

Fee	Amount	Due Date	Remarks
	achieve an average of \$450,000 in annual Gross Sales across all territories, then your per-territory Annual Program Fee will be \$26,000.	Operations Manual (currently, a payment plan of 10 to 26 weeks) as approved by us by January 31 of each year.	territory per year) under the Direct Marketing Program in a calendar year, you must offset this reduction by spending a minimum of \$6,000 per Territory, in such calendar year, in digital advertising with us, an affiliate, or approved supplier, which can include the SEO Program Fees.  Annual Program Fee is \$37,000, unless (i) the Business achieves annual Gross Sales of at least \$450,000 in a calendar year, in which case the Annual Program Fee for the immediately following calendar year will be reduced to \$26,000 (if you meet this Gross Sales threshold and pay the reduced Annual Program Fee, you must also spend \$6,000 in annual digital advertising fee-based services provided by us or our affiliates (through the SEO Program) or an approved supplier, which spend requirement includes the SEO Program Fees); or (ii) the Business achieves annual Gross Sales less than \$250,000 in a calendar year and you are in full compliance with the terms of your Franchise Agreement, you are enrolled in the call center through our affiliate NCS, and you are synced with Qvinci, the Annual Program Fee for the immediately following calendar year will be 15% of that year’s annual Gross Sales, plus you must then spend the difference between \$37,000 and 15% of that year’s annual Gross Sales toward local marketing efforts.
SEO Program Fee <sup>3</sup>	Currently, \$325 per month.	Monthly	The SEO Program Fee is subject to change, with notice, to reflect changes in cost, but as of the date of this Disclosure Document we <del>don't anticipate</del> <u>will not increase</u> the fee <del>to increase annually</del> <u>annually</u> by more than 30% <u>annually</u> . See also Note 3.
Call Center Program Fees <sup>1</sup>	Current fees: \$199.99/month plus \$25 per closed sale	Paid monthly in arrears the first week of each month.	You must participate in our call center program year-round with respect to rollover customer calls and customer calls outside business hours, including on weekends. The call center processes customer requests for services, completes the customer sign-up process, refers service requests to franchisees and otherwise handles customer inquiries (“Call Center Program”). In the future we may require you to use the Call Center Program for all customer calls.

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	or management.		
Regional Meetings/ Annual Convention	Annual Convention Fee, currently up to \$1,000  Costs and expenses incurred by your attendees, plus the costs of travel, lodging and entertainment.  \$2,000 if you fail to attend or participate in the Annual Convention on a pro-rata basis based on number of days you miss at said convention	As incurred.  As incurred.  On receipt of notice.	We may charge a nominal Annual Convention Fee to attend required regional meetings or the required annual conventions. In addition, you are responsible for all costs and expenses incurred by your attendees, including travel, lodging and entertainment. The annual franchisee convention is a critical learning and networking experience for franchisees to continue to grow their business. As a result, attendance is key and if you fail to attend the annual convention, we will require you to pay to us \$2,000 on a pro-rata basis based on number of days you miss at said convention upon receipt of notice from us. If you own multiple franchises, your attendance for one of your franchises qualifies as your attendance for all of your franchises.  <del>We may increase these fees but as of the date of this Disclosure Document we don't anticipate these fees to increase</del> not by more than 30% annually, <del>in addition to any increases from third party vendors.</del>
Transfer Fee	\$7,500, if the gross sales price of the Business is less than \$400,000; or \$20,000 if the gross sales price of the Business is \$400,000 or more.  Development Agreement: \$20,000	Before transfer	You must pay us this fee on the total gross sales price of the Business, including all assets of the Business, when you sell your Business, but we may discount or waive the transfer fee if the transfer is to a legal entity you control or to a member of your immediate family (See Section 10.C of the Franchise Agreement).  If we approve a transfer of a Development Agreement, you must pay this fee for the transfer of the Development Agreement and a separate transfer fee per each Franchise Agreement transferred at the same time (in the amount provided in the Franchise Agreement).
Late Fees <sup>1</sup> (Franchise Agreement)	\$10 per day	On demand	Applies to overdue fees from the due date until all sums are paid.
Dishonored Check or ACH Draft <sup>1</sup>	\$50	On demand	You must pay us for each check returned or ACH draft refused by your financial institution for insufficient funds in your account.

