

## FRANCHISE DISCLOSURE DOCUMENT

Summit Building Services Franchising, LLC  
An Ohio limited liability company  
1605 Commerce Dr.  
Stow, OH 44224  
330-703-1000  
tlesicka@summitbuildingservices.com  
<https://www.summitbuildingservices.com>



The franchisee will operate a business that provides cleaning services to industrial businesses, offices, medical, facilities, schools, multi-family buildings, government institutions, and other commercial facilities. The total investment necessary to begin operation of a Summit Building Services franchise ranges from \$25,500 to \$46,200, which includes a minimum of \$9,000 to \$12,000 that must be paid to the franchisor.

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 your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 24, 2025

## How to Use this Franchise Disclosure Document

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

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

## What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Ohio. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.
2. **Short 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.
3. **Minimum Performance Requirements.** You must make minimum royalty, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. If so, check the “State Specific Addendum” (if any) to see whether your state requires other risks to be highlighted.

**SUMMIT BUILDING SERVICES FRANCHISING, LLC  
Franchise Disclosure Document**

**TABLE OF CONTENTS**

<b>ITEM 1:</b>	<b>THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....</b>	<b>6</b>
<b>ITEM 2:</b>	<b>BUSINESS EXPERIENCE .....</b>	<b>7</b>
<b>ITEM 3:</b>	<b>LITIGATION.....</b>	<b>8</b>
<b>ITEM 4:</b>	<b>BANKRUPTCY .....</b>	<b>8</b>
<b>ITEM 5:</b>	<b>INITIAL FEES.....</b>	<b>8</b>
<b>ITEM 6:</b>	<b>OTHER FEES.....</b>	<b>8</b>
<b>ITEM 7:</b>	<b>ESTIMATED INITIAL INVESTMENT .....</b>	<b>14</b>
<b>ITEM 8:</b>	<b>RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....</b>	<b>16</b>
<b>ITEM 9:</b>	<b>FRANCHISEE’S OBLIGATIONS.....</b>	<b>17</b>
<b>ITEM 10:</b>	<b>FINANCING .....</b>	<b>19</b>
<b>ITEM 11:</b>	<b>FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING .....</b>	<b>19</b>
<b>ITEM 12:</b>	<b>TERRITORY .....</b>	<b>25</b>
<b>ITEM 13:</b>	<b>TRADEMARKS .....</b>	<b>26</b>
<b>ITEM 14:</b>	<b>PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....</b>	<b>27</b>
<b>ITEM 15:</b>	<b>OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....</b>	<b>28</b>
<b>ITEM 16:</b>	<b>RESTRICTION ON WHAT FRANCHISEE MAY SELL.....</b>	<b>28</b>
<b>ITEM 17:</b>	<b>RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....</b>	<b>29</b>
<b>ITEM 18:</b>	<b>PUBLIC FIGURES .....</b>	<b>33</b>
<b>ITEM 19:</b>	<b>FINANCIAL PERFORMANCE REPRESENTATIONS .....</b>	<b>33</b>
<b>ITEM 20:</b>	<b>OUTLETS AND FRANCHISEE INFORMATION .....</b>	<b>35</b>
<b>ITEM 21:</b>	<b>FINANCIAL STATEMENTS .....</b>	<b>37</b>
<b>ITEM 22:</b>	<b>CONTRACTS .....</b>	<b>38</b>
<b>ITEM 23:</b>	<b>RECEIPT.....</b>	<b>38</b>

**LIST OF EXHIBITS**

<b>EXHIBIT A:</b>	<b>List Of State Franchise Administrators And Agents For Service Of Process</b>
<b>EXHIBIT B:</b>	<b>Franchise Agreement</b>
<b>EXHIBIT C:</b>	<b>Financial Statements</b>
<b>EXHIBIT D:</b>	<b>Operations Manual Table of Contents</b>
<b>EXHIBIT E:</b>	<b>Franchised Outlets</b>
<b>EXHIBIT F:</b>	<b>State Addenda</b>
<b>EXHIBIT G:</b>	<b>Franchisee Acknowledgement Statement State Effective Dates</b>
<b>EXHIBIT H:</b>	<b>Receipt</b>

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

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

The Franchisor was formed as a limited liability company in the State of Ohio on September 25, 2023. Our principal business address is 1605 Commerce Dr. Stow, OH 44224, and our telephone number is 330-703-1000. We do business under our company name, “Summit Building Services” and its associated design (the “Marks”). Our affiliate, Summit Building Services, Ltd., has registered our primary service marks on the Principal Register of the United States Patent and Trademark Office. We have not offered franchises in any other line of business. We only offer franchises which operate under the “Summit Building Services” Marks. We began offering franchises on January 2, 2024.

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

### **Our Parents, Predecessors and Affiliates**

We have an affiliated company, Summit Building Services, Ltd., an Ohio limited liability company with a principal business address of 1605 Commerce Dr., Stow, OH 44224. Summit Building Services, Ltd., was formed on October 6, 2015. Summit Building Services, Ltd., is the owner of the Marks and has exclusively licensed use of the Marks to us. Summit Building Services, Ltd., has not offered franchises in this or any other lines of business previously.

We have an affiliated company, Bennett Building Services, Ltd., an Ohio limited liability company with a principal business address of 1728 Laurel Ave., Columbus, OH 43223. Bennett Building Services, Ltd. was formed on January 23, 2019. Bennett Building Services, Ltd. has not offered franchises in this or any other lines of business previously.

We have another affiliated company, NorthBay, LLC, an Ohio limited liability company with a principal business address of 1605 Commerce Dr., Stow, OH 44224. NorthBay, LLC was formed on July 19, 2007. NorthBay, LLC. Is a management company of a single location and does not provide the same services as Summit Building Services. NorthBay, LLC has not offered franchises in this or any other lines of business previously.

We have operated, through affiliates, Summit Building Services outlets similar to the franchise offered by this Disclosure Document since 2024. We or our affiliates may operate other Summit Building Services, including other Summit Building Services outlets, in the future.

### **The Franchise Offered:**

We offer franchises for the right to operate a business that provides commercial cleaning services to industries including industrial businesses, offices, medical facilities, schools, multi-family buildings, government institutions and other commercial facilities under the “Summit Building Services” Marks, using our distinctive operating procedures and standards in a limited protected territory and from a single location (the “Franchised Business”). The distinguishing characteristics of a Summit Building Services Franchised Business include, but are not limited to, our distinctive trade dress, proprietary designs and techniques, operations methods, inventory, procedures for management, training, advertising, and promotional programs, all of which may be changed, improved or further developed by us at any time (the “System”).

## **Market and Competition:**

The market for your Summit Building Services consists primarily of commercial property owners and lessors.

The market for commercial cleaning services is well developed and highly competitive. You will compete with businesses, including national, regional and local businesses, offering services similar to those offered by your Summit Building Services Franchised Business. There are other commercial cleaning service franchises, as well as independent businesses throughout the United States, that may offer similar products and services. The market for our products and services is not affected by seasonal variations, but may be affected by economic conditions.

## **Industry Specific Regulations:**

Although there are no known national industry specific regulations, you must comply with all best practices and environmental laws regarding the use, storage and disposal of any and all cleaning products used for your Summit Building Services Franchised Business.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Summit Building Services Franchised Business, including, among others, business operations, land use, insurance, discrimination, employment and workplace safety 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 should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your Franchised Business.

## **ITEM 2: BUSINESS EXPERIENCE**

### **President: Erin Griffith**

Erin and Tom started the company in 2016. Erin oversees all of the field operations at the organization from the headquarters in Stow, OH.

### **Vice President: Tom Lesiczka**

Tom started the company in 2016 and oversees all the administrative functions of the Summit from the headquarters in Stow, OH.

### **Sales Manager: Dustin Venables**

Dustin is the Sales Manager for Summit Building Services starting in September of 2017 to present of Summit at their headquarters in Stow, OH.

### **Director of Finance: Kim Tonkovich**

Kim is the Director of Finance for Summit Building Services from April of 2023 to present at their headquarters in Stow, OH. Previously she was Director of Finance for East Akron Development Corp in Akron, OH from September of 2022 until April of 2023. Prior she was the CFO of Source3Media from March of 2018 until September of 2022 in Macedonia, OH.

### **Franchise Development Coordinator: Kala Mahanke**

Kala began working at Summit Building Services in 2022 and is the Administrative Manager at the headquarters in Stow, OH. Previously Kala was the store manager of Things Remembered from June of 2021 to December of 2021 in Stow, OH. Prior Kala was a Supervisor at PIADA from March of 2019 until June of 2021 Stow, OH.

**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**

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is Twelve Thousand Hundred Dollars (\$12,000) per Territory. Financing may be available for a portion of the Initial Franchise Fee. The Initial Franchise Fee is fully earned upon receipt.

Qualified conversion Franchisees will pay an Initial Franchise Fee of Six Thousand Dollars (\$6,000). Financing will not be offered for this fee.

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 ten percent (10%) discount from the Initial Franchise Fee when you pay the fee in one lump sum payment.

**ITEM 6: OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee	9% of the first \$200,000 of Gross Revenue each calendar year;  8% of Gross Revenue between \$200,001 and \$300,000 each calendar year; and 7% of Gross Revenue over \$300,001 each calendar year.  Royalties are subject to minimum yearly payments.	Monthly on the 1st Tuesday for Gross Revenues earned in the prior month.	Payable to us. See footnote 1.
Brand Marketing Fund Contribution	Up to 3% of weekly Gross Revenue. The current Brand Fund Contribution is 2% of weekly Gross Revenue.	Monthly on the 1st Tuesday for Gross Revenues earned in the prior month.	Brand Marketing Fund Contributions are paid directly to the Brand Marketing Fund. See footnote 1 and 2.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Currently \$125 per month. We reserve the right to increase this amount by up to 10% annually.	Payable monthly along with the Royalty Fee and Brand Marketing Fund Contribution.	This fee is for access to assigned phoned numbers, our franchise portal, benchmarking platform, social media support or other operations or communications systems. We reserve the right to increase this fee, or to replace any technology with different technology, developed by us or a third party, and you will be required to pay the then-current fees for replacement technology and continuous access thereto.
Client Billing Fee	2% of Gross Revenue	Payable monthly along with the Royalty Fee and Brand Marketing Fund Contribution.	Payable to us. This is a required service. See footnote 1.
Bid assistance	Currently \$75, this is an optional service	As Incurred	See footnote 3.
Telemarketing assistance	Part-time Equivalent Telemarketing Services is \$2,000 per month  Full-time Equivalent Telemarketing Services is \$4,000 per month	As Incurred	See footnote 4
Client Collections Fee	1% of Gross Revenue for this optional service	As Incurred	If you request collections assistance, you must commit to using this service for a minimum of 12 months.
Recruiting Assistance Fee	2% of Gross Revenue for this optional service	As Incurred	If franchisees request recruiting assistance, they must commit to using this service for a minimum of 12 months.
Local Advertising Marketing and Promotional Expenditures	Recommended no less than \$450 per calendar month	Monthly	Payable to third-party suppliers. All advertising must be approved by us. See footnote 5.
Interest	1.5% per month from due date, or maximum allowed by law	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.

Type of Fee	Amount	Due Date	Remarks
Late Charge	\$100	As Incurred	If you fail to pay us the Continuing Royalty Fee, Brand Marketing Fund Contribution, or if you fail to submit your Gross Revenue report when due, we may charge you \$100 for each late submission in addition to interest charges explained above.
Transfer Fee	70% of the then-current initial franchise fee. For transfers to: (i) an existing franchisee in good standing, the transfer fee is 50% of the then-current initial franchise fee, and (ii) an entity owned and controlled by the franchisee for convenience purposes or for transfers among owners that do not change management control, the transfer fee is \$1,500.	As Incurred	Payable to us. See Item 17.
Non-Sufficient Funds Fee	\$250	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 an Insufficient Funds Fee.
Quality Review Services Fee	Up to \$200	Monthly	Payable to us. See footnote 6.
Audit Fee	Varies	As Incurred	The franchisor will have the right to audit the franchisee. If the audit indicates that the franchisee has under-reported revenues or fees by more than 2% then they will be required to pay for the audit plus penalties.
Initial Training	No charge for initial training for up to two (2) individuals. You pay all travel and other related expenses	Travel and related expenses are due as incurred. Fees for training your personnel are due at	Initial training takes place in Stow, Ohio.

Type of Fee	Amount	Due Date	Remarks
	incurred by all trainees. The current fee to train additional personnel is \$500 per person.	the commencement of training.	
Additional Training	We may impose a reasonable fee for all additional training programs, franchisee conferences or annual conventions, currently \$350 per person. You pay all travel and other related expenses incurred by you and your personnel to attend additional training.	As Incurred	See footnote 7.
Successor Agreement Fee	10% of the ten-current franchise fee	Upon signing a then current form franchise agreement	Payable to us. See Item 17.
Indemnification	Amount of loss or damages, plus costs.	As Incurred	Payable to us. See footnote 8.
Conference Fee	Current rate is \$600	As Incurred	Payable to us for a franchisor sponsored conference.
Examination of Books and Records	Actual cost of examination plus related expenses.	As Incurred	We have the right under the Franchise Agreement to examine your books, records, and tax returns related to the Franchised Business. If an examination reveals that you have understated any Gross Revenue report by 2% or more, you must pay us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.

Type of Fee	Amount	Due Date	Remarks
Post-Termination or Post-Expiration Expenses	Costs and expenses	As Incurred	Payable to us.
Reimbursement of Legal Fees and Expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As Incurred	Payable to us.
Liquidated Damages	Royalty Fees and Brand Marketing Fund Contributions for the lesser of (i) 3 years, or (ii) the balance of the Term.	Upon termination of the Franchise Agreement due to your default.	You must pay us the average weekly Royalty Fee and Brand Marketing Fund Contribution payable by you for the twelve (12) months prior to your termination multiplied by the lesser of (i) the number of months remaining in the Term, or (ii) 36 months.
Insurance	Amount paid by us for your insurance obligations, plus a 10% administrative fee and our legal fees, if any.	As Incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	As Incurred	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are generally uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

<sup>1</sup> Gross Revenue includes all revenue and income you receive from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted to you by the Franchise Agreement, regardless of whether payment is actually received. Gross Revenue does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (ii) properly documented promotional discounts (i.e., coupons). If you

do not report revenues for any week, then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next period in which you report revenue. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

All products and services sold at your Franchised Business will be administered through our proprietary system and transacted through our master account with the POS System (the “Master Account”). You will be required to open a subaccount with the POS System through the Master Account (your “Connected Franchisee Account”), which must have a designated business account connected to it. At the time of each client transaction, the POS System will deposit the Royalty Fee, Technology Fee, Brand Development Fund Contribution, Client Billing Fee, and any optional fees attributable to such transaction in the Master Account, and the remaining balance of funds from each such transaction, less any Client Billing Fee incurred as a result of such transaction (currently, 2% of Gross Revenue), will be deposited in the Connected Franchisee Account. You may withdraw funds from your Connected Franchisee Account to a separate bank account; however, funds withdrawn from the Connected Franchisee Account may take up to forty-eight (48) hours to reach your separate bank account.

<sup>2</sup> Brand Marketing Fund Contribution payments are due at the same time and in the same manner as Royalty Fees. You are required to set up authorization at your bank to allow the Brand Marketing Fund to electronically transfer funds from your bank account to the Brand Marketing 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 Marketing Fund will collect 120% of the last Brand Marketing Fund Contribution collected and settle the balance the next period in which you report revenue. If you purchase additional territories, we will not charge you an additional Brand Marketing Fund contribution.

<sup>3</sup> If you so choose, we will assist you in generating bid proposals for clients in your territory. Bid proposals under \$100,000, franchisees will be charged a flat rate of \$75. If the bid proposal is above \$100,000, in addition to the \$75 flat fee the franchisor will charge an additional \$75 an hour for assistance with the proposal to cover administrative and other additional costs we incur.

