates currently have any plans to do so.

Alternate Channels of Distribution

We, our affiliates, or third parties may distribute our and our affiliates' products and services in your Designated Territory, including those already developed and those yet to be developed, through alternate channels of distribution that we may choose. These alternate channels of distribution will include, but are not limited to, the sale and distribution of the products and services via the Internet and through joint marketing with partner companies under terms and conditions that we deem appropriate. This does not give you the right to: (i) to distribute such products or services; or (ii) to share in any of the proceeds that a party received through these alternate channels.

Restriction on Rights

You do not have the right to open additional Franchised Businesses, nor do you have any right of first refusal on any other location. You do not have the right to use the Proprietary Marks or the System at any location outside of the Designated Territory. You may not offer any Approved Products or Approved Services in wholesale, e-commerce, or other channel of distribution besides the retail operation of the Franchised Business within the Designated Territory without our prior written consent. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Designated Territory unless we agree otherwise.

We reserve the right to establish guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Operations Manual or otherwise in writing, including policies related to the allocation of monies when a gift certificate is purchased at one Franchised Business and redeemed at another Franchised Business. We do not have these policies or procedures in place, however, as of the date of this Franchise Disclosure Document.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You (or your principals) must devote their personal full-time attention, skill and best efforts to the management and operation of the Franchised Business and to promote and increase the demand for our products and services within the Designated Territory. You agree that you may not, without our prior written consent, engage in any commercial activity that: (i) may benefit or promote a competing business; and/or (ii) may be injurious to the Franchised Business or the goodwill associated with the Proprietary Marks and System. Your (or your principals') violation of these terms will be a material breach of the Franchise Agreement, and we may terminate the Franchise Agreement with notice and without an opportunity to cure.

Within 90 days of when you open the Franchised Business, you must either (a) assume one position on a full-time basis and designate the other position on a full-time basis, or (b) designate two individuals (one for each position) on a full-time basis: (i) business development manager, who is responsible for client consultations, providing quotes, customer follow-up, and developing referral relationships (the "Business Development Manager"), or (ii) project manager, who is responsible for scheduling jobs, ensuring that jobs start and finish on time, and that job quality meets the standards of Franchisor, clients, and referral partners (the "Project Manager"). The Franchised Business must, at all times, be staffed by at least one individual who has successfully completed the Initial Training Program. In the event the Business Development Manager or Project Manager resigns or is otherwise no longer involved with the Franchised Business, the replacement must be trained pursuant to Franchisor's then-current standards. The new Business Development Manager or Project Manager must successfully complete training within 30 days of hiring. The Business Development Manager or Project Manager are not permitted to seek or maintain other employment during the term of the Franchise Agreement. The Business Development Manager and Project Manager (or other on-premises supervisor) are not required to have an ownership interest in the franchisee entity.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products and services which we prescribe and only those products and services which we prescribe. You may not offer any other products or services for sale without having received our prior written authorization. You must at all times maintain sufficient levels of inventory as specified in the Operations Manual, to adequately satisfy consumer demand. You must offer, use, and sell all private label products which we may now or in the future designate for sale by System franchisees.

All products and services you use or offer for sale from your Franchised Business must comply with our standards and specifications. Our standards and specifications are set forth in the Operations Manual, which is revised from time to time. You are responsible for ensuring that your Franchised Business meets these standards at all times. We have the right to inspect your Franchised Business or attend a project site for quality control purposes. We have the right to change our System from time to time.

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**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

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

A. FRANCHISE AGREEMENT

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	2.1	Ten (10) years, which will commence on the date we execute the Franchise Agreement.
b. Renewal or extension of term	2.2	Two (2) successive 10-year term(s).
c. Requirements for franchisee to renew or extend	2.2.1 through 2.2.9	You must: (i) provide notice of your renewal no fewer than three (3) months and no greater than six (6) months prior to the end of the term; (ii) demonstrate to our satisfaction that you have the right to operate the Franchised Business at the Approved Location for the duration of the renewal term or, if you are unable to continue operating at the Approved Location, secure a substitute location that is acceptable to us; (iii) complete to our satisfaction, no later 90 days prior to expiration of your then-current term, all maintenance, refurbishing, renovating, updating and remodeling of the Franchised Business premises, as well as any update to require hardware and software, as necessary to bring the Franchised Business and all equipment into full compliance with our then-current System standards and specifications for new franchisees; (iv) not be in breach of any provision of the Franchise Agreement, or any other agreement with us, our affiliates, approved/designated suppliers and vendors, and also have been in substantial compliance with these agreements during their respective terms; (v) satisfy all monetary obligations you have to us, our affiliates, and approved or designated suppliers/vendors; (vi) execute our then-current form of franchise agreement, the terms of which may materially vary from the terms of your current Franchise Agreement; (vii) satisfy our then-current training requirements; (viii) execute a general release in favor of us and our affiliates in

well as certain COGs, labor, materials, and certain estimated fees incurred, by the third Affiliate-Owned Location from August 1, 2023 (inception), through December 31, 2023

Part IV of this Financial Performance Representation discloses the historical (i) total Gross Revenue, (ii) number of jobs, (iii) average ticket, and (iv) median ticket generated each month by the first Affiliate-Owned Location from April 8, 2019, through December 31, 2023.