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Interest <sup>1</sup>	12% on unpaid balances	On demand	Payable on all overdue amounts. The twelve percent (12%) charge is calculated as a per annum rate but may be collected on demand, including weekly or monthly, through automatic bank draft.
Additional Training Fees	The then-current fee, currently up to \$500 per trainee per day.	When you are billed.	<p>If you request training in addition to the initial training program (see Item 11), we may charge you a training fee, plus you must pay your costs and expenses in connection with such training. As of the date of this Disclosure Document, we may conduct our training programs remotely/virtually. Therefore, you may not incur travel expenses if your training is done remotely/virtually.</p> <p>We may increase <del>this</del><u>the</u> fee <del>in the future</del> but <del>as of the date of this Disclosure Document, we don't anticipate any such increase to be</del><u>not by</u> more than 30% annually.</p>
Audit <sup>1</sup>	Actual cost of audit plus expenses, plus any amount owed as shown by the audit, plus interest and late fees	When you are billed	Payable only if we find an understatement of Gross Sales of 3% or more or if you fail to provide requested information within 30 days of our request.
Audit Noncompliance Fee	<p>\$500 per document (up to \$2,500 per audit) that you fail to timely make available to us in connection with an audit;</p> <p>And/or:</p> <p>cost of audit, if audit is rescheduled due to your failure to cooperate with the audit</p>	On demand	<p>Payable if you fail to timely make available to us requested documents in connection with an audit.</p> <p>In addition, if we must reschedule an audit due to your lack of cooperation, you will be required to pay for the cost of the audit.</p>
Renewal Fee <sup>1</sup>	\$5,000	On renewal	See Item 17 for terms and conditions for renewal.
Amendment	\$300	When you are	You must pay us a processing fee for

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
		agreement, contract for deed, option agreement, bequest, gift, any arrangement in which you turn over all or part of the operation of the Business to someone who shares in the losses or profits of the Business other than an employee; any 20% or more change in the direct or indirect ownership of the franchisee entity; or any change in the general partner of a franchisee that is a partnership entity.
l. Franchisor approval of transfer by Franchisee	10(B)	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	10(B) – (D)	You are not in default; you have paid in full all amounts owed to us, our affiliates, or your suppliers, or upon which we have contingent liability; you have provided all required reports; the new franchisee qualifies; training for new franchisee is arranged; you, owners and guarantors sign release; transfer fee paid; current franchise agreement signed by new franchisee; new franchisee agrees to be bound by all customer obligations of Franchisee, including all warranty work and service plans obligations (also see r, below).
n. Franchisor’s right of first refusal to acquire the Business	10(F)	We may buy your franchise at the same price and on the same terms as those of a third-party offer.
o. Franchisor’s option to purchase the Business	None	N/A
p. Death or disability of Franchisee	10(E)	Your personal representative must, within 120 days, tender the right of first refusal, apply for our consent to the transfer, pay the transfer fee and satisfy the transfer conditions (provided that no right of first refusal or transfer fee is applicable if the transferee is your spouse or child).
q. Non-competition covenants during the term of the Franchise Agreement	9(D)	You (including your guarantors and owners, if you are an entity, or your spouse, children, parents, or siblings if you are an individual) cannot be involved in a Competitive

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		Business, <a href="#">subject to applicable state law</a> . A “Competitive Business” is any business that offers or sells any product or service or component thereof that (i) composes a part of our System, (ii) is the same as or similar to any product or service then-offered by our franchisees or (iii) otherwise competes directly or indirectly with our System.
r. Non-competition covenants after the Franchise Agreement is terminated or expires	9(D)	For 2 years, no Competitive Business in your Territory, within a 25-mile radius of the outer boundary of your Territory, or inside the territory of another MOSQUITO JOE business, <a href="#">subject to applicable state law</a> .
s. Modification of the Franchise Agreement	14(B)	No modification of the Franchise Agreement except by written agreement of both parties.
t. Integration/merger clause	14(B)	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	11	Most disputes must be initially mediated. If a dispute is not resolved through the mediation process described in the Franchise Agreement, most disputes must be settled by litigation, subject to state law. Only if a court invalidates a jury waiver or a class action waiver will the dispute be resolved through arbitration, subject to state law.
v. Choice of venue	14(H)	Unless state law supersedes this provision, venue for mediation, arbitration, and litigation is in McLennan County, Texas.
w. Choice of law	14(G)(1)	Texas law applies unless state law supersedes this provision.

SEE THE ATTACHED STATE ADDENDA (Exhibit O) FOR ADDITIONAL DISCLOSURES.