<sup>4</sup> If you so choose, we will assist you with telemarketing, however you must commit to using this service for a minimum of 12 months. You will pay a rate per booked appointment as established in the operations manual, currently \$2,000 for part-time services and \$4,000 for full time services. For clients resulting from the franchisor’s telemarketing efforts, franchisees will also pay an additional royalty of 10% on each client’s first month’s invoice where the sale of the account is completed by the Client or 20% where the sale of the account is completed by the Service Provider. See attachment 10 of the Franchise Agreement for a copy of the marketing agreement.

<sup>5</sup> You must furnish us with a monthly report and documentation of local advertising expenditures during the previous calendar month. You may not use social media platforms, such as Facebook, Twitter, Instagram, LinkedIn, blogs or other networking and sharing websites, unless you first receive our written approval to do so, and such use is in strict accordance with our requirements. We reserve the right to establish or increase this minimum expenditure.

<sup>6</sup> We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

<sup>7</sup> We may offer mandatory and/or optional additional training programs, including an annual business meeting or convention, from time to time. If we require it, you must participate in additional training for up to ten (10) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or

attendance at Franchisor’s national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. 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.

<sup>8</sup> 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.

**ITEM 7: ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
Initial Franchise Fee <sup>1</sup>	\$9,000 to 12,000	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement	Payable to us
Furniture, Fixtures, and Security System <sup>2</sup>	\$0 to \$1,000	As incurred	Before opening	Contractor, Architect, other third-party providers
Equipment <sup>3</sup>	\$500 to \$1,500	Lump sum	Before opening	Third-party providers
Computer System & Software <sup>4</sup>	\$8,000 to \$10,000	Lump Sum	Before opening	Third-party providers
Opening Inventory <sup>5</sup>	\$200 to \$1,000	As incurred	Before opening	Third-party providers
Signage	\$1,000 to \$1,500	As incurred	Before opening	Third-party providers
Insurance <sup>6</sup>	\$300 to \$700	As arranged	Before opening	Insurance company
Training Expenses <sup>7</sup>	\$1,000 to \$2,500	As incurred	Before opening	Airline, hotel, restaurants
Professional Fees <sup>8</sup>	\$500 to \$1,000	As arranged	Before opening	Attorneys, accountants
Additional funds – 3 Months <sup>9</sup>	\$5,000 to \$15,000	As incurred	After opening	Various
<b>TOTAL</b>	<b>\$25,500 to \$46,200</b>			

<sup>1</sup> The amounts stated in the Table are for one outlet operated pursuant to a single Franchise Agreement. You may have the opportunity to finance up to 75% of the initial fee. If the initial fee is paid in full at the time of signing you may receive a 10% discount on the fee. The franchisor will also credit up to \$750 of travel expenses related to the franchisee’s Discovery Day visit toward the initial franchise fee.

<sup>2</sup> These estimates assume you will operate from a home office, however once your revenues exceed \$1,000,000 you will be required to rent office and adequate storage space, which may increase your expenses, including security deposits for rent and utilities. Whether operating from a home office or leased space, you will need basic office furniture, including a desk and chairs. The low end of our estimate assumes you will operate from a home office and that you already have basic office furnishings.

<sup>3</sup> These figures represent the purchase of the necessary equipment to provide the franchised services, cleaning equipment and supplies. The low end our estimate assumes that you have a vehicle or vehicles that meet our specifications and has or have been approved by us for use in the Franchised Business. The estimate assumes that you will lease your vehicle(s) and the estimate includes the first three (3) months of lease payments. This figure also includes other required equipment.

<sup>4</sup> For your office, you must have a laptop or desktop computer with a multi-function printer. Additional information regarding the required computer system is included in Item 11. The low end of our estimate assumes that you have a suitable computer and printer for your office. The high end of our estimate assumes you will purchase all required computer equipment.

<sup>5</sup> These figures represent the initial purchase of the necessary inventory to begin offering the franchised services including business cards, promotional materials, cleaning chemicals and other replenishable supplies.

<sup>6</sup> This estimate is for the cost of deposit in order to obtain the minimum required insurance and your first quarterly insurance payment. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, the loss experience of the carrier and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry.

<sup>7</sup> The cost of the Initial Management Training Program for up to two (2) individuals is included in the initial franchise fee. The chart estimates the costs for transportation, lodging, and meals for your trainees. These incidental costs are not included in the initial franchise fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. This estimate does not include employee wages.

<sup>8</sup> 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 entity. We reserve the right to designate an accounting service for you to use. 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 lease or other contracts that you will enter into as part of starting and operating your franchise.

<sup>9</sup> 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, Royalties (as described in this disclosure document), Brand Marketing Fund Contributions, additional advertising, marketing and/or promotional activities, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These items are by no means all-inclusive of the extent of possible expenses.

We relied upon the experience of our company Summit Building Services outlet to compile these estimates. 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 to six months, and sometimes longer. Notwithstanding, Summit Building Services Franchising, LLC cannot estimate or guarantee when, or whether, any individual franchisee will achieve positive cash flow or profits.

We may offer financing of the Initial Franchise Fee, if you meet our qualifications. Please see Item 10 for details. We do not otherwise offer direct or indirect financing to franchisees for any items included in this section. All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

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

We have identified various suppliers, distributors and manufacturers of equipment, inventory, and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, marketing materials, inventory, computer systems, certain software, and other supplies, products and materials from our approved suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of fixtures, furnishings, signs, equipment, inventory, uniforms, marketing materials, inventory, computer systems and other supplies, products and materials (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 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 meet our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. Suppliers will be selected based on the basis of price, quality, production capacity, quality assurance systems, reputation and other factors that we feel are appropriate. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 90 days after we receive all required information to evaluate the product or service. If we do not approve any request within 90 days, it is deemed unapproved. 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 for our actual costs of product testing and evaluation.

We require you to use the bookkeeping vendor that we designate, which may include us or our affiliate(s).

We do require you possess a vehicle for use in the operation of your Franchised Business in accordance with our standards and specifications. If required: (i) you must purchase or lease your approved vehicle(s) outfitted to our specifications; (ii) your vehicle(s) must comply with any minimum requirements listed in the Operations Manual and/or (iii) you must regularly maintain and clean the vehicle(s) according to our specifications. Any vehicle(s) used in the operation of your Franchised Business, whether required by us or otherwise, must, at all times: (i) be operated by a duly licensed operator who must comply with all traffic laws, and (ii) be properly registered and insured according to our requirements.

We currently offer assistance in bid proposal generation for your franchised business. For bid proposals under \$100,000, you will pay a \$75 fee. For bid proposals over \$100,000, you will pay the \$75 base fee and an additional \$75 per hour for administrative and other costs incurred by us. The rates listed above are the current rates. These will be maintained in the operations manual and will be subject to change during the term of the franchise agreement.

We currently offer telemarketing assistance however you must commit to using this service for a minimum of 12 months. Currently the price for part-time services is \$2,000 per 12-month period and for full time services the current pricing is \$4,000 per 12 month period. For clients resulting from our telemarketing efforts,

you will also pay an additional 10% royalty on the client's first month's invoice. The market agreement is Attachment 10 of the Franchise Agreement.

Neither we nor any of our affiliates are the sole approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business. None of our officers has an ownership any interest in any approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business. If we or our affiliate become a designated or approved supplier, then we and our affiliate will reserve the right to earn a profit from the sale of products to our franchisees. During the fiscal year ended December 31, 2024, neither we nor our affiliates earned any revenue from the sale of required purchases to our franchisees.

We estimate that your initial investment will represent approximately 70% of your costs to establish your Franchised Business and approximately 40% of your costs for ongoing operation.

We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

During the fiscal year ended December 31, 2024, neither we nor any of our affiliates received any revenue from vendors on account of required purchases by franchisees.

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

From time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

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

The following are the current insurance requirements: commercial general liability insurance in the amount of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate, including coverage for public liability, and comprehensive automobile liability insurance of at least a combined \$1,000,000 with a combination of primary and excess limits of at least \$100,000/\$300,000 per vehicle; business property for replacement at cost; business interruption coverage for a minimum of twelve (12) months in an amount necessary to satisfy your obligations under the Franchise Agreement; employer's liability insurance in the amount of \$100,000 per accident shall be carried on all of Franchisee's employees; employment practices liability insurance in the amount of at least \$250,000 to \$1,000,000; cyber liability insurance in the amount of at least \$250,000 for all first and third-party data breaches including identity theft, ransomware and data response/crisis management expenses; statutory worker's compensation insurance in the limits required by state law, or Five Hundred Thousand Dollars (\$500,000); umbrella liability of \$1,000,000 limit for annual revenues up to \$2,500,00 and/or of \$2,000,000 limit for annual revenues up to \$2,500,00 or above.

We reserve the right to designate a specific accountant or accounting firm.

## **ITEM 9: FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section or Article in Franchise Agreement</b>	<b>Item in Franchise Disclosure Document</b>
a. Site Selection and Acquisition/Lease	8.1	11
b. Pre-Opening Purchase/Leases	8.3, 10.5, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1, 12.1.3	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2.3, 8.3	11
f. Fees	5.1, 5.2.7, Article 6, 12.3.7, 12.6, 15.6, 16.4, 18.1.4, 18.1.5, 18.1.8, 19.1.5	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 12.1, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.1.1, 12.1.4, 12.6	8
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	Item 11
n. Insurance	Article 15	7
o. Advertising	12.1.9, Article 13	6, 11
p. Indemnification	15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	11, 15
r. Records /Reports	12.2	6
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty	11.2.6, Attachment 9	15

**ITEM 10: FINANCING**

We may offer you financing for up to 75% of the Initial Franchise Fee, if you meet our qualifications. You must sign a Promissory Note and Security Agreement (See Attachment 11 and 12 of the Franchise Agreement). If your Franchised Business is owned by an entity, all owners and Principals of the entity must sign the Promissory Note and Security Agreement personally. There is a separate Personal Guaranty required. We do not offer any other direct or indirect financing.

We do not, and do not intend to, sell, assign, or discount to a third party all or part of the financing arrangement.

Conversion franchisees will not be offered financing.

We currently offer a ten percent (10%) discount from the Initial Franchise Fee when you pay the fee in one lump sum payment.

The following table summarizes the financing we may offer:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Franchise Fee	Us, Summit Building Franchising, LLC	25% minimum of the Initial Franchise Fee	Up to 75% of the Initial Franchise Fee	1 year	7%	778.74	None	See Note 1.	See Note 2.	See Note 3.

<sup>1</sup> You are required to sign a Security Agreement that will grant us a security interest in the assets of your Summit Building Services Franchise, including but not limited to, your furniture, fixtures, equipment, inventory, contracts and accounts receivable.

<sup>2</sup> If you default on your obligations under the Promissory Note, we have the right to require immediate payment of the full balance of the amount owing under the Promissory Note, collect the full balance owing from you or any guarantor, file suit and obtain judgment, take possession of any collateral, or sell, lease or otherwise dispose of any collateral at public or private sale, with or without advertisement. You must also pay our costs to collect the debt, including courts costs and reasonable attorney’s fees. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

<sup>3</sup> You waive your rights to notice of a collection action and to assert any defenses to collection against us or our affiliate. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

**ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

## 1. **Pre-Opening Obligations**

Before you open your Franchised Business, we will:

- a. approve the territory for your Franchised Business. A standard territory will consist of a minimum population of up to 150,000 within a geographic area defined by ZIP codes or other readily ascertainable geographic boundaries (Franchise Agreement, Sections 3.1, 10.1).
- b. provide access to the Summit Building Services Operations Manual and other manuals and training aids we designate for use in the operation of Summit Building Services Franchise, as they may be revised from time to time. (Franchise Agreement, Section 10.3).
- c. provide a written list of equipment (including vehicle specifications), signage, supplies and products that will be required to open the Franchised Business (Franchise Agreement, Section 10.5).
- d. provide you with initial training virtually, at your location or another location we designate. We will determine, in our sole discretion, whether you satisfactorily complete the initial training. (Franchise Agreement, Sections 7.1, 7.2).
- e. provide you with standards and qualifications for training of your employees. We do not otherwise assist you with employee hiring and training (Franchise Agreement, Section 12.1.6, 12.9).
- f. provide on-site training, supervision and assistance for up to 2 days during the opening of your Franchised Business. (Franchise Agreement, Section X)
- g. approve your Franchised Business home office location.

## 2. **Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Summit Building Services franchised business is 90 – 120 days. Factors that may affect this time period include your ability to acquire licenses and permits; completion of required training; your ability to acquire an office, zoning or other permits; and compliance with local ordinances and restrictions. If you have not opened your Franchised Business within 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 8.1, 8.3)

## 3. **Obligations After Opening**

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training offered by us for up to ten (10) days each year at a location we designate and attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).

- b. upon your request, or as we determine to be appropriate, provide remedial on-site training and assistance at your premises. For any on-site remedial 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 7.5).
- 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 7.6).
- d. from time to time, as may become available, provide you with samples or digital artwork, advertising and promotional materials (Franchise Agreement, Section 10.6).
- e. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your service to ensure that they meet our standards (Franchise Agreement, Section 10.4).
- 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 10.7).
- g. advise on the advertised selling price for products and services for your Summit Building Services business. We reserve the right to establish key accounts with other companies that want to conduct business with us across multiple franchised or company owned territories. If we establish such accounts, you are required to service them on the terms negotiated. If you cannot or are unwilling to do so, we reserve the right to service those accounts or designate another Franchisee to do so (Franchise Agreement, Section 12.5).
- h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6).
- i. approve your office location prior to the end of your first year of operations review your proposed lease for your office for our required terms only. We will not own the premises or provide any leasing assistance (Franchise Agreement, Section 8.1).

#### 4. **Advertising**

##### **Local Advertising** (Franchise Agreement, Sections 13.2 and 13.6)

We reserve the right to implement a monthly local advertising fee to promote your Franchised Business. You are required to furnish us with a monthly report and documentation of local advertising expenditures during the previous calendar month.

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 ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed "disapproved".

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. If we

require it, 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 Summit Building Services franchisees in your area, with our prior written approval. You may maintain a business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site with us as a co-administrator on the account. Your only website will be on a sub-page of the Summit Building Services primary website and this site will be developed by us.

### **Brand Marketing Fund** (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Marketing Fund two percent (2%) of monthly Gross Revenue, subject to increases in our discretion up to three percent (3%) of monthly Gross Revenue generated by your Franchised Business. Each Summit Building Service outlet operated by our affiliate or us may contribute to the Brand Marketing Fund, in our discretion, but has no obligation to do so.

The Brand Marketing Fund is administered by us. We may use Brand Marketing Fund contributions to pay any and all costs for the development, production and placement of brand awareness, generating and enhancing activities, advertising, marketing, promotional and public relations materials and programs. We may also use Brand Marketing Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Marketing Fund contributions to pay our costs (including salaries of our staff engaged in consumer marketing 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 Marketing Fund.

The Brand Marketing Fund will not be used to defray any of our other general operating expenses. Brand Marketing 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 Marketing Fund contributions.

The Brand Marketing Fund collects and expends the Brand Marketing Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Marketing 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 Marketing Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Marketing Fund.

An annual unaudited financial statement of the Brand Marketing Fund is available to any franchisee upon written request.

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

No Brand Marketing Fund contributions were required, made or expended in our most recently concluded fiscal year. Although the Brand Marketing 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 Marketing Fund, however, until all monies in the Brand Marketing Fund have been spent on 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 Summit Building Services outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Summit Building 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.

If we establish a regional advertising fund or cooperative, each Summit Building Service outlet, whether franchise-owned or affiliate-owned, must contribute amounts equal to each outlet's pro-rata share of cooperative advertising costs. Your contributions to a regional advertising fund or cooperative will be credited against your required expenditures for local advertising, up to one half of your required expenditures for local advertising.

#### **Advertising Council** (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in 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 studio 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 use the hardware, software, system tools and processes as stated in the Operations Manual. Currently, you are required to have the following hardware and software.

Hardware: laptop computer, Smart Phone, an All-In-One Printer/Copier/Fax/Scanner, High Speed Internet,

Software: a combination of proprietary software determined by us.

The total cost for hardware and software ranges from \$8,000 to \$10,000. The ongoing cost of the software is approximately \$125 per month, subject to increases set by third party vendors. These costs are subject to increase.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. We may in the future modify or establish other sales reporting systems or project design methods, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. We cannot estimate the cost of maintaining, updating and upgrading your smart device or computer hardware and software because it will depend on the make and model of your device and computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

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

electronically access and retrieve the information stored on the system. We own all customer data stored in your computer system.

6. **Table of Contents of Operations Manual**

The Table of Contents of our Summit Building Services Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit D. The Operations Manual has approximately 331 pages as of the date of this Disclosure Document

7. **Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager (if any) must complete our Initial Management Training Program, to our satisfaction, before opening your Franchised Business. Training will be conducted virtually through video conference. We may offer, but have no obligation, to conduct all or part of your Initial Management Training at your location.

**INITIAL MANAGEMENT TRAINING PROGRAM**

<b>Subject</b>	<b>Hours Classroom</b>	<b>Hours On-the-Job</b>	<b>Location of Training</b>
Orientation	8	0	Stow, OH
Office & Administration	8	0	Stow, OH
Marketing	8	0	Stow, OH
Company Process	8	0	Stow, OH
Field Equipment	8	0	Stow, OH
Field Training	4	4	Your site
Sales Training	8	0	Stow, OH
Final Training Exam	2	0	Stow, OH
<b>Sub Total Hours</b>	54	4	
<b>Total Hours</b>	58		

We periodically conduct our Initial Management Training Program throughout the year, as needed. Training is currently provided by Erin Griffith, she has 11 years of experience in the field, including 8 years with Summit Building Services. Erin established the Summit Building Services concept, oversees all aspects of the Summit Building Services brand operations, including service methods and techniques, sales, marketing, brand development, technology, process management and franchise development. We reserve the right to make changes in our training staff as we deem necessary and advisable without prior notice.

Our training materials consist of videos, reference books, worksheets, slide presentations and forms and/or our Operations Manual. You will receive both classroom 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.

The cost of our instructors and training materials for up to two (2) individuals is included in the Initial Franchise Fee. You must pay for all travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees is \$500 per person.

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

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

**ITEM 12: TERRITORY**

Under the Franchise Agreement, you have the right to establish and operate one Summit Building Services business within a limited non-protected territory (the "Territory"). You are permitted to work from a home office until your Gross Revenue is \$1,000,000. Your Territory is located in all or a portion of a listed town, city or county, and is identified by a group of contiguous ZIP codes or other readily ascertainable geographic boundaries. The Territory is determined on an individual basis taking into account various demographic data which may include household income information, total residential population, median home value and number of actual or potential commercial establishments. Your Territory will be defined and attached to your Franchise Agreement as Attachment 2.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You are permitted to recruit and service clients from outside their territory, but you must direct the majority of their client recruitment dollars within their assigned territory. You are not to solicit or services clients from other franchisees or clients more than 50 miles from your office address, unless otherwise approved in writing by the franchisor.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Summit Building Services outlet or grant the right to anyone else to open a Summit Building Services outlet within the Territory. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Marks in the Territory through alternative distribution channels, as discussed below.

You are required to meet the following minimum performance requirements that are set forth in Attachment 2 of the Franchise Agreement:

<b>Time</b>	<b>Minimum Monthly Gross Revenue</b>
First 6 Months	\$4,000
Year 1	\$10,000
Year 2	\$15,000
Year 3	\$20,000
Year 4	\$30,000
Year 5+	\$40,000 +

Other than the above, there is no other market penetration or other contingency that will affect your right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

The Franchise Agreement entitles you to operate only at and from one (1) office location within your Territory. You may operate the office location from a home office. You may not change the location of your Franchised Business office, without our written consent, which we may withhold in our sole discretion. If you wish to relocate, you must identify a new location for the Franchised Business office that meets our approval, in accordance with our then-current site selection procedures, within 90 days. If you do not identify a site within this time period, we may terminate the Franchise Agreement.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. We may, but have no obligation to, consider granting to you the right to establish additional Summit Building Services outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Summit Building Services outlet in an area and at a location we approve.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate, or authorize others to own or operate Summit Building Services outlets outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business.

We reserve the right to offer (i) other services and products not offered under the Marks, (ii) other cleaning services concepts under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Territory including, but not limited to, products offered through the Internet or direct marketing (“Alternative Distribution Channels”). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory.

You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, we will include a listing on our website of your Summit Building Services Franchised Business contact information. You may not solicit sales from customers 50 miles from your established office location. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory.

The Franchise Agreement does not grant you any right to participate in franchises, licensing programs or other business proposals for the sale and distribution of Summit Building Services products or services through Alternative Distribution Channels.

**ITEM 13: TRADEMARKS**

Summit Building Services, Ltd. (“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 Summit Building Services outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Summit Building Services service mark, as described below (“Principal Marks”):

Mark	Registration Number	Registration Date	Register
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Summit Building Services	5474585	May 22, 2018	Principal
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Licensor has filed all required affidavits.

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 Marks licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

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

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

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

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

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

**ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

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

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

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

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

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never (during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated) reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 7).

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

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

You do need to personally participate in the direct operation of your Franchised Business. You may have a general manager operate your Franchised Business. Your general manager may be you or someone that you appoint, with our approval. Your general manager must successfully complete our Initial Management Training Program and all other training courses we require. Your general manager cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your general manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your General Manager and any other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 7. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spousal Guaranty, which is attached to our Franchise Agreement as Attachment 6.

**ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL**

You must offer and sell all services that are part of the System, and all services and products that we incorporate into the System in the future. You may only offer services and products that we have previously approved.

You may not use our Marks for any other business, and you may not conduct any other business from your Franchised Business location without our prior approval. You cannot engage in any other business that competes with your Franchised Business, with our affiliates, or us or with Summit Building Services outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably

increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You are not restricted to only solicit sales from customers in your Territory, however you cannot solicit or services customers more than 50 miles from your office location. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory. See Item 12 for restrictions on sales within and outside the Territory.

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

**THE FRANCHISE RELATIONSHIP  
(UNDER THE FRANCHISE AGREEMENT)**

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

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	Article 4	Term is five (5) years
b.	Renewal or extension of the Term	Sections 5.1 and 5.4	If you are in good standing as defined below, you can successor franchise agreements for two (2) additional terms of five (5) years, unless we have determined, in our sole discretion, to withdraw from your Territory
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Be in full compliance, have no more than three (3) events of default during current term; provide written notice to us at least six months before the end of the term; execute a new franchise agreement; pay us a renewal fee equal Two Thousand Dollars (\$2,000); continue to maintain your vehicle(s) with proper insurance, current trade dress and other standards; execute a general release; comply with then-current qualifications and training requirements; including completion of additional training. You may be asked to sign a successor Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	You may seek termination on any grounds applicable by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
g.	“Cause” defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h.	“Cause” defined - non-curable defaults	Sections 17.1 and 17.2	<p>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days.</p> <p>We may terminate the Franchise Agreement upon notice to you if you: do not open the Franchised Business within required time frames; falsify any report to us; cease operations for 5 days or more, unless your vehicle is being repaired/replaced; fail to restore and re-open the Franchised Business within 120 days after a casualty to the physical location, or fail to restore and resume operations within 14 days of a vehicle casualty; fail to comply with applicable laws; default under any lease for the premises; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or</p>

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
			more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; fail to maintain Minimum Performance Requirements in any six successive months of operation; or terminate the Franchise Agreement without cause.
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Summit Building Services franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all furnishing, fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Not Applicable	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully complete our Initial Training Program; you have paid us and third-party creditors all amounts owed; you and the

	Provision	Section in Franchise Agreement	Summary
			transferee sign a General Release in the form of Attachment 3 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; payment of a transfer fee equal to fifty percent (70%) of the then current franchise or thirty percent (50%) of the then-current initial franchise fee if the transfer is to an existing Summit Building Services franchisee or \$1,500 if the transfer is to a party that will not impact the controlling interest of the franchisee entity.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties. We reserve the right to agree to match any <i>bona fide</i> offer the franchisee receives from a qualified candidate.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your, equipment, signs, advertising materials, supplies, and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of any Summit Building Services outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert,

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
	franchise is terminated or expires		or attempt to divert, customers of any Summit Building Services outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 25 miles of your former Summit Building Services Territory or any Summit Building Services outlet territory (franchised or company owned); do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 22.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation only at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business office and post-termination, subject to applicable state law.
v.	Choice of forum	Section 20.3	Litigation takes place in Ohio, subject to applicable state law.
w.	Choice of law	Section 20.3	Ohio law applies, subject to applicable state law.

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

**ITEM 18: PUBLIC FIGURES**

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

**ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of

an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Stow, Ohio – Company Outlet<sup>1</sup>

	2020	2021	2022	2023	2024
<b>Total Revenue</b>	\$1,829,872.00	\$3,562,389.00	\$5,619,152.00	\$6,232,522.00	\$7,197,580.00
<b>Increase in Revenue Over PY</b>	34.54%	48.63%	57.74%	10.9%	15.5%
<b>Percent of Revenue r/t Special Services</b>	9.41%	7.22%	8.97%	7.5%	6.2%
<b>Gross Margin percent</b>	42.68%	34.69%	33.77%	36.11%	37.00%
<b>Direct Labor as percent of Revenue</b>	39.84%	52.86%	53.60%	53.16%	52.21%

<b>% of Clients by Industry :</b>	
Church	2.1%
Commercial Office	34.7%
Construction	2.1%
Education	2.1%
Government	1.1%
Grocery Stores	0.5%
Manufacturing	32.1%
Medical	19.5%
Not Classified	1.1%
Other	0.5%
Residential	2.1%
Retail	2.1%

<b>Average Revenue Per Client By Month:</b>	2020	2021	2022	2023	2024
January	\$1,732.21	\$1,653.11	\$3,084.06	\$3,439.68	\$4,253.68
February	\$1,731.93	\$1,692.23	\$3,063.94	\$3,378.42	\$4,232.97
March	\$1,732.50	\$1,745.30	\$3,158.11	\$3,430.74	\$4,074.28
April	\$1,915.05	\$1,783.47	\$3,603.06	\$3,364.59	\$4,202.75
May	\$2,074.33	\$1,901.63	\$3,407.51	\$3,244.93	\$4,037.86
June	\$1,875.56	\$3,446.61	\$3,173.01	\$2,914.44	\$4,099.46
July	\$1,706.71	\$3,173.55	\$3,240.39	\$3,202.42	\$4,147.43
August	\$1,941.84	\$3,162.71	\$3,176.12	\$3,107.48	\$4,247.27
September	\$1,826.02	\$3,150.68	\$3,572.27	\$3,180.41	\$3,803.35
October	\$1,877.57	\$3,000.30	\$3,220.71	\$3,661.49	\$3,610.74
November	\$1,808.61	\$3,115.69	\$3,185.88	\$3,673.14	\$3,692.35
December	\$1,745.54	\$3,476.24	\$3,619.25	\$4,350.25	\$4,079.33
	\$21,967.87	\$31,301.52	\$39,504.31	\$40,947.99	\$48,481.47

<b>Monthly High Client Revenue:</b>	<b>\$2,074.33</b>	<b>\$3,476.24</b>	<b>\$3,619.25</b>	<b>\$4,350.25</b>	<b>\$4,253.68</b>
<b>Monthly Low Client Revenue:</b>	<b>\$1,706.71</b>	<b>\$1,653.11</b>	<b>\$3,063.94</b>	<b>\$2,914.44</b>	<b>\$3,610.74</b>
<b>Monthly Median Client Revenue:</b>	<b>\$1,817.315</b>	<b>\$3,057.99</b>	<b>\$3,203.295</b>	<b>3,371.51</b>	<b>\$4,089.40</b>
<b>Monthly Average Client Revenue:</b>	<b>\$1,830.66</b>	<b>\$2,608.46</b>	<b>\$3,292.03</b>	<b>\$3,412.33</b>	<b>\$4,040.12</b>

<sup>1</sup> Our affiliate Bennett Building Services, Ltd is a minority shareholder of the second corporate outlet noted in Item 20, therefore is not represented in the financials above.

**Our affiliate outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projects of your future income, you should report it to the franchisor's management by contacting Tom Lesiczka, 330-703-1000, 1605 Commerce Dr. Stow, OH 44224, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
System-wide Outlet Summary  
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1	1
Company – Owned*	2022	2	2	0
	2023	2	2	0
	2024	2	3	1
Total Outlets	2022	2	2	0
	2023	2	2	0
	2024	2	4	2

\* Company-owned stores are operated by affiliated entities.

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3

Status of Franchised Outlets  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

Table No. 4

Status of Company Owned\* Outlets  
For Years 2022 to 2024

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

\* One Ohio outlet is company-owned stores are operated by affiliated entities.

Table No. 5

## Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
FL	0	0	0
GA	0	1	0
IA	0	0	0
IL	0	0	0
IN	0	0	0
KY	0	0	0
MD	0	0	0
MI	0	0	0
MN	0	0	0
MO	0	1	0
NE	0	0	0
NC	0	1	0
NJ	0	1	0
OH	1	2	0
PA	0	1	0
TX	0	1	0
WI	0	0	0
WV	0	0	0
Total	0	8	0

Exhibit E lists the location of each Summit Building Services franchised outlet in our System.

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

No franchisee has signed confidentiality clauses during the last three years.

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

#### **ITEM 21: FINANCIAL STATEMENTS**

Summit Building Services Franchising, LLC, was formed September 25, 2023. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21. Our audited financial statements as of December 31, 2024, are included in Exhibit C.

Our fiscal year end is December 31.

**ITEM 22: CONTRACTS**

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- |    |                                     |           |
|----|-------------------------------------|-----------|
| 1. | Franchise Agreement                 | Exhibit B |
| 3. | Franchisee Acknowledgment Statement | Exhibit G |

**ITEM 23: RECEIPT**

A receipt in duplicate is attached to this Disclosure Document as Exhibit H. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Summit Building Services Franchising, LLC, 1605 Commerce Dr. Stow, OH 44224.

**EXHIBIT A**

**AGENCIES/AGENTS FOR SERVICE OF PROCESS**

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

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-4026	Minnesota Commissioner of Commerce

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> FL New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, State Capitol 14 <sup>th</sup> Floor, Department 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Insurance
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**SUMMIT BUILDING SERVICES FRANCHISING, LLC  
TABLE OF CONTENTS**

<b>1.</b>	<b>RECITATIONS</b> .....	<b>2</b>
<b>2.</b>	<b>GRANT OF FRANCHISE</b> .....	<b>2</b>
<b>3.</b>	<b>TERRITORY</b> .....	<b>3</b>
<b>4.</b>	<b>TERM</b> .....	<b>3</b>
<b>5.</b>	<b>RENEWAL OPTIONS</b> .....	<b>4</b>
<b>6.</b>	<b>FEES</b> .....	<b>5</b>
<b>7.</b>	<b>TRAINING</b> .....	<b>8</b>
<b>8.</b>	<b>FRANCHISED LOCATION AND VEHICLE REQUIREMENTS</b> .....	<b>9</b>
<b>9.</b>	<b>MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION, VEHICLE(S) AND SYSTEM</b> .....	<b>10</b>
<b>10.</b>	<b>FRANCHISOR’S OBLIGATIONS</b> .....	<b>11</b>
<b>11.</b>	<b>FRANCHISEE’S REPRESENTATIONS, WARRANTIES AND COVENANTS</b> .....	<b>12</b>
<b>12.</b>	<b>FRANCHISEE’S OPERATIONS</b> .....	<b>15</b>
<b>13.</b>	<b>ADVERTISING, PROMOTIONS AND RELATED FEES</b> .....	<b>19</b>
<b>14.</b>	<b>INTELLECTUAL PROPERTY</b> .....	<b>22</b>
<b>15.</b>	<b>INSURANCE AND INDEMNIFICATION</b> .....	<b>24</b>
<b>16.</b>	<b>TRANSFERS</b> .....	<b>26</b>
<b>17.</b>	<b>DEFAULTS</b> .....	<b>30</b>
<b>18.</b>	<b>POST-TERMINATION</b> .....	<b>33</b>
<b>19.</b>	<b>NON-DISCLOSURE AND NON-COMPETITION COVENANTS</b> .....	<b>35</b>
<b>20.</b>	<b>DISPUTE RESOLUTION</b> .....	<b>39</b>
<b>21.</b>	<b>GENERAL</b> .....	<b>41</b>

**ATTACHMENTS**

- Attachment 1 - Marks
- Attachment 2 - Territory
- Attachment 3 - General Release
- Attachment 4 - Conditional Assignment of Lease
- Attachment 5 - Statement of Ownership
- Attachment 6 - Spousal Guaranty
- Attachment 7 - Confidentiality and Non-Compete Agreement
- Attachment 8 - Internet Advertising, Social Media and Telephone Account Agreement
- Attachment 9 - Authorization Agreement Automatic Deposits
- Attachment 10 - Call-Center Telemarketing Services Agreement
- Attachment 11 - Promissory Note
- Attachment 12 - Security Agreement
- Attachment 13 - Account Acceptance Form

**SUMMIT BUILDING SERVICES FRANCHISING, LLC  
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is being entered into this \_\_\_\_\_, (the “Effective Date”) by and between Summit Building Services Franchising, LLC, an Ohio limited liability company with its principal place of business at 1605 Commerce Dr. Stow, OH 44224 (herein “Franchisor) and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ shall be referred to in this Agreement as the “Franchisee”.

**RECITATIONS**

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a unique and distinctive business providing commercial cleaning services to clients span a wide range of industries including industrial businesses, offices, medical facilities, schools, multi-family buildings and various government institutions and other commercial facilities, using Franchisor’s designs, and using Franchisor’s confidential operations manual (“Manual”) of business practices and policies, and Franchisor’s distinctive trade dress, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the “System”).

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the marks Summit Building Services service mark, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “Marks”).

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System’s high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

**1. RECITATIONS.**

The Recitations set out above form part of this Agreement.

**2. GRANT OF FRANCHISE**

Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Summit Building Services franchise (the “Franchised Business”), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only to a single location within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the “Territory”).

### **3. TERRITORY**

- 3.1 Territory. This Agreement grants Franchisee the right to operate the Franchised Business at a single location within the Territory. Franchisee acknowledges that (i) the Territory was mutually agreed upon by Franchisor and Franchisee, (ii) prior to the Effective Date hereof, Franchisee conducted Franchisee's own due diligence with regard to potential customers and other matters relative to the operation of the Franchised Business in the Territory, and (iii) Franchisor's agreement to the Territory is permission only, does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Franchised Business operated therein will be profitable or otherwise successful, and cannot, and does not, create any liability for Franchisor.
- 3.2 Minimum Performance Standards. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum results, and, to that end, Franchisee agrees to use best efforts to market Franchisee's Franchised Business to meet the Minimum Performance Standards. The Minimum Performance Standards are attached hereto in Attachment 2. Franchisee's failure to meet the Minimum Performance Standards by the last month of each period or year is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) reduce the size of the Territory or (ii) terminate this Agreement.
- 3.3 Outside Territory Sales. Franchisee must target Franchisee's marketing efforts within the Territory and solicit sales from customers and referral sources located within the Territory. Franchisee, however, may solicit and service a client or solicit a referral source located outside the Territory upon approval from the Franchisor, provided that (i) the client or referral source is not located in excess of 50 miles from the Franchisee's office address, or (ii) Franchisee did not solicit the client or referral source in violation of this Agreement.
- 3.4 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other products or services not offered under the Marks, (ii) other cleaning services concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Territory other than a dedicated Summit Building Services location, such as the Internet ("Alternate Distribution Channels"). Franchisor further specifically reserves the right to solicit, sell to, negotiate rates with, and service customers who have multiple properties across multiple territories and/or states ("National Accounts"). Franchisor may offer Franchisee the right to service National Accounts customers in the Territory, provided that Franchisee accept negotiated terms; otherwise, Franchisor may service the National Accounts customers either directly or permit another franchisee to provide such service. Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels or declined National Accounts customers made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

### **4. TERM**

Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is five (5) years following the Effective Date, as defined in Section 8 hereof (the "Term").

## 5. RENEWAL OPTIONS

Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a successor franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for up to two (2) additional terms equal to five (5) years each. The term of each such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor fee equal to ten percent (10%) of the then-current initial franchise fee ("Successor Fee").

5.1 Form and Manner of Renewal. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Franchise Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon by the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

- 5.2.4 Franchisee shall have completed any required updates to the Franchised Business location in order to meet system standards.
- 5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against Summit Building Services Franchising, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 3. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.
- 5.2.6 Franchisee performs such remodeling, repairs, replacements and redecoration as Franchisor may require causing the Franchised Business location, equipment, and trade dress to conform to the plans and specifications being used for new franchised businesses on the renewal date.
- 5.2.7 Franchisee shall pay the required Successor Fee and sign the then-current Franchise Agreement.
- 5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Summit Building Services franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state-mandated notice periods.
- 5.4 Additional Reservation of Rights. Notwithstanding anything herein, to the contrary, Franchisor reserves the right not to renew this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

## **6. FEES**

- 6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:
- 6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount set forth on Attachment 2 (the "Initial Fee"). The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances. Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.
- 6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee equal to a percent of Franchisee's Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's trademarks,

methods, operations and/or trade secrets (the “Royalty Fee”). The Royalty Fee shall be calculated as follows:

- 6.1.2.1 Nine percent (9%) of the first Two Hundred Thousand Dollars (\$200,000.00) Gross Revenue realized from the Franchised Business in each calendar year;
- 6.1.2.2 Eight percent (8%) of Gross Revenue between Two Hundred Thousand and One Dollar (\$200,001.00) and Three Hundred Thousand Dollars (\$300,000.00) realized from the Franchised Business in each calendar year; and
- 6.1.2.3 Seven percent (7%) of Gross Revenue over Three Hundred Thousand and One Dollar (\$300,001.00) realized from the Franchised Business each calendar year.
- 6.1.2.4 The Royalty Fee shall be subject to the following yearly minimum payments laid out in Attachment 2.

The term “Gross Revenue” includes all revenues and income from or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor’s methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Excluded from Gross Revenue are: (1) sales taxes and other taxes separately stated that Franchisee collects from customers and pays to taxing authorities; (2) refunds and credits made in good faith to arms’ length customers, provided such credits or refunds are made in accordance with Franchisor’s standards and specifications; and (3) the discount value of any voucher or other allowance that Franchisor authorizes at the time Franchisee redeems the customer’s voucher or allowance.

- 6.1.3 Gross Revenue Reports. Franchisee shall, on the first Tuesday following the close of the previous month, furnish Franchisor with a report showing Franchisee’s Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during such period (the “Gross Revenue Report”). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor’s discretion, Franchisee shall submit the Gross Revenue Report by an electronic transfer of data via the computer information systems (“Computer System”) that Franchisor requires Franchisee to use in the operation of the Franchised Business.
- 6.1.4 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue report, pay Franchisor the Royalty, Brand Marketing Fund Contribution, Technology Fee, and Client Billing Fee as defined and more particularly described in Article 13, then due. At Franchisor’s request, Franchisee must execute documents, including but not limited to, the Authorization attached hereto as Attachment 9, that allow Franchisor to automatically take the Royalty Fee and Brand Marketing Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers. Franchisee’s

failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

- 6.2 Late Fee. If the Royalty Fee, Brand Marketing Fund Contribution, Technology Fee, Client Billing Fee, any Gross Revenue Reports, or any other fee owed to Franchisor are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Dollars (\$100.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Marketing Fund Contribution, any other fee owed to Franchisor and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.
- 6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.
- 6.4 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of Two Hundred Fifty Dollars (\$250.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.
- 6.5 Technology Fee. Franchisee shall pay to Franchisor a technology fee of One Hundred Twenty-Five Dollars (\$125.00) per month for required software and applications provided by Franchisor to Franchisee ("Technology Fee"). Such software and applications are related to the development, adoption and/or use of new or improved technology for the benefit of the System and Franchised Business, including but not limited to assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform, social media support or other operations or communications systems. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology Fee up to ten percent (10%) annually, or (ii) replace the technology with different technology, developed by Franchisor or a third party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto.
- 6.6 Client Billing Fee. Franchisee shall pay to Franchisor a client billing fee equal to two percent (2%) of Gross Revenue) per month for administrative billing services provided by Franchisor to Franchisee ("Client Billing Fee").
- 6.7 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Marketing Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

## 7. TRAINING.

- 7.1 Initial Training Program. Franchisee (specifically including all of Franchisee's principals) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. The Initial Training Program is conducted in person and virtually using video conference software. Franchisor reserves the right to designate an alternate location for any component of the Initial Training Program. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) people to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages. If the Franchisee chooses to add an additional trainee(s), the Franchisee shall pay the current additional trainee fee.
- 7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Franchisee has satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed by the franchisee, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that Franchisee and Franchisee's Principal(s) cannot satisfactorily complete the Initial Training Program, Franchisor may terminate this Agreement.
- 7.3. Opening Assistance. Within sixty (60) days of the opening of the Franchised Business, Franchisor shall provide Franchisee with opening assistance by a trained representative of Franchisor. The trainer will provide on-site opening training, supervision, and assistance to Franchisee for up to two (2) days at no charge to Franchisee.
- 7.4. Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any expenses incurred by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.
- 7.5. On-Site Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel at the Franchised Business location. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System as outlined in the Operations Manual for the services of

such trained representatives, plus their costs of travel, lodging, and meals.

- 7.6. Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided at the Franchised Business pursuant to Section 7.5, furnish consultation and assistance to Franchisee, either in person or by telephone, fax, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, purchasing and inventory control, bookkeeping and System improvements.

## **8. FRANCHISED LOCATION AND VEHICLE REQUIREMENTS**

### **8.1 Location Selection.**

- 8.1.1. Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing a location for the Franchised Business within the Territory and for securely storing the vehicle(s) and equipment at that site. Franchisee shall hold Franchisor harmless with respect to Franchisee's selection of the site for the Franchisee's Franchised Business location or vehicle storage. Franchisee may launch and operate the Franchised Business from a home-based office. Franchisor reserves the right to require the Franchisee to lease a commercial space, office, and or warehouse once the Franchised Business exceeds One Million Dollars (\$1,000,000) in annual Gross Revenue. . For any commercial office space or warehouse, Franchisor shall review the lease for Franchisor required terms only. Franchisor does not guarantee the success of any location.

- 8.1.2. Upon consent from the Franchisor to the location for the Franchised Business office location, Franchisor shall set forth the location on Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee.

- 8.2. Preparation of Vehicle and Office. Franchisee shall be responsible for equipping and outfitting their Summit Building Services vehicle(s) and office as required by the Operations Manual.

- 8.3. Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within three (3) months after Franchisee has signed the Franchise Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. The date the Franchised Business opens for business to the public shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) obtaining a vehicle or bringing the vehicle into good working condition and repair, in accordance with System requirements and the plans and specifications consented to by Franchisor, (ii) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (iii) hire and train staff, if required, and (iv) obtain all required licenses to operate the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within ninety (90) days following the date of this Agreement shall be deemed a material event of default under this Agreement.

- 8.4. No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the location set forth in Attachment 2, and no other. Franchisee shall not relocate the Franchised

Business office location at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense, and subject to the following:

- 8.4.1. Franchisee shall construct and develop the new premises to conform to Franchisor's then-current specifications for design, appearance and improvements for new Franchised Businesses.
- 8.4.2. Franchisee shall remove any signs or other property from the original Franchised Business location that identified the original Franchise Business location as part of the System.
- 8.4.3. Franchisee agrees that during the construction and development of the new location, and at Franchisor's sole and absolute discretion: (i) the term of this Agreement shall not be abated, and (ii) Franchisee shall remain liable to pay a minimum Royalty Fee, Brand Marketing Fund Contribution, and Client Billing Fee that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business at the original Franchised Business location.
- 8.4.4. Franchisor shall amend Attachment 2 in accordance with Section 8.1.2 to reflect the address of the new Franchised Business location.
- 8.4.5. If a relocation site acceptable to Franchisor is not identified within ninety (90) days following Franchisee's request to relocate, either party may terminate this Agreement.

## **9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION, VEHICLE(S) AND SYSTEM**

- 9.1. Maintenance of Franchised Business Assets. Franchisee shall maintain the Franchised Business office location, all required Franchised Business equipment, Franchisee's vehicle, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement or worn or impaired equipment, vehicles and computer hardware, software and accessories, as Franchisor may direct.
- 9.2. Inspections. Franchisee shall operate and maintain the Franchised Business location and vehicle(s) in conformance with best practices for safety, in a manner that will ensure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory (should such an inspection be required). Franchisee shall submit to Franchisor a copy of any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs, and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.
- 9.3. Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, design, display and storage equipment, the Computer System, telecommunications hardware and software, payment processing systems, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

- 9.4. System Services. From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the services offered by the Summit Building Services System. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by the Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or suppliers to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.4 hereof, as Franchisor may direct.
- 9.5. Trade Dress Modifications.
- 9.5.1. Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new designs, new vehicle color schemes, new or modified marks, and new signage (collectively, "Trade Dress Modifications").
- 9.5.2. As a condition to renew this Agreement, Franchisee shall refurbish the Franchised Business office location or vehicle(s) at Franchisee's sole expense, as required by Franchisor, but not more frequently than every five (5) years, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.
- 9.5.3. Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.
- 9.6. No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damage caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.
- 9.7. Franchisee Advisory Council. Franchisor reserves the right to create (and if created the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings. Invitation may be based on a franchisee's level of success, superior performance and profitability.

## **10. FRANCHISOR'S OBLIGATIONS**

Franchisor and/or its designated representative will provide the services described below:

- 10.1. Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth the same in Attachment 2 attached hereto and incorporated herein. Franchisor should also approve the site of the Franchised Business office location in accordance with Section 8.1.
- 10.2. Vehicle Preparation. If established, provide to Franchisee criteria and specifications for a Summit Building Services vehicle modification. Such criteria and specifications may include, but are not necessarily limited to, signage and color modifications to Franchisee's vehicle(s). If established, Franchisee shall independently, and at Franchisee's expense, have the vehicle modified to follow such criteria and specifications in accordance with Article 8.
- 10.3. Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.
- 10.4. Inspection. Inspection of the Franchised Business and evaluations of the products sold, and services rendered therein whenever reasonably determined by Franchisor.
- 10.5. Pre-Opening Requirements. Provide a written list of equipment, fixtures, signage, supplies and/or products that will be required and/or recommended to open the Franchised Business for business.
- 10.6. Advertising Materials. Provide samples of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.
- 10.7. List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended suppliers of products and services for System franchisees and a list of approved and/or recommended suppliers of such items. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business.
- 10.8. Training. The training programs are specified in Article 7 herein.
- 10.9. On-Site Assistance. On-site post-opening assistance at the Franchised Business location in accordance with the provisions of Article 7.
- 10.10. Brand Marketing Fund. Administer a Brand Marketing Fund in accordance with Section 13.3.

## **11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

- 11.1. Best Efforts. Franchisee, including each Principal, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.
- 11.2. Corporate Representations. If Franchisee is a corporation, partnership, limited liability company or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

- 11.2.1. The Franchisee entity is duly organized and validly existing under the state law of its formation;
  - 11.2.2. Attachment 5 of this Agreement accurately reflects all individuals with an ownership interest, whether direct or beneficial, in the Franchisee entity;
  - 11.2.3 The Franchisee entity is duly qualified and is authorized to do business in the jurisdiction of the Territory;
  - 11.2.4. The Franchisee entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;
  - 11.2.5. The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;
  - 11.2.6. Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, un-liquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and
- 11.3. Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.
- 11.4. Appointment of Manager.
- 11.4.1. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual, including but not limited to, quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals, and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals.
  - 11.4.2. Franchisee shall be actively involved in the management of the Franchised Business. Notwithstanding the foregoing, Franchisee must designate and retain at all times a general manager (the "General Manager") to direct the daily operation and management of the Franchised Business. The General Manager may, but does not have to, be Franchisee. In the event Franchisee elects to designate a General Manager other than the Franchisee, the Franchisee must designate its General Manager prior to attending the Initial Training Program. The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

- 11.4.2.1. Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.
- 11.4.2.2. Shall devote his or her full time and best efforts to the supervision and management of the Franchised Business and may not engage in any other business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion.
- 11.4.2.3. Satisfy the training requirements set forth in Article 7.
- 11.4.4. If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager, ceases to serve, such replacement being subject to the same qualifications required by this Agreement (including, but not limited to, completing all training and obtaining all certifications required by Franchisor). Until such replacement is designated, Franchisee shall provide for interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee until a replacement General Manager is properly trained or certified in accordance with Franchisor's requirements. Franchisee shall pay the interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, upon written demand, or Franchisor may withdraw such amounts from Franchisee's designated bank account in accordance with Section 6.1.4.
- 11.5. Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, fire and police department clearances, Americans With Disability Act compliance, health permits, certificates of occupancy, any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.
- 11.6. Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business office location or vehicle, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.
- 11.7. Assignment of Numbers and Listings. Franchisee shall execute such forms and documents, including the Internet Advertising, Social Media, Software, and Telephone Listing Agreement contained in Attachment 8 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone

numbers and listings, and passwords and administrator rights for all email, software, and social media accounts used or created by or for Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, email addresses, social media accounts, or any other similar listing or usages related to the Franchised Business.

- 11.8. Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.
- 11.9. Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

## **12. FRANCHISEE'S OPERATIONS**

- 12.1. Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:
- 12.1.1. Use only those fixtures, trade dress, equipment, supplies, and signage that conform to Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;
- 12.1.2. Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;
- 12.1.3. Conduct sales and service of customers using Franchisor's format, methods, forms, reports and software and otherwise in accordance with Franchisor's standards and specifications;
- 12.1.4. Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and

the image and reputation Franchisee shall use its best efforts to insure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to customers of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

- 12.1.5. Permit Franchisor or its agents, to inspect the Franchised Business and any services, products or equipment to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;
- 12.1.6. Maintain in good working order, cleanliness and appearance, all vehicles for use in the Franchised Business. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of vehicles used in the Franchised Business.
- 12.1.7. Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using in or upon the Franchised Business office location, vehicle or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location, vehicle or elsewhere and remove any objectionable or non-approved signs or advertising media and keep or destroy same without paying therefore or without being deemed guilty of trespass or any other tort;
- 12.1.8. Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

## 12.2. Bookkeeping and Reports.

- 12.2.1. Franchisee agrees to use the bookkeeping vendor that Franchisor designates, which may be the Franchisor and/or one of its affiliates.
- 12.2.2. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by Franchisor, including but not limited to, a standardized chart of accounts, income statement and balance sheet format. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.
- 12.2.3. Within ten (10) days after the close of each calendar month, within fifteen (15) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, Franchisee will furnish to the Franchisor, from within the required software, a full and

complete statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practices. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

- 12.2.4. The financial statements required hereunder, including Franchisee's standardized chart of accounts, shall be in such form and contain such information as Franchisor may from time to time reasonably designate.
- 12.2.5. Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.
- 12.2.6. Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds any Gross Revenue Report understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein

### 12.3. Computer Systems.

- 12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the computer hardware and software Franchisor requires for the operation of the Franchised Business (the "Computer System") and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.
- 12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System, other computer systems and web-based payment processing accounts, including, without limitation, information concerning Gross Revenue and GPS tracking information. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and web-based payment processing accounts.
- 12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

- 12.3.4. Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.
- 12.3.5. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.
- 12.3.6. Franchisor has established a website that provides information about the System and the products and services offered by the Summit Building Services System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website linking Franchisee's Franchised Business location. Franchisee has no ownership or other proprietary rights to Franchisor's website and Franchisee will lose all rights to such link to Franchisee's location upon expiration or termination of this Agreement for any reason.
- 12.3.7. In addition to Franchisee's obligations pursuant to Section 6.5 hereof, Franchisee shall pay all other fees and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing or user-based fees.
- 12.3.8. If Franchisor requires Franchisee to use any proprietary software or to purchase any software from a designated vendor, Franchisor reserves the right to charge the Franchisee a reasonable fee and or the Franchisee must pay any fees associated with any software license agreements that Franchisor or the licensor of the software require.
- 12.4. Safety and Security of Premises. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, customers, agents and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.
- 12.5. Prices. Subject to applicable law, Franchisor will advise on setting the advertised selling price for its products and services. With the exception of accepted Key Accounts, Franchisee shall have the right to provide products and services at any price that Franchisee may determine. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.
- 12.6. Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee for the actual cost and expense for

inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within fourteen (14) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

- 12.7. External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.
- 12.8. Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.
- 12.9 Customer Safety. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance to a residence if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligence, reckless or careless behavior, or a conviction for any crime. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers are within Franchisee's discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

### **13. ADVERTISING, PROMOTIONS AND RELATED FEES**

- 13.1. Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs,

including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

### 13.2. Local Advertising.

13.2.1. In addition to the expenditures set forth in Section 13.2.4 below, Franchisor reserves the right to implement a local advertising fee on marketing and advertising in the Territory (“Local Advertising”). Franchisor reserves the right to increase this minimum expenditure by up to ten percent (10%) each year throughout the duration of the Term, in its sole discretion. Franchisor may require Franchisee to allocate to an advertising cooperative, as described in Section 13.4, some or all of Franchisee’s required Local Advertising expenditures. Such an allocation will be in partial or full satisfaction of Franchisee’s obligations pursuant to this Section 13.2.1.

13.2.2. Within fifteen (15) days after the close of each calendar quarter, or otherwise upon Franchisor’s request, Franchisee shall provide an expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding monthly period. The following costs and expenditures incurred by Franchisee shall *not* be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee’s personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3. In addition to the requirements of Sections 13.2.1 and 13.2.2, during the thirty (30) days prior and sixty (60) days after the Opening Date, Franchisee shall conduct a grand opening campaign in the Territory in which Franchisee must spend at least Three Thousand Dollars (\$3,000.00) on marketing, promotion and awareness-generating activities. Franchisor shall advise Franchisee on a grand-opening campaign, and Franchisee acknowledges that additional funds may be required for approved grand-opening activities in the Territory.

### 13.3. Brand Marketing Fund.

13.3.1. Franchisor has established a national fund (the “Brand Marketing Fund”) on behalf of the System for brand awareness generating and enhancing activities, whether local, regional or national in nature, as well as national advertising and marketing. Franchisee is required to contribute to the Brand Marketing Fund an amount equal to two percent (2%) of the Gross Revenue generated monthly by the Franchised Business (“Brand Marketing Fund Contribution”). Franchisor reserves the right, in Franchisor’s sole discretion and at any time and from time to time, to increase the amount of the Brand Marketing Fund Contribution to any amount not to exceed three percent (3%) of the Gross Revenue. Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Marketing Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

13.3.2. Franchisor shall have the right to direct the Brand Marketing Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges

that the Brand Marketing Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

- 13.3.3. Franchisor may, but has no obligation to, contribute to the Brand Marketing Fund on the same basis as Franchisee with respect to Summit Building Services outlets operated by Franchisor or Franchisor's affiliates.
- 13.3.4. Franchisor may use the Brand Marketing Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel salaries and other departmental costs for advertising that Franchisor internally administers or prepares).
- 13.3.5. The Brand Marketing Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable staff salaries, administrative costs and overhead costs that Franchisor may incur in activities related to the administration and direction of the Brand Marketing Fund and such costs and expenses pursuant Section 13.3.4. The Brand Marketing Fund and its earnings shall not otherwise inure to Franchisor's benefit, except that any intellectual property resulting from expenditures from the Brand Marketing Fund shall be owned solely by Franchisor.
- 13.3.6. Franchisor will prepare an unaudited annual statement on the Brand Marketing Fund's operations and will make it available to Franchisee upon request. In administering the Brand Marketing Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro-rata from the production or placement of advertising.
- 13.3.7. Although the Brand Marketing Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Marketing Fund, however, until all monies in the Brand Marketing Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.
- 13.4. Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts Franchisor requires, in addition to required Brand Marketing Fund Contributions.
- 13.5. Directory Listings and Social Media Accounts. If required by Franchisor and at Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees.

Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, X (Twitter), Bluesky, LinkedIn, YouTube, Threads, Tik Tok, blogs, or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards. Franchisee is specifically prohibited from using Franchisee's, Principal(s), or any other individual's or entity's personal social media accounts to promote the Franchised Business.

- 13.6. Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Summit Building Services brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

## 14. INTELLECTUAL PROPERTY

### 14.1 Ownership.

- 14.1.1. Franchisee expressly understands and acknowledges that Summit Building Services, Ltd. ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claims copyrights on certain material used in the System, including but not limited to its website, documents, project designs, advertisements, promotional materials and the Manual, whether or not Franchisor and/or Franchisor's affiliate(s) has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

- 14.1.2. As between Franchisor and Franchisee, Franchisor and/or Franchisor's affiliate(s) are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

- 14.2. No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor and/or Franchisor's affiliate(s) rights with respect to

the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's and/or Franchisor's affiliate(s) service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business location or in approved advertising related to the Franchised Business.

- 14.3. Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor's affiliate(s), and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.
- 14.4. Validity. Franchisee shall not contest the validity of, or Franchisor and/or Franchisor's affiliate(s) interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor and/or Franchisor's affiliate(s) interest in, the Intellectual Property.
- 14.5. Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor and/or Franchisor's affiliate(s) rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor's affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor's affiliate(s) reasonably request to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title, and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.
- 14.6. Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damage sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.
- 14.7. Franchisee's Use of Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:
  - 14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Summit Building Services" and design. Franchisee shall not use the Marks, or any portion or derivative thereof as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Summit Building Services Franchising, LLC".
  - 14.7.2. Franchisee shall identify itself as the owner of the Franchised Business and as an independent Summit Building Services franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

14.7.3. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4. Any item offered by Franchisee that contains the Marks must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8. Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9. Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10. Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

## 15. INSURANCE AND INDEMNIFICATION

15.1. Procurement. Franchisee shall procure from minimum rating of "A-" by AM Best rated insurance provider, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds and certificate holders, as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1. Liability. Commercial general liability insurance, including contractual liability, public liability, products liability, personal and advertising injury, in the amount of at least One

Million Dollars (\$1,000,000) per occurrence and general aggregate of Two Million Dollars (\$2,000,000);

- 15.1.2. Workplace Injury. Worker's compensation coverage in the limits required by the state in which the Franchised Business is located and operated, or Five Hundred Thousand Dollars (\$500,000), whichever is greater;
- 15.1.3. Automobile. Coverage for all owned, leased, non-owned and hired vehicles used in the Franchised Business in an amount of at least a combined single limit for bodily injury and property damage of not less than One Million Dollars (\$1,000,000), or greater if required by state law, with a combination of primary and excess limits of at least One Hundred Thousand Dollars (\$100,000) to Three Hundred Thousand Dollars (\$300,000) per vehicle.
- 15.1.4. Umbrella Liability Insurance. Held in the amount of One Million Dollar (\$1,000,000) limit for annual revenues up to Two Million Five Hundred Thousand Dollars (\$2,500,000) and/or of Two Million Dollar (\$2,000,000) limit for annual revenues up to Two Million Five Hundred Thousand Dollars (\$2,500,000) or above.
- 15.1.5. Business Interruption Insurance. Business interruption insurance for a minimum of twelve (12) months, in an amount necessary to satisfy Franchisee's obligations under this Agreement and the lease for the Franchised Business office location.
- 15.1.6. Business Property. Held for replacements at cost.
- 15.1.7 Employer's Liability insurance in the amount of One Hundred Thousand Dollars (\$100,000) per accident and shall be carried on all of Franchisee's employees.
- 15.1.8. Employment Practices Liability Insurance. Held in the amount of at least \$250,000 to \$1,000,000.
- 15.1.9 Cyber Liability Insurance. Held in the amount of at least \$250,000 for all first and third-party data breaches including identity theft, ransomware and data response/crisis management expenses.
- 15.2. Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverage. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.
- 15.3. Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with a reasonable fee for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.
- 15.4. Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements, as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types

of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

- 15.5. Additional Insured. All required insurance policies shall name Franchisor and its affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.
- 15.6. Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS SUMMIT BUILDING SERVICES FRANCHISING, LLC, SUMMIT BUILDING SERVICES, LTD., AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S SUMMIT BUILDING SERVICES FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE FRANCHISOR PARTY INDEMNITEES. FRANCHISEE AGREES TO PAY FOR ALL THE FRANCHISOR PARTY INDEMNITEES LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE FRANCHISOR PARTY INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITEES.

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## 16. TRANSFERS

### 16.1. Transfers by Franchisor.

- 16.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in

the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2. Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to a Summit Building Services franchise during the Term of this Agreement.

16.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the cleaning services business or to offer or sell any products or services to Franchisee.

16.2. Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principals of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3. Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

- 16.3.1. The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.
  - 16.3.2. The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;
  - 16.3.3. The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;
  - 16.3.4. Franchisee has paid all amounts owed to Franchisor and third-party creditors;
  - 16.3.5. The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;
  - 16.3.6. Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;
  - 16.3.7. Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor with all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;
  - 16.3.8. If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and
  - 16.3.9. If consent is required, the lessor of the Franchised Business's premises consents to the assignment or further sublet of the premises to the transferee.
- 16.4. Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee ("Transfer Fee") equal to seventy percent (70%) of the then current initial franchise fee for a comparably sized territory; provided, however, (i) for transfers to an existing franchisee in good standing with Franchisor, the Transfer Fee is fifty percent (50%) of the initial franchise fee for a comparably sized territory, and (ii) for transfers of ownership among existing principals, shareholders or members, or to add a business entity or new shareholder or member of the Franchisee entity and such transfer does not change management control of the Franchisee, the Transfer Fee is One Thousand Five Hundred Dollars (\$1,500.00).

16.5. Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6. Franchisor 's Right of First Refusal.

16.6.1. If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2. Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3. Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4. If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7. Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, as the case may be, the Franchise granted by this Agreement will terminate, unless prohibited by applicable law. If prohibited by applicable law, the executor, administrator, conservator or other personal representative of Franchisee or Franchisee's Principal, as the case may be, will transfer Franchisee's or Franchisee's Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from

providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at no less than Franchisor's actual cost, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

- 16.8. Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.
- 16.9. Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions.

## 17. DEFAULTS

- 17.1. Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.
- 17.2. Defaults With No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:
- 17.2.1. fails to equip and make operational your Franchised Business location or vehicle, obtain all licenses and permits before opening, or open the Franchised Business within the time and in the manner specified in Article 8.