Part V of this Financial Performance Representation discloses the historical (i) total Gross Revenue, (ii) number of jobs, (iii) average ticket, and (iv) median ticket generated each month by the second Affiliate-Owned Location from August 20, 2021, through December 31, 2023.

Part VI of this Financial Performance Representation discloses the historical (i) total Gross Revenue, (ii) number of jobs, (iii) average ticket, and (iv) median ticket generated each month by the third Affiliate-Owned Location from August 1, 2023 (inception), through December 31, 2023.

Part VII of this Financial Performance Representation discloses the historical (i) Gross Revenue, (ii) percent (%) of Sales, and (iii) average, median, high, and low price based on the type of job (clear-out, painting, flooring and carpeting, landscaping, pressure washing, cleaning, and handyman) for the Affiliate-Owned Locations during the 2021 calendar year, 2022 calendar year, and 2023 calendar year.

Part VIII of this Financial Performance Representation discloses the historical average, median, high, and low Gross Revenue generated by the Affiliate-Owned Locations for specific periods in the 2019, 2020, 2021, 2022, and 2023 calendar years.

Part IX of this Financial Performance Representation discloses the historical number of quotes sent, quotes converted, and close rate for the Affiliate-Owned Locations during the 2021, 2022, and 2023 calendar years.

We have not independently audited or otherwise verified this information. ~~Copies of our financial statements that form the bases~~ Written substantiation for ~~our~~ the financial performance representation ~~are~~ will be made available to ~~you~~ the prospective franchisee upon reasonable request.

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MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

Item 5 of the disclosure document shall be amended as follows:

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

In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-territory addendum opens.

Item 17 of the disclosure document shall be amended as follows:

The general release required as a condition of the sale of an existing franchise by a franchisee shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Despite the provisions of Item 17, the ~~franchise~~franchisee may sue in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

Any provision in the Franchise Disclosure Document or agreement(s) which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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.

**MARYLAND ADDENDUM TO THE
FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM**

**THE FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM TO WHICH THIS
ADDENDUM IS ATTACHED AND INCORPORATED IS HEREBY AMENDED AS FOLLOWS:**

1. Despite anything to the contrary contained in the Franchise Agreement or Multi-Territory Addendum, the general release required as a condition of the resale of an existing franchise by a franchisee shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Despite the provisions of Section 18 of the Franchise Agreement and Section 17 of the Multi-Territory Addendum, the Franchisee may sue in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
3. The acknowledgements and representations contained in the Franchise Agreement are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred by Homestretch Home Services II LLC under the Maryland Franchise Registration and Disclosure Law.
4. 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.

5. Section 3 of the Franchise Agreement and Section 4 of the Multi-Territory Addendum are hereby amended to include the following language:

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

In addition, all development/multi-territory fees and initial payments by area developers shall be deferred until the first franchise under the Multi-Territory Addendum opens.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

HOMESTRETCH HOME SERVICES II LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Homestretch Home Services II LLC Franchise Disclosure Document.

Items 5 and 7

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

Item 6

NSF checks are governed by Minnesota Statute 604.1113, which puts a cap of \$30 on service charges.

Item 13

Homestretch Home Services II LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-TERRITORY ADDENDUM

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement or Multi-Unit Addendum to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 of non-renewal of the Franchise Agreement.

2. Homestretch Home Services II LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. The Franchise Agreement and Multi-Territory Addendum shall be supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, nothing in this Agreement shall, in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minn. Stat. '80.C.21 and Minn. Rule 2860.4400J prohibit Homestretch Home Services LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. To the extent you are required to execute a general release in favor of Homestretch Home Services LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.

6. Any claims brought pursuant to the Minnesota Franchises Act, '80.C.01 *et seq.* must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

7. 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.

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

9. NSF checks are governed by Minnesota Statute 604.1113, which puts a cap of \$30 on service charges.

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 registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Pending Registration <u>February 23, 2024</u>
Indiana	Pending Registration <u>March 3, 2024</u>
Maryland	Pending Registration <u>March 7, 2024</u>
Michigan	February 28, 2023
Minnesota	Pending Registration
New York	Pending Registration <u>April 9, 2024</u>
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending Registration <u>March 7, 2024</u>
Washington	Not Registered
Wisconsin	Pending Registration <u>February 23, 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.