

FRANCHISE DISCLOSURE DOCUMENT



Honest Abe Roofing Franchise, Inc.

An Indiana corporation

1070 Windsor Road

Terre Haute, Indiana 47802

www.honestaberoofingfranchise.com

Telephone No.: (866) 587-5171

Email Address: info@honestaberoofingfranchise.com

The franchise offered is for the establishment and operation of an Honest Abe Roofing business ("Franchised Business"). Your Franchised Business will be a business that will offer customers roof repair services, new roof installation, and gutter installation, with the primary focus being new roof installation.

The total investment necessary to begin operations of a new single-unit Franchised Business is between \$185,025 and \$466,341 for a leased space. This includes \$35,000 - \$70,000 that must be paid to us or an affiliate at the time you execute the Franchise Agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kevin Newton, 1070 Windsor Road, Terre Haute, Indiana 47802, or by phone at (866) 587-5171 or by email at info@honestaberoofingfranchise.com.

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this Disclosure Document, is

available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2024

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:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	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 Exhibits K and L.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Honest Abe Roofing business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Honest Abe Roofing franchisee?	Item 20 or Exhibits K and L lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	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 the agency information in Exhibit M.

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 Addenda. See Table of Contents for the location of the State Specific Addenda.

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 Michigan. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Michigan than in your own state.
2. **Minimum Royalty and Other Payments.** The franchise agreement requires you to make minimum royalty and other payments, 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. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise agreement or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise agreement.
- (e) A provision that permits the franchisor to refuse to renew a franchise agreement on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subsection does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then- current, reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subsection does not prohibit a provision that grants, to a franchisor, a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subsection prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subsection (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless a provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If you have any questions regarding the foregoing provisions, contact the Michigan Department of Attorney General, Consumer Protection Division, Franchise, P.O. Box 30213, Lansing, Michigan 48909, (517) 335-7567.

The Michigan Notice applies only to Franchisees who are residents of Michigan or locate their franchises in Michigan.

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

To simplify the language in this Disclosure Document, the words “we,” “our,” “us,” and “Honest Abe Roofing,” refer to Honest Abe Roofing Franchise, Inc., the franchisor of this business. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company, or other business entity. If you are a corporation, limited liability company, or other business entity, certain provisions of this disclosure also apply to your owners and will be noted.

The Franchisor, Parent, and Affiliates

We are an Indiana corporation organized on June 21, 2017. As of the Issuance Date of this disclosure document, our principal place of business is 1070 Windsor Road, Terre Haute, Indiana 47802. We do business under the names “Honest Abe Roofing,” and “Honest Abe Roofing, The Reliable Roofer.” We do not do business under any other name. We have not offered franchises in other lines of business.

We have affiliates who operate an Honest Abe Roofing business substantially similar to the Franchised Business being offered to you. Our affiliate, Abraham Lincoln’s Honest Abe Roofing, LLC, is an Indiana limited liability company, doing business as Honest Abe Roofing, the Reliable Roofer, in Terre Haute, Indiana and South Bend, Indiana. Our affiliate’s principal place of business in Terre Haute, Indiana is 1700 E. Woodsmall Dr., Terre Haute, Indiana 47802 and our affiliate’s principal place of business in South Bend, Indiana is 1251 North Eddy Street, Suite 200, P.O. Box 6986, South Bend, Indiana 46617. Our affiliate, Honest Abe Roofing of Indianapolis, Inc. is an Indiana corporation doing business as Honest Abe Roofing in Columbus, Indiana. Our affiliate’s principal place of business is 5601 Fortune Circle S., Indianapolis, Indiana 46241. Our affiliate, Honest Abe Roofing of Muncie, Inc. is an Indiana corporation doing business as Honest Abe Roofing in Muncie, Indiana. Our affiliate’s principal place of business is 2110 W. Enterprise Avenue, Muncie, Indiana 47304. Our affiliate, Honest Abe Roofing of Dayton, Inc is an Ohio corporation doing business as Honest Abe Roofing in Dayton, Ohio. Our affiliate’s principal place of business is 235 Advanced Drive, Springboro OH, 45066. Since 2007, our affiliates have operated 1 or more outlets that are similar to the franchise offered in this Disclosure Document. Our affiliates operate 5 outlets. We may utilize one or more of our affiliates’ outlets to test our System and System improvements. Our affiliates do not offer franchises.

Our affiliate, Forever Roof, Inc., an Indiana corporation, doing business as Metal Supply Depot supplies metal roofing materials to those franchisees within the delivery territory of Metal Supply Depot. Metal Supply Depot’s principal place of business is 801 West Springhill, Terre Haute, Indiana 47802. Metal Supply Depot does not offer franchises.

We have no parent or subsidiaries. We may create 1 or more additional affiliates that may provide products and services to our franchisees.

Our agents for service of process are disclosed in Exhibit I to this Franchise Disclosure Document.