- 17.2.2. ceases to operate the Franchised Business for a period of five (5) days or more; provided, however, that this provision shall not apply if through no fault of Franchisee, the location or vehicle is damaged or destroyed by a casualty and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to repair or replace the location or vehicle (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such reconstruction or relocation.
- 17.2.3. loses for any cause whatsoever the right of possession of the real property on which the Franchised Business is located, or loses possession of the Franchised Business vehicle; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.4 or the Franchisee obtains a replacement vehicle within thirty (30) days.
- 17.2.4. fails to restore the Franchised Business or vehicle to full operation within a reasonable period time but not more than fourteen (14) days from the date the Franchised Business or any casualty renders vehicle inoperable;
- 17.2.5. fails to comply with any federal, state or local law, rule or regulation applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;
- 17.2.6. defaults under any lease, sublease, or purchase agreement for the real property on which the Franchised Business office is located or defaults under any lease, sublease or purchase agreement for the Franchised Business vehicle;
- 17.2.7. understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;
- 17.2.8. fails to comply with the covenants in Article 15;
- 17.2.9. permits a Transfer in violation of the provisions of Article 16 of this Agreement;
- 17.2.10. fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.
- 17.2.11. is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;
- 17.2.12. receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;
- 17.2.13. conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

- 17.2.14. creates a threat or danger to public health or safety from the construction, maintenance or operation of the Franchised Business;
  - 17.2.15. refuses to permit Franchisor to inspect or audit Franchisee's books or records;
  - 17.2.16. makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);
  - 17.2.17. fails to comply with the non-competition covenants in Section 19.5;
  - 17.2.18. defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or any renewals or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;
  - 17.2.19. has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;
  - 17.2.20. defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement;
  - 17.2.21. fails to meet Minimum Performance Standards; or
  - 17.2.22. terminates this Agreement without cause.
- 17.3. Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:
- 17.3.1. fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.20 and/or 17.2.21;
  - 17.3.2. fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) - month period shall be a non-curable default under Section 17.2.20.
- 17.4. Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

- 17.4.1. effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or
- 17.4.2. enter upon the Franchised Business or vehicle and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured, and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay to Franchisor Franchisor's then-current interim management fee during the period of interim management, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured, and Franchisee is complying with the terms of this Agreement.
- 17.5. Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.
- 17.6. Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

## **18. POST-TERMINATION**

- 18.1. Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:
  - 18.1.1. immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Summit Building Services owner, franchisee or licensee;
  - 18.1.2. immediately and permanently (i) cease to use the Marks, any imitation of any Mark, Franchisor's designs, copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, (ii) cease to use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Franchisor's affiliates, or the System and (iii) de-identify the Franchised Business. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles which display the Marks;
  - 18.1.3. take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

- 18.1.4. promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee and located at the Franchised Business location at the time of default;
- 18.1.5. pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;
- 18.1.6. immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, designs, completed project signs, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;
- 18.1.7. comply with the non-disclosure and non-competition covenants contained in Article 19; and
- 18.1.8. pay to Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average monthly Royalty Fee and Brand Marketing Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) thirty-six (36) months, or (ii) number of months then remaining on the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

## 18.2. Right to Purchase.

- 18.2.1. Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, equipment (including any computer systems), signs, fixtures, advertising materials, supplies, and inventory (including any reusable bins) of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each

party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2. With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3. Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3. Assignment of Telephone Numbers. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4. Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

## **19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS**

### **19.1. Operations Manual.**

19.1.1. Franchisor has provided Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) is provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor

and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

- 19.1.2. Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.
- 19.1.3. The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all time remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.
- 19.1.4. Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.
- 19.1.5. If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.
- 19.2. Confidential Information. Franchisee along with its Principals acknowledge and accept that during the term of this Agreement Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, designs, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products,

services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

- 19.3. Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.
- 19.4. New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, design, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and Principal(s) acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvements to customers, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.
- 19.5. Noncompetition Covenants. Franchisee and each Principal, if any, specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal, if any, will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's managers and employees. Franchisee and each Principal, if any, acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal, if any, are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal, if any, covenant that, except as otherwise approved in writing by Franchisor:

- 19.5.1. During the term of this Agreement, Franchisee and each Principal, if any, shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any cleaning service business similar to the System; (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Summit Building Services franchisees or Franchisor-affiliated outlets.
- 19.5.2. Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals, if any, shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any cleaning service business within twenty-five (25) miles of the Territory or any Summit Building Services outlet; (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Summit Building Services franchisees.
- 19.6. Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.
- 19.7. Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.
- 19.8. Injunctive Relief. Franchisee and each Principal, if any, acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal, if any, hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.
- 19.9. No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10. Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Article 19 (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons that will have access to Franchisor's proprietary information and Confidential Information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the form set forth in Attachment 7 as revised and updated from time to time and contained in the Operations Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

## 20. DISPUTE RESOLUTION

20.1. Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution by providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2. Mediation. At Franchisor's or Franchisee's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3. Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in in the then-current location of Franchisor's headquarters, or the offices

of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

- 20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.
- 20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.
- 20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.
- 20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.
- 20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:
- 20.4.1 Franchisor's claims for injunctive or other extraordinary relief;
- 20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;
- 20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;
- 20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and
- 20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

FRANCHISEE IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, SUBMITTED TO COURT PURSUANT TO THIS SECTION 20.4 OR OTHERWISE, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

- 20.5. Governing Law and Venue. This Agreement is made in and shall be substantially performed in the state of Ohio. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the state of Ohio. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in the state of Ohio. Franchisee and its Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.
- 20.6. Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principals, if any, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.
- 20.7. Waiver of Certain Damages. Franchisee and each Principal, if any, hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principals, if any, agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.
- 20.8. Injunctive Relief. Nothing contained herein (including, without limitation, Sections 20.1 and 20.2 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders and preliminary injunctions.
- 20.9. Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.
- 20.10. Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and court costs incurred.
- 20.11. Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

## **21. GENERAL**

- 21.1. Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not

constitute Franchisee as an agent, legal representative, independent contractor or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner that may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of any allegation of an agent, partner or employment relationship.

- 21.2. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals, if any, in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.
- 21.3. Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.
- 21.4. Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.
- 21.5. Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.
- 21.6. Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.
- 21.7. Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

- 21.8. Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than at the Franchised Business location shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Franchised Business location.
- 21.9. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.
- 21.10 Consent to Do Business Electronically. This Agreement is made in the State of Ohio. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Ohio, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Attachments, and by attaching their signature, electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature, as the respective party's signature.
- 21.11. Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.
- 21.12. Survival. Any obligation of Franchisee or any Principal that contemplates the performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

*Signature Page to Follow*

The parties hereto have executed this Franchise Agreement the day and year first below written.

FRANCHISOR:  
Summit Building Services Franchising, LLC

By: \_\_\_\_\_

Tom Lesiczka \_\_\_\_\_, Vice President  
(Print Name, Title)

FRANCHISEE:  
\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## ATTACHMENT 1

Word Mark –

Summit Building Services

**ATTACHMENT 2**

**KEY TERMS**

Initial Franchise Fee:

Minimum Performance Standards:

<b>Time</b>	<b>Minimum Monthly Gross Revenue</b>
First 6 Months	\$4,000
Year 1	\$10,000
Year 2	\$15,000
Year 3	\$20,000
Year 4	\$30,000
Year 5+	\$40,000 +

Territory (insert map and/or define by Zip Codes):

\_\_\_\_\_, which shall consist of the following zip codes:

Franchised Business Office Address:

\_\_\_\_\_

**ATTACHMENT 3**

**GENERAL RELEASE**

\_\_\_\_\_ (“Franchisee”) and its principal(s):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

Executed as of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISEE:

By: \_\_\_\_\_

\_\_\_\_\_  
(Name, Title)

FRANCHISEES'S PRINCIPAL:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**ATTACHMENT 4**

**CONDITIONAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, the undersigned \_\_\_\_\_ ("Assignor") hereby assigns and transfers to Summit Building Services Franchising, LLC, an Ohio limited liability company with a notice address of 1605 Commerce Dr. Stow, OH 44224 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as \_\_\_\_\_. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Summit Building Services outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of the Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name, Title)

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

**CONSENT AND AGREEMENT OF LANDLORD**

to that Conditional Assignment of Lease from \_\_\_\_\_ (Assignor) to Summit Building Services Franchising, LLC (Assignee) dated \_\_\_\_\_ for the property known as \_\_\_\_\_.

The undersigned Landlord under the aforescribed Lease further hereby:

- (a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- (b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;
- (c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;
- (d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.
- (e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a Summit Building Services outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: \_\_\_\_\_

LANDLORD:

\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENT 5**

**STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE**

**Name**

**Percentage of Ownership**

**ATTACHMENT 6**

**SPOUSAL GUARANTY**

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on \_\_\_\_\_  
\_\_\_\_\_ to Summit Building Services Franchising, LLC, an Ohio limited liability company (“Franchisor”),  
in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith  
(the “Franchise Agreement”) with \_\_\_\_\_  
\_\_\_\_\_, a(n)  
\_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_  
\_\_\_\_\_ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor’s rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

## ATTACHMENT 7

### CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), a franchisee of Summit Building Services Franchising, LLC an Ohio limited liability company (“Franchisor”), and \_\_\_\_\_, an individual (“Covenantor”) in connection with an Franchise Agreement dated.

**WHEREAS**, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the trademark “Summit Building Services” and design mark, and certain proprietary products, services, promotions and methods (the “System”) for the establishment and operation of Franchised Business outlets;

**WHEREAS**, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Summit Building Services operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as “Confidential Information”);

**WHEREAS**, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

**WHEREAS**, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

**1. Confidentiality Agreement.**

**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

**b.** Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

**c.** Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

**d.** Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

**e.** Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

**f.** Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

## **2. Covenants Not to Compete.**

**a.** In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Summit Building Services system or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any cleaning service business substantially similar to the System.

**b.** In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the Summit Building Services System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational or supervisory capacity in any cleaning service business within the within twenty-five (25) miles of Franchisee's Territory or any Summit Building Services outlet.

**c.** The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

**d.** If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

## **3. General.**

**a.** Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

**b.** Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

**c.** Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

**d.** Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

**e.** THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, WITHOUT REFERENCE TO OHIO CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF OHIO. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY OHIO OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN OHIO; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

**f.** The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

**g.** Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

**h.** This Agreement contains the entire agreement of the parties regarding the subject matter hereof. Only a duly authorized writing executed by all parties may modify this Agreement.

**i.** All notices and demands required hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

\_\_\_\_\_  
\_\_\_\_\_

If directed to Covenantor:

\_\_\_\_\_  
\_\_\_\_\_

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor’s obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

COVENANTOR:

\_\_\_\_\_

Name: \_\_\_\_\_

## ATTACHMENT 8

### INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

**THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT** (the “Agreement”) is made and entered into this day of \_\_\_\_\_ (the “Effective Date”) by and between Summit Building Services Franchising, LLC, an Ohio limited liability company (the “Franchisor”), and \_\_\_\_\_, an \_\_\_\_\_ (the “Franchisee”).

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for a Summit Building Services business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the Summit Building Services brand.

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### 1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

#### 2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media Accounts and Other Electronic Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic

Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 **Release.** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 **Indemnification.** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 **No Duty.** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 **Further Assurances.** Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 **Successors, Assigns, and Affiliates.** All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 **Effect on Other Agreements.** Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 **Survival.** This Agreement shall survive the Termination of the Franchise Agreement.

3.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to the application of Ohio conflict of law rules.

***Signature Page to Follow***

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:  
SUMMIT BUILDING SERVICES FRANCHISING, LLC

By: \_\_\_\_\_

Tom Lesiczka , Chief Executive Officer  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**ATTACHMENT 9**

**AUTHORIZATION AGREEMENT  
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)**

Franchisor Name: **Summit Building Services Franchising, LLC**

I (We) hereby authorize Summit Building Services Franchising, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: \_\_\_\_\_ Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ACH/Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_  
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

_____	_____
Print Franchisee / Account Holder Name	Print Franchisee/Co-Account Holder Name
_____	_____
Franchisee/ Account Holder Signature-Date	Franchisee/Co-Account Holder Signature-Date
_____	_____
Daytime Phone Number	Email Address

**PLEASE ATTACH A VOIDED CHECK TO THIS FORM**

**Please Return Form to: Summit Building Services  
Franchising, LLC  
1605 Commerce Dr. Stow  
Ohio 44224**

## ATTACHMENT 10

### SUMMIT DIRECT MARKETING LLC AGREEMENT FOR CALL-CENTER TELEMARKETING SERVICES

This Agreement is made, by and between Summit Direct Marketing LLC. (hereinafter referred to as “Service Provider”) and \_\_\_\_\_ (hereinafter referred to as “Client”).

Service Provider agrees to provide all labor, supervision, material, and equipment necessary to assure performance of specified telemarketing service for the client. This shall include all services described in the written specifications attached as Exhibit A.

#### 1. Nature of Services to be Provided

The Service Provider agrees to provide telemarketing services to the Client. The scope of services includes, but is not limited to:

- Outbound telemarketing
- Lead generation
- Appointment setting
- Market research

#### 2. Term of Agreement

This agreement shall commence on [Start Date] and continue for a period of 12 months unless terminated earlier in accordance with the terms herein.

#### 3. Fee Structure

The Client agrees to pay the Service Provider according to the fee structure outlined below:

##### **Monthly Fee:**

Part-time Equivalent Telemarketing Services: \$1,600 per month

Full-time Equivalent Telemarketing Services: \$3,200 per month

Payment shall be made in advance of the start of each month. Service Provider does not make any guarantee as to the number of appointments that will be received within any given month. No credits will be given.

##### **Commission:**

- 1) One time commission to Service Provider on sold recurring accounts:
  - A) 20% of the first month’s total billable amount where the sale is completed by the Service Provider; or
  - B) 10% of the first month’s total billable amount where the sale is completed by the Client.
- 2) Commission is due to Service Provider within 45 days of the start date of the sold contract.
- 3) No commission will be charged on project work and/or one off cleaning work

#### 4. Compliance with Laws

The Service Provider agrees to conduct telemarketing activities in compliance with all applicable local, state, and federal laws and regulations.

5. Cancellation

This agreement may be terminated or canceled at any time with a minimum of ninety (90) days written notice from either party.

6. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

This Agreement ("this Agreement") is made and entered into as of \_\_\_\_\_, 20 \_\_, by and between Summit Direct Marketing LLC, with its principal place of business located at 1605 Commerce Dr., Stow, Ohio 44224 and \_\_\_\_\_ with its principal place of business located at \_\_\_\_\_.

NOW, THEREFORE, in consideration of the mutual promises and benefits to be derived by the parties they mutually agree to the terms and conditions as outlined above in this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date and year first written above.

Summit Direct Marketing LLC \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT 11**

**PROMISSORY NOTE**

\$ \_\_\_\_\_ Date: \_\_\_\_\_

FOR VALUE RECEIVED, and intending to be legally bound hereby, the undersigned, \_\_\_\_\_, a \_\_\_\_\_ having a principal address of \_\_\_\_\_, and \_\_\_\_\_ an individual having a principal address of \_\_\_\_\_ and \_\_\_\_\_ collectively referred to as the "Borrower"), promise to pay to the order of Summit Building Services Franchising, LLC, with an address of 1605 Commerce Drive, Stow, Ohio 44224 (the "Lender"), \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) ("Loaned Amount") in twelve (12) equal monthly principal installments of \_\_\_\_\_ plus interest at the rate equivalent to seven percent (7%) per annum on the unpaid principal balance (as more specifically stated below) with the first installment due and payable once the Borrower secures contract(s) equal to Twenty Five Thousand Dollars annually, as that term is defined in that certain franchise agreement executed by and between Borrower and Lender on or about \_\_\_\_\_ (hereafter the "Franchise Agreement"), Interest shall be calculated on the basis of a 360-day year, counting the actual number of days elapsed.

In the event that any payment hereunder shall become overdue for a period of three (3) days, the Lender can require the Borrower pay to the full remaining Loaned Amount immediately and has the right to file suit and obtain judgment, take possession of the Franchised Business as collateral or sell, lease or otherwise dispose of collateral at public or private sale.

Notwithstanding the foregoing, this Note shall become immediately due and payable without further notice or demand upon the occurrence of any Event of Default. Each of the following shall constitute an "Event of Default," whatever the reason for such event and whether or not it shall be voluntary or involuntary, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body: (a) if the Opening Date does not occur in accordance with the Franchise Agreement and Addendum thereto, (b) if any payment of principal and/or interest on the Loaned Amount as aforesaid shall not be paid when due, (c) if Borrower shall breach any covenant or default in the performance of any obligation of Borrower under this Note, the security agreement of even date herewith securing the Note ("Security Agreement"), the Franchise Agreement or Addendum thereto, or any other agreement between Borrower and Lender or Lender's affiliates, (d) if Borrower shall admit to Lender that Borrower is unable to pay their debts as they become due, or shall become insolvent, or shall suspend transaction or operation of their Franchised Business, as that term is defined in the Franchise Agreement; (e) if Borrower enters into any oral and/or written agreement to sell, assign, gift and/or in any way transfer (or if Borrower does sell, assign, gift and/or in any way transfer) any of their interest in the Franchised Business, without Lender's prior written consent; (f) if Borrower shall make an assignment for the benefit of creditors, or files a voluntary petition under the Bankruptcy Code, as amended, or federal or state insolvency law or apply for or consent to the appointment of a receiver, trustee or custodian of all or a part of their property, in each case which shall remain unstayed for thirty (30) days; (g) if an order for relief shall be entered following the filing of an involuntary petition against Borrower under the Bankruptcy Code, as amended, or any other Federal or state insolvency law, or if an order shall be entered appointing a trustee, receiver or custodian of all or part of their property, in each case which shall remain unstayed for thirty (30) days; or (h) if any individual of Borrower dies or becomes permanently incapacitated such that he or she is unable to perform daily functions on behalf of the Franchised Business.

Upon an Event of Default, payment of the entire unpaid balance of the Loaned Amount and all other sums due by Borrower hereunder together with interest accrued thereon at the rate hereinbefore specified, shall at the option of Lender and without further notice to Borrower, become due and payable immediately

and payment of the same may be recovered in whole or in part at any time by one or more of the remedies provided to Lender in this Note or by law or at equity; and in such case, Lender may also recover all costs of suit and other expenses in connection therewith, together with reasonable attorney's fees for collection of twenty percent (20%) of the total amount then due by Borrower to Lender.

The remedies of Lender as provided herein shall be joint and several against Borrower, cumulative and concurrent and may be pursued singly, successively or together against Borrower and/or any other obligor under this Note to Lender as security for this Note, at the sole discretion of Lender, and such remedies shall not be exhausted by any exercise thereof but may be exercised as often as occasion therefor shall occur.

Lender shall not by any act of omission or commission be deemed to have waived any of Lender's rights or remedies hereunder unless such waiver be in writing and signed by Lender, and then only to the extent specifically set forth therein; a waiver on one event shall not be construed as continuing or as a bar to or waiver of such right or remedy on a subsequent event.

Borrower hereby waives and releases all errors, defects and imperfections of a procedural nature in any proceedings instituted by Lender under the terms of this Note, as well as all benefits that might accrue to Borrower by virtue of any present or future laws exempting any other property, real or personal, or any part of the proceeds arising from any sale of such property, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process or extension of time for payment, as well as the right of inquisition on any real estate that may be levied upon under a judgment obtained by virtue hereof, and Borrower hereby voluntarily condemns the same and authorizes the entry of such voluntary condemnation on any writ of execution issued thereon, and agrees that such real estate may be sold upon any such writ in whole or in part and in any order desired by Lender.

Except as otherwise provided herein, Borrower and all endorsers, sureties, and guarantors hereof jointly and severally and intending to be legally bound, waive presentment for payment, demand, notice of non-payment, notice of protest, and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and they agree that the liability of each of them shall be unconditional without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender; and Borrower, all endorsers, sureties, and guarantors hereof consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the releases of the security for this Note, or any part thereof, with or without substitution, and agree that additional Borrowers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder.

Lender shall have the right to transfer, assign or pledge this Note and the benefits hereunder shall inure to the Lender, Lender's officers, directors, members, personal representatives, successors, and assigns. Borrower may not assign, transfer or pledge this Note without the express prior written consent of Lender. Furthermore, the Borrower's obligations hereunder shall inure to Borrower's heirs, successors and assigns.

The Borrower represents and warrants that the Borrower (a) will not breach or be in default on any agreement, mortgage, loan or credit arrangement by their execution of this Note; and (b) will be bound and obligated under this Note and that this Note constitutes a valid, legal and binding obligation of the Borrower, enforceable by the Lender or its successors and assigns.

All notices hereunder shall be deemed given if hand-delivered or sent by certified mail, return receipt requested or recognized overnight carrier to the parties at the addresses specified above, or at such other addresses as the parties may specify from time to time in writing. Notice shall be deemed received upon delivery if hand-delivered or three (3) days after mailing, if mailed or one (1) day after being placed with an

overnight carrier. All rights and obligations under this Note shall extend to and be binding upon the respective heirs, successors and assigns of the Borrower and Lender.

This Note will be governed by and construed in accordance with the laws of the State of Ohio, except to the extent that the UCC provides for the application for the law of the Borrower's state of residence. Should any one or more provisions of this Note be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

EXECUTED by each Borrower the day and year first above written.

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

(Print Name, Title)

\_\_\_\_\_

\_\_\_\_\_

(Print Name)

## ATTACHMENT 12

### SECURITY AGREEMENT

THIS AGREEMENT, made as of \_\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ having a principal address of \_\_\_\_\_, and \_\_\_\_\_, an individual having a principal address of \_\_\_\_\_ and \_\_\_\_\_ collectively referred to as the “Debtor”), and Summit Building Services Franchising, LLC, a Ohio limited liability company, with an address of 1605 Commerce Drive, Stow, Ohio 44224 (the “Secured Party”)

WHEREAS, Debtor has executed and delivered to Secured Party a promissory note, bearing even date herewith (“Note”), and

WHEREAS, Secured Party desires to secure the Debtor's payment of all amounts due under the Note and the Debtor's performance of all of their obligations under the Note by taking a security interest in certain of Debtor's property.

NOW, THEREFORE, intending to be legally bound by this Agreement, Debtor and Secured Party mutually covenant and agree as follows:

1. *Security Interest.* Debtor hereby grants and conveys to Secured Party a continuing security interest in and lien upon all Collateral (as hereinafter defined), now owned or hereafter acquired or arising in connection with the Debtor's Franchised Business, as that term is defined in that certain franchise agreement executed by and between Debtor and Secured Party on or about the date hereof (hereafter the “Franchise Agreement”) or otherwise, all in accordance with the provisions of the Uniform Commercial Code as enacted in the state in which the assets secured herein will be located (the “UCC”). Such security interest is granted as security for the payment of all amounts due by the Debtor to Secured Party under the Note and Debtor's performance of all of its obligations under the Note.

2. *Collateral.* For purposes of this Agreement, “Collateral” is defined to include Debtor’s all stocks and assets of each of Debtor, now owned or possessed or hereafter acquired, wherever located, whether new or used, including but not limited to, all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment; fixtures; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions, as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto).

3. *Debtor's Warranties, Representations and Agreements.* The Debtor represents and warrants to Secured Party and agrees that:

(a) Except for the security interest herein granted, Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance;

(b) Debtor agrees to keep complete and accurate Books and Records (as used herein, the term “Books and Records” is defined to include all books of original and final entry, records, ledgers, receipts and documentation, and make all necessary entries therein to reflect the quantities, costs, value and location of the Collateral. Debtor agrees to mark their Books and Records in such fashion as to indicate the security interest granted to Secured Party herein. Debtor will permit Secured Party, its officers, employees and agents, to have access to all of Debtor's Books and Records and any other records pertaining to the Collateral which Secured Party may request, and will cause all persons and services including online accounts, bookkeeping services,

accountants and the like, to make all such Books and Records available to Secured Party, its officers, employees and agents and, if deemed necessary by Secured Party in Secured Party's sole discretion, permit Secured Party, its officers, employees and agents to duplicate, at Debtor's expense, the Books and Records at Debtor's place of business or any other place where they may be found. Secured Party's right to inspect and duplicate Debtor's Books and Records will be enforceable at law by action of replevin or by any other appropriate remedy at law or in equity;

(c) The Collateral and Books and Records are, have been and will be kept at the Debtor's address as set forth above;

(d) Debtor shall immediately notify Secured Party in writing of any event causing deterioration, loss or depreciation in value of any of the Collateral and the amount of such loss or depreciation. Debtor shall permit Secured Party, its officers, employees and agents, access to the Collateral at any time and from time to time, as and when requested by Secured Party, for the purposes of examination, inspection and appraisal thereof and verification of Debtor's Books and Records pertaining thereto, and Debtor will pay the expenses of these inspections and audits on Secured Party's request. Debtor will promptly notify Secured Party in writing if there is any change in the status or physical condition of any Collateral. Debtor agrees not to return any Collateral to the supplier thereof without obtaining Secured Party's prior written consent;

(e) Debtor will not sell, exchange, lease, rent or otherwise dispose of any of the Collateral or of any Debtor's rights therein, other than in the ordinary course of Debtor's Franchised Business, without the prior written consent of Secured Party;

(f) Debtor will care for and preserve the Collateral in good condition and repair at all times and will pay the cost of repairs to and maintenance and preservation of the Collateral and will not permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement;

(g) No Event of Default has occurred and no event has occurred which, with the passage of time or the giving of notice or both, could be an Event of Default hereunder;

(h) Debtor will not use the Collateral in violation of any federal, state or local statute or ordinance;

(i) Debtor will comply with each covenant set forth in the Note and the Franchise Agreement and Addendum thereto;

(j) Debtor will not hereafter grant a security interest in the Collateral to any person, firm or corporation;

(k) Debtor will keep the Collateral insured against all hazards in such amounts and by such insurers as are satisfactory to Secured Party, with insurance policies which provide for at least ten (10) days prior written notice to Secured Party of any cancellation or reduction in coverage. Debtor will cause Secured Party's security interest to be endorsed on all policies of insurance in such manner that all payments for losses will be paid to Secured Party as loss-payee and will furnish Secured Party with evidence of such insurance and endorsements. Debtor will keep such insurance in full force and in effect at all times. In the event that Debtor fails to pay any such insurance premiums when due, Secured Party may but is not required to pay such premiums and add the costs thereof to the amounts due Secured Party by Debtor under the Note. Debtor hereby agrees to pay such premiums to Secured Party with interest at the highest rate of interest being charged to Debtor by Secured Party under the Note at the time of payment of such premiums by Secured Party. Debtor hereby assigns to Secured Party any returned or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Secured Party any amount so due.

4. *Use of Collateral; Casualty.* Until the occurrence of an Event of Default, Debtor may use the Collateral in the ordinary course of its business, consistent with past practices. Immediately upon the loss, damage or destruction of any Collateral, Debtor will deliver to Secured Party an amount equal to the greater of Debtor's (a) actual cost or (b) replacement cost of the Collateral so lost, damaged or destroyed, less the amount of any insurance proceeds thereon anticipated to be collected and retained by Secured Party.

5. *Event of Default.* The occurrence of any one or more of the following will be an "Event of Default" hereunder:

(a) The failure of Debtor at any time to observe or perform any of their warranties, representations or agreements contained in this Agreement or any other agreement between Debtor and Secured Party;

(b) Debtor's default under the terms of the Note;

(c) The subjecting of the Collateral or any rights therein to or the threat of any judicial process, condemnation or forfeiture proceedings;

(d) The insolvency of Debtor, the commencement of a voluntary or involuntary case in bankruptcy against Debtor, the consenting of Debtor to the appointment of a receiver or trustee of any of its property or any part thereof, or the entry of any order of relief against Debtor in any case.

6. *Secured Party's Rights and Remedies.* Upon or after the occurrence of any Event of Default, Secured Party may do any or all of the following, all of which rights and remedies shall be cumulative and any and all of which may be exercised from time to time and as often as Secured Party shall deem necessary or desirable:

(a) Exercise any and all rights, privileges and remedies available to Secured Party under this Agreement, the Note and the Franchise Agreement and Addendum thereto, and under the UCC, or any other applicable law, including without limitation the right to require the Debtor to assemble the Collateral and make it available to Secured Party at a designated place reasonably convenient for disposition;

(b) Notify Debtor's lessees, renters and account debtors to make all payments directly to Secured Party and to surrender, at the termination of any lease of any Collateral, the item or items of Collateral so leased or to pay the sale option price, if any, directly to Secured Party;

(c) Cure any default in any reasonable manner and add the cost of any such cure to the amount due under the Note and accrue interest thereon at the rate then being charged by Secured Party under the Note;

(d) Retain all of Debtor's Books and Records;

(e) Upon five (5) days prior written notice to Debtor, which notice Debtor acknowledges is sufficient, proper and commercially reasonable, Secured Party may sell, lease or otherwise dispose of the Collateral, at any time and from time to time, in whole or in part, at public or private sale, without advertisement or notice of sale, all of which are hereby waived, and apply the proceeds of any such sale:

(i) first, to the expenses of Secured Party in preparing the Collateral for sale, selling and the like, including without limitation reasonable attorneys' fees and expenses incurred by Secured Party (including fees and expenses of any litigation incident to any of the foregoing);

(ii) second, to the payment in full of all sums owing to Secured Party under the Note and the satisfaction of all of the Debtor's obligations under the Note and the Franchise Agreement; and

(iii) any excess shall be paid to Debtor.

The waiver of any Event of Default, or Secured Party's failure to exercise any right or remedy hereunder, shall not be deemed a waiver of any subsequent Event of Default or of the right to exercise that or any other right or remedy available to Secured Party.

7. *Miscellaneous.* The rights and privileges of Secured Party under this Agreement will inure to the benefit of its endorser, successors and assigns forever and this Agreement shall bind all persons who become bound as a debtor to this Agreement. All representations, warranties and agreements of Debtor contained in this Agreement will survive this Agreement. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio, except to the extent that the UCC provides for the application for the law of the Debtor's state of residence. If any provision of this Agreement will for any reason be held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision hereof, but this Agreement will be construed as if such invalid or unenforceable provision had never been contained herein.

Debtor and Secured Party have caused this Security Agreement to be duly executed and sealed as of the day and year first above written.

DEBTOR

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

(Print Name, Title)

\_\_\_\_\_

\_\_\_\_\_

(Print Name)

SECURED PARTY

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

(Print Name)

**ATTACHMENT 13**

**ACCOUNT ACCEPTANCE FORM**

Client:	Franchise Number and Location:
Contact Name:	Name:
Address:	Address:
Gross Monthly Billing:	Start Date:

1. The above-named franchisee (“Franchisee”) hereby accepts the designation being offered by Summit Building Services Franchising, LLC. (“Summit Building Services”) to provide service to the above named client (“Client”) pursuant to the terms of the Summit Building Services Franchise Agreement entered into between Franchisee and Summit Building Services (the “Franchise Agreement”) at the address listed under the terms of the Summit Building Services service agreement and all other agreements between Summit Building Services and/or its affiliate(s) and Client (“Service Agreement”), a copy of which is attached to this Account Acceptance Agreement (this “Agreement”) and agrees to adhere to all the terms of the Service Agreement including the Maintenance Agreement and Cleaning Schedule and to perform such all services pursuant to the Service Agreement according to all Summit Building Services standards, procedures and policies and in compliance with Franchisee’s obligations under the Franchise Agreement. Franchisee acknowledges receiving a copy of the Maintenance Agreement and Cleaning Schedule.
2. Franchisee represent and warrants that it has sufficient working capital to purchase all needed supplies and equipment, and to meet all expected payrolls for the first forty-five (45) days of service under the Service Agreement and the Maintenance Agreement.
3. Franchisee acknowledges and agrees that the services provided by Franchisee and Franchisee’s agents are, at all times, subject to Summit Building Services policies, procedures and performance standards, and that a representative of Summit Building Services will inspect this client location from time to time in order to ensure that the services being provided by Franchisee and Franchisee’s agents is being performed in accordance with the Franchise Agreement, the Service Agreement and the performance standards of Summit Building Services. Franchisee further acknowledges and agrees that if, at any time, whether through client communication or inspection, a deficiency in performance is reported or discovered, franchisee will remedy all such deficiencies within 48 hours.
4. Franchisee acknowledges that, notwithstanding Franchisee’s provision of services pursuant to this Agreement to Client, the Service Agreement shall remain the property of Summit Building Services, and Summit Building Services retains all rights under the terms and conditions of the Service Agreement and the Franchise Agreement, including to terminate this Agreement and Franchisee’s ability to provide services to Client under this Agreement, the Services Agreement or the Maintenance Agreement.

5. In the event an attorney is retained by Summit Building Services to enforce any of the terms of this Agreement, Franchisee shall indemnify and pay all costs, expenses and attorneys' fees in connection therewith.

---

Franchisee Name and Business Entity Name

---

Signature

---

Date

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**SUMMIT BUILDING SERVICES FRANCHISING, LLC  
FINANCIAL STATEMENT  
DECEMBER 31, 2024**

**SUMMIT BUILDING SERVICES FRANCHISING, LLC  
TABLE OF CONTENTS**

---

<b>Independent Auditor's Report</b>	<b>Page 1-2</b>
<b>Balance Sheets</b>	<b>Page 3</b>
<b>Statements of Operations and Shareholders' Equity (Deficit)</b>	<b>Page 4</b>
<b>Statements of Cash Flows</b>	<b>Page 5</b>
<b>Footnotes</b>	<b>Page 6-7</b>

MUHAMMAD ZUBAIRY, CPA PC  
Certified Public Accountant  
646.327.7013

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Summit Building Services Franchising, LLC

### **Opinion**

We have audited the financial statements of Summit Building Services Franchising, LLC, which comprises the balance sheets as of December 31, 2024, and the related statement of operations, and changes in shareholders' equity (deficit), and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Summit Building Services Franchising, LLC as of December 31, 2024, and the results of its operations and its cash flows for the for the period then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Summit Building Services Franchising, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Building Services Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Summit Building Services Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Building Services Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Muhammad Zubairy, CPA PC  
Westbury, NY  
January 23, 2025

**SUMMIT BUILDING SERVICES FRANCHISING, LLC**  
**BALANCE SHEET**  
**FOR THE YEARS ENDED DECEMBER 31, 2024**

---

**ASSETS**

**Current Assets**

Cash	\$ 3,144
Accounts receivable	4,542
Due from related party	1,512
<b>Total Current Assets</b>	<b><u>9,198</u></b>

<b>Total Assets</b>	<b><u><u>\$ 9,198</u></u></b>
---------------------	-------------------------------

**LIABILITIES AND Members' EQUITY**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 4,161
Due to related party	1,662
<b>Total Current Liabilities</b>	<b><u>5,823</u></b>

<b>Members' Equity</b>	<b><u>3,375</u></b>
------------------------	---------------------

<b>Total Liabilities and Members' Equity</b>	<b><u><u>\$ 9,198</u></u></b>
--	-------------------------------

See notes to financial statements

**SUMMIT BUILDING SERVICES FRANCHISING, LLC**  
**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024**

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<b>Revenues</b>	
Royalties	\$ 381
Franchise Fees	3,000
<b>Total Revenues</b>	<u>3,381</u>
<b>Operating Expenses</b>	<u>6</u>
<b>Net Income</b>	3,375
<b>Members' Equity-Beginning</b>	—
<b>Members' Contributions (Distributions)</b>	—
<b>Members' Equity (Deficit)-Ending</b>	<u><u>\$ 3,375</u></u>

See notes to financial statements

**SUMMIT BUILDING SERVICES FRANCHISING, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024**

---

<b>Cash flows from operating activities:</b>	
Net (Income)	\$ 3,375
Adjustments to reconcile net (loss) to net cash used by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(4,542)
Due from related party	(1,512)
Accounts payable and accrued expenses	4,161
Due to related partyAccounts payable and accrued expenses	1,662
	3,144
<b>Cash flows from financing activities</b>	
Members' contributions (distributions)	—
<b>Net Increase in Cash</b>	<b>3,144</b>
<b>Cash - Beginning of Year</b>	—
<b>Cash - End of year</b>	<b>\$ 3,144</b>

See notes to financial statements

# SUMMIT BUILDING SERVICES FRANCHISING, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. THE COMPANY

Summit Building Services Franchising, LLC is a Ohio limited liability company formed in September 2023 to offer franchisees the opportunity to own and operate a commercial cleaning service using Summit Building Services brand

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

**Franchise Arrangements**-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate for a specified number of years.

**Concentration of Credit Risk**-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

**Use of Estimates**-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Taxes on Income**- The Company's entity was organized as a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its member. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

### 3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

### 4. RELATED PARTY TRANSACTIONS

The Company periodically provides funds to its members or related companies. These advances are due upon demand and do not bear interest. As of December 31, 2024, the balance due from a related party was \$1,512.

**SUMMIT BUILDING SERVICES FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

---

**4. RELATED PARTY TRANSACTIONS (CONT'D)**

The Company periodically receives funds from its members or related companies. These advances are due upon demand and do not bear interest. As of December 31, 2024, the balance due to a related party was \$1,662.

**5. SUBSEQUENT EVENTS**

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through January 23, 2025, the date the financial statements were available to be issued.

**EXHIBIT D**  
**OPERATIONS MANUAL TABLE OF CONTENTS**

## Table of Contents

<b>Legal Disclaimer</b> .....	<b>2</b>
<b>Table of Contents</b> .....	<b>3</b>
<b>Welcome Letter</b> .....	<b>10</b>
<b>Introduction</b> .....	<b>12</b>
Operations Manual Benefits.....	12
The Summit Building Services Brand .....	13
Mission and Objectives:	13
Team Attributes: The 3 C’s .....	13
Company History.....	14
List of Approved Services.....	14
<b>SECTION 1: Orientation and Education</b> .....	<b>15</b>
Orientation .....	15
After Orientation .....	18
Certifications .....	18
OSHA Certification .....	18
LEED Green Associate Certification .....	19
CBSE Certification .....	19
Other Certifications .....	19
Refresher Courses.....	20
Company Meeting .....	20
<b>SECTION 2: Pre-opening procedures</b> .....	<b>21</b>
Company Opening Timetable Chart .....	21
Nine Weeks Before Opening.....	23
Register for orientation:	23
Seek and/or designate a work space:	23
Eight Weeks Before Opening.....	24
Apply for a business license .....	24
Choose your business structure; make appropriate filings.....	25
Register to collect and pay sales tax .....	25
Register to withhold and pay payroll tax.....	26
Other tax filing requirements.....	26
Seven Weeks Before Opening.....	26
Open banking accounts:	27
Secure insurance:	27
Six Weeks Before Opening .....	27

Meet licensing and code requirements:	28
Secure management, accounting and legal support:	28
Five Weeks Before Opening .....	28
Sign lease / acquire office space (If doing so):	28
Order utilities, phone and Internet:	29
Four Weeks Before Opening .....	29
Register management software and begin training .....	29
Three Weeks Before Opening .....	30
Begin Accumulating Sales Leads .....	30
Purchase vehicle (if desired):	31
Order Opening Package(s) from Summit:	32
Order office supplies:	32
Two Weeks Before Opening .....	34
Order business cards and “leave-behinds:” .....	34
Set up accounts with approved vendors:	34
One Week Before Opening .....	34
Conduct local market research:	34
Launch Grand Opening advertising and marketing campaign:	35
OPENING! .....	35
Trail Map: Service Blueprint .....	36
<b>SECTION 3: Starting Operations and Managing Your Franchise .....</b>	<b>37</b>
Quality Control .....	37
Work/Life Integration .....	37
Home Office Set-Up .....	38
Three Essential Components of Your Work-From-Home Office .....	38
Required Days and Times of Operation .....	38
Client Services .....	39
Customer Care .....	39
Client Meetings .....	40
Inspection Walkthroughs .....	40
New Building Start-Up Timetable:	40
4 Weeks Before Building Start .....	41
Client accepted - .....	41
Send intro docs and ask about tax exempt status .....	42
3 Weeks Before Building Start .....	43
Schedule Startup Walkthrough .....	43
Add start date to calendar .....	43
Fill Out Startup Supply Form .....	43
Post Job ad .....	43
Add to “HR Openings” Project .....	44
2 Weeks Before Building Start .....	44

Order supplies .....	44
Schedule interviews .....	44
Insert Account Info Into Team and Create Recurring Invoice - make sure Payroll Tax Info is inserted as well (Conducted by Summit Admin Team) .....	45
Input building holiday schedule into Team Software: WinTeam.....	45
Create Project Job .....	45
Create Job Card.....	45
Create SDS and Communication Books, 5S labels for closet .....	46
Set Up Absentee Schedules, Add Building to Inspection Form & add emails to auto send .....	47
Add building to manager map .....	47
Create Hours and end of month budgets in WinTeam.....	48
1 Weeks Before Building Start / Week Of.....	48
Put together start up kit.....	48
Install Chemical Dispenser/Drop off Large Equipment .....	48
First Day Of Service .....	49
After Startup .....	49
Send 1st bill.....	49
Client Services Meeting to Discuss 1st month of Service and Future Goals/KPIs, Conduct 30 day retune.....	50
<b>SECTION 4: Human Resources.....</b>	<b>50</b>
Compliance.....	51
Advertising and Hiring Procedures.....	51
Before you hire anyone.....	51
Beginning to hire someone .....	51
Franchise Organization and Position Descriptions .....	52
Recruiting.....	57
Indeed.....	62
Applications .....	63
Interviewing.....	63
Offers and Onboarding.....	64
Background checks .....	64
Pre Employment Testing .....	64
Paperwork .....	65
Orientation .....	65
Recordkeeping.....	66
Training .....	66
Motivation.....	66
Site Training.....	67
Other Training.....	69
Turnover and Absenteeism.....	70

Supervisor and Management Training.....	70
Continued Training and Discipline.....	71
Continued Education.....	71
Reviews .....	71
Quarterly Reviews.....	72
Check-ins .....	72
Corrective Counseling.....	72
Write-ups .....	72
Termination .....	73
Post-separation Procedures.....	73
LEGAL CONSIDERATIONS .....	74
RECRUITING AND HIRING .....	74
Employment Nondiscrimination and Employment Opportunity .....	74
The ADA - Americans Disabilities Act of 1990 .....	75
The Civil Rights Act of 1964 - Title VII .....	75
Whistleblower and Retaliation Protections.....	75
Work Authorization for Non-U.S. Citizens.....	76
Other Considerations.....	76
WAGES AND HOURS .....	77
Minimum Wage.....	77
Overtime Pay .....	78
Exempt Employees.....	78
Method of Payment .....	79
Rest and Meal Periods.....	79
Civic Duty .....	79
Fringe Benefits .....	79
COBRA .....	80
Worker's Compensation .....	80
Military Leave .....	80
Military Service.....	80
Child Labor Laws.....	81
Garnishments.....	81
SAFETY AND HEALTH .....	82
Occupational Health and Safety Administration (OSHA) .....	82
Reporting Workplace Injuries .....	82
Sexual Harassment Policies .....	83
Investigation and Discipline.....	84
Policies .....	84
General Work Rules.....	84
Employee Handbook.....	85
SBS Management Handbook.....	85

Surveillance and Searches .....	85
Code of Ethics.....	86
Conflict of Interest .....	86
Open Communication.....	86
Probationary Period .....	86
General Standards of Conduct.....	86
Building Security .....	87
Storage Areas and Janitorial Closets .....	87
Confidential Information .....	88
Outside Employment .....	88
Attendance and Punctuality .....	89
Work Schedules .....	89
<b>Section 5: Service Procedures and Chemical Training System.....</b>	<b>90</b>
ABC’s of Cleaning Chemistry .....	92
Office Cleaning.....	99
Restroom Care .....	118
Employee Personal Workspaces .....	126
Fitness Facilities .....	133
Classroom Cleaning.....	159
Carpet Care .....	177
Hard Floor Care.....	192
OSHA GHS Hazcom.....	226
OSHA Bloodborne Pathogen Standard.....	240
Pandemic Disinfection.....	258
Advanced Disinfection .....	267
<b>Section 6: Administrative Procedures .....</b>	<b>292</b>
Communication .....	292
Project Management.....	292
Reports .....	292
Manager Nightly Reports.....	292
Office Hours Reports .....	293
Corrective Counseling Report .....	293
Request Forms .....	293
Email Communication.....	293
Typography.....	294
Font .....	295
Color.....	295
Inventory.....	295
Equipment Maintenance .....	296
Supplies and Ordering .....	296
Payroll.....	296

Handbooks and Policies .....	297
Uniforms .....	298
<b>Section 7: Marketing .....</b>	<b>298</b>
CRM.....	299
Marketing Channels to Get the Flywheel Spinning.....	300
Outbound Marketing .....	300
Telemarketing .....	300
Call Script.....	300
Pay-Per-Click Advertising.....	302
Inbound Marketing .....	302
Social Media.....	302
<b>Section 8: Sales.....</b>	<b>303</b>
Walkthroughs.....	303
Proposals and Bid Opportunities.....	305
<b>Pricing.....</b>	<b>311</b>
Questions to consider:	311
Pricing .....	312
<b>APPENDIX .....</b>	<b>315</b>
A) MANAGER OPERATIONS MANUAL .....	315
B) WALKTHROUGH SHEET .....	326

**EXHIBIT E**

**OUTLETS AS OF December 31, 2024**

**Franchised Outlets:**

None.

**Franchise Agreements Signed but Not Yet Opened**

Ohio	
D&E SERVICES LTD Shakeesha Evans & Nicolas Dillon 3110 S Main Street Middletown, Ohio, 45044 Cincinnati, OH 347-806-4453 <a href="mailto:revamp@xfusionz.co">revamp@xfusionz.co</a> Date Signed: October 30, 2024	

**EXHIBIT F**  
**STATE ADDENDA**

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

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

- (a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.
- (b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee’s written consent.
- (c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.
- (d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.
- (e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.
- (f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

**DISCLOSURE REQUIRED BY MAINE LAW**

The information contained in this disclosure statement has not been verified by the State of Maine. The State has not reviewed and does not approve or endorse any business opportunity. The disclosure statement contains information which should be carefully read before agreeing to purchase a business opportunity.

Pursuant to Maine statute you have the right to avoid the contract for purchase of this business opportunity within 3 business days following the signing of the contract. You should obtain and study a copy of the law regulating the sale of business opportunities before you attempt to avoid the contract. This law is found in the Maine Revised Statutes, Title 32, section 4698.

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

FRANCHISOR:  
SUMMIT BUILDING SERVICES FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PRINCIPALS:  
  
\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**DISCLOSURES REQUIRED BY NORTH CAROLINA LAW**

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

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

Effective Date: \_\_\_\_\_

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

FRANCHISOR:  
SUMMIT BUILDING SERVICES FRANCHISING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PRINCIPALS:  
  
\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

## **VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

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.

**EXHIBIT G**

**FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

\*\*\*NOT FOR USE IN CALIFORNIA OR MARYLAND\*\*\*

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.**

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

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any

other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

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

\_\_\_\_\_  
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE SUMMIT BUILDING SERVICES FRANCHISING, LLC, SUMMIT BUILDING SERVICES, LTD., AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR

MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

Initial

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_,  
(Print Name, Title)

Date: \_\_\_\_\_

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

## STATE EFFECTIVE DATES

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

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

Effective Dates	
Indiana	Pending
Virginia	Pending

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

**EXHIBIT H**

**RECEIPT**

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

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

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

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

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

Tom Lesiczka 1605 Commerce Dr. Stow, OH 44224 330-703-1000
---

Issuance Date: April 24, 2025

I received a Disclosure Document dated April 24, 2025, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement
- EXHIBIT C: Financial Statements
- EXHIBIT D: Operations Manual Table of Contents
- EXHIBIT E: Franchised Outlets
- EXHIBIT F: State Addenda
- EXHIBIT G: Franchisee Acknowledgement Statement
- State Effective Dates
- EXHIBIT H: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return the signed receipt to Summit Building Services Franchising, LLC,  
1605 Commerce Drive,  
Stow, OH 44224

**EXHIBIT H**

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Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**