Our Business Experience

We began offering franchises in October 2017. We do not offer, and have not offered, franchises in any other line of business. At this time, our only business is the operation of the Honest Abe Roofing franchise system. We reserve the right to conduct other business activities in the future. We have never operated a business similar to the business being franchised. However, since 2007, our affiliates have owned and operated 1 or more outlets that are similar to the franchise offered in this Disclosure Document. We may utilize one or more of our affiliates' outlets to test our System and System improvements. Our affiliates operate 5 outlets.

The Franchise

We offer, to persons and entities that meet our qualifications, the opportunity to be awarded a Honest Abe Roofing franchise through which they will operate a business that will offer customers roof repair services, new roof installation, gutter installation, siding installation, and such other products and services we authorize from time to time, with the primary focus being new roof installation (the "Franchised Business") pursuant to the terms of a Franchise Agreement (the "Franchise Agreement"). Each Franchised Business will feature a distinctive facility layout and design, business format and method of doing business, including marketing and advertising procedures, job bidding and scheduling, customer service, and proprietary training processes and systems (the "System"). Each Franchised Business will be located at a site approved by us and you will serve a designated area. As long as you are not in default, we will not operate a company-owned Honest Abe Roofing business, or franchise to another the right to operate a Franchised Business, with the location within your designated area. Each Franchised Business is required to be open with onsite representatives during the designated Operating Hours as outlined in the Operations Manual. You will sell our approved products, which might include exclusively selling our affiliate's metal roofing products and materials. You must participate with one of our Approved Suppliers to provide financing for your customers' use of your roofing services. You must conduct the activities within your Franchised Business in accordance with our specifications, processes, and standards as we modify from time to time in our Operations Manual. Each Franchised Business operates under the name Honest Abe Roofing, The Reliable Roofer® and such other marks as we may designate or update from time to time.

You must operate your Franchised Business under our unique System. The System is characterized by the following: distinctive design and layout; proprietary business methods; a strategic marketing and advertising format; a unique customer bidding and scheduling process and customer service style; unique signs; proprietary specifications, processes, standards, procedures and techniques; all of which we may change. You must adhere to the System regardless of the size of your Franchised Business.

The Market and Competition

Your Franchised Business will offer roofing, gutters, siding, and such other products and services that we authorize from time to time. Depending upon your location, your sales may be seasonal in that most of your work will be performed in non-winter months. Your competitors include other

locally owned and nationally recognized service providers offering similar services. We believe the market for the Franchised Business and the services provided through our System is well developed.

The market for roofing businesses could be affected by pandemics, such as the COVID 19 pandemic. These effects may be experienced while the pandemic and any social distancing policies, voluntary or mandatory shutdowns, and other governmental policies and requirements relating to the pandemic are in effect. The market could also be affected by natural disasters, such as hurricanes and floods. The effects from pandemics and natural disasters may include the unavailability of employees, reduced hours of operation or closing of the business for a period of time, reduced sales volumes and cash flows, and disruptions to supply chains.

Licenses and Permits

Some states have laws and/or regulations that are specific to the roofing industry that may require you to be licensed or registered with that state. There are some municipalities or local units of government that may also have regulations that apply to your Franchised Business, including the actual performance of roofing services to clients (building permit). You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Franchised Business. You will be required to secure and maintain in force and effect all required contractor licenses, roofing contractor licenses, permits, or registrations and other licenses, permits, and certificates relating to the operation of your Franchised Business and the other licenses that apply to any other employees who work in your Franchised Business.

In addition, laws exist in every state and most local units of government (cities, townships, villages, counties, etc.) that apply to businesses generally. Your Franchised Business will be subject to various federal, state, and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act and other federal, state, or local laws and regulations relating to employees and customers with disabilities; the Fair Labor Standards Acts; the Occupational Safety and Health Act and other federal, state, and local laws and regulations governing minimum wage, overtime, working conditions and other employment-related subjects; Title VII of the Civil Rights Act; the Equal Employment Opportunity Act and other federal, state and local laws and regulations relating to discrimination and harassment; laws governing various other matters, such as consumer and employee privacy; laws applicable to health, sanitation, smoking, safety, fire, and other matters; tax laws; environmental laws; and laws relating to citizenship or immigration status. It is your sole responsibility to obtain, and keep in force, all necessary licenses and permits required by public authorities. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities for the operation of the Franchised Business.

ITEM 2. BUSINESS EXPERIENCE

Founder and President: Kevin Newton

Mr. Newton is our Founder and President and has been since June 2017. Since 2007, he has been the President of our affiliate that operates 1 or more outlets similar to the business being franchised here

in Terre Haute, Indiana. Since April 2016, he has also been the Founder and President of our affiliate that provides metal roofing products and materials to the System in Terre Haute, Indiana.

Chief Financial Officer: Leah Newton

Ms. Newton is our Chief Financial Officer and has been since June 2017. Since 2007, she has held a similar position with our affiliates in Terre Haute, Indiana.

Chief Operating Officer: Adriann Dalton

Ms. Dalton is our Chief Operating Officer and has been since November 2022. Between November 2020 and November 2022, she was the Vice President of Sales and Operations for DeltalPlans.com in Fort Lauderdale, Florida, where she was responsible for driving sales and operational performance. Between April 2017 and November 2020, she was the Vice President of Customer Engagement and Operations for Neighborly Brands in Waco, Texas, where she was responsible for franchise sales and operational process improvements.

Chief Marketing Officer: Aaron Ellis

Mr. Ellis is our Chief Marketing Officer and has been since January 2022. Between January 2015 and December 2021, he was an Executive Consultant with Heartland Dental in Effingham, Illinois, where he was responsible for developing strategies to acquire new customers for clients.

ITEM 3. LITIGATION

Except for the actions described below, there is no litigation required to be disclosed in this Franchise Disclosure Document.

Litigation Against Franchisees Commenced in the Past Fiscal Year.

Pending Action: Litigation Against Former Franchisee and Its Principal Owners For Enforcement of Post-Termination Provisions of the Franchise Agreement and the Personal Guarantees of the Principal Owners

HONEST ABE ROOFING FRANCHISE, INC. v. LESJON HOLDINGS, LLC, *et al.*, United States District Court for the Central District of Illinois, Urbana Division, Case No. 23-cv-02283, Case Filed July 11, 2023. On July 11, 2023, we filed a complaint in Vigo County, Indiana Superior Court – Commercial Court (Cause No: 84D02-2307-PL-004123) against a former franchisee and its two principal owners for the franchisee’s breach of its franchise agreement and its principal owners’ respective breaches of their separately executed personal guaranty, all arising out of franchisee’s abandonment and termination of its franchise. On July 31, 2023, the former franchisee and its principal owners removed the case to the United States District Court for the Southern District of Indiana, Terre Haute Division (No. 2:23-cv-00395-JMS-MJD). On September 29, 2023, the former franchisee and its principal owners filed a Motion to Dismiss or Transfer on the basis of improper venue. The United States District Court for the Southern District of Indiana, Terre Haute Division denied the former franchisee’s and its principal owners’ motion to dismiss but granted their motion to transfer the case to the United States District Court for the Central District of Illinois, Urbana

Division. On January 22, 2024, the former franchisee and its principal owners answered the Complaint, while simultaneously filing a counterclaim against us alleging fraud and unjust enrichment, related to the sale of their franchise. On February 9, 2024, we answered their counterclaim denying these allegations. The case remains pending in the Central District of Illinois, Urbana Division.

Litigation Instituted By Franchisees Concluded in the Past Fiscal Year.

Concluded Action: Litigation Instituted by Former Franchisee For Alleged Breach of Contract and Misrepresentation.

JAMES “CHAUNCEY” HOWARD and J. HOWIE CONSTRUCTION, LLC, v. HONEST ABE ROOFING FRANCHISE, INC., 353rd District Court, Travis County, Texas, Case No. D-1-GN-22-003935, Case Filed August 31, 2022. On August 31, 2022, our former franchisee filed a petition in Texas state court alleging that we misrepresented certain buildout costs of the former franchisee’s franchise business and breached an alleged agreement to refund the former franchisee the initial franchise fee. On November 14, 2022, in lieu of an answer, we filed a motion to dismiss the litigation on the basis that the former franchisee had not engaged in pre-suit mediation with us as required under the franchise agreement, each of the former franchisee’s claims were subject to the arbitration clause in the franchise agreement, and Texas state court was an improper venue under the franchise agreement. In response, on December 6, 2022, the former franchisee filed an amended petition, removing the misrepresentation claims. On January 19, 2023, mediation was held and the former franchisee agreed to dismiss the lawsuit based on the terms of a confidential settlement agreement. The material terms of the confidential settlement agreement included that: the parties mutually terminate franchise agreement, the former franchisee would comply with all post-termination obligations under the franchise agreement and covenant not to compete, and both parties agreed to waive any claim to damages relating to the dispute. On February 2, 2023, the litigation was dismissed with prejudice as a result of the parties’ confidential settlement agreement.

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

For a new franchise, you pay us a non-refundable \$70,000 for a “primary” Metropolitan Statistical Area (“MSA”), \$50,000 for a “secondary” MSA, or \$35,000 for a “tertiary” MSA as a lump sum Franchise Fee when you sign the Franchise Agreement. The United States Census Bureau defines a MSA as a core urbanized area with a population of at least 50,000 inhabitants in this urban core, which urban area is made bigger by adjacent communities that are socially and economically linked to the core urban area. Primary MSAs are defined as the MSAs ranked 21-50 in population size by the United States Census Bureau and Bureau of Labor Statistics, as attached as Attachment 4 to the Franchise Agreement (Exhibit B). Secondary MSAs are defined as the MSAs ranked 51-100 and tertiary MSAs are defined as the MSAs ranked over 101. Each territory will use the MSA maps as a guide to assign all of the zip codes within that MSA, but we will assign a zip code to only 1 franchisee. We have no intention of selling entire Mega-Market MSAs, which are defined as the MSAs ranked 1-20 in population size.

We offer a veteran discount to honorably discharged veterans of the United States armed forces. We will discount the Initial Franchise Fee by 15% on the first Designated Area purchased by those veterans.

The Initial Franchise Fee is non-refundable. In the fiscal year of 2023, franchisees paid between \$29,750-\$100,000 for Initial Franchise Fees (the lower end of the range is based on the military discount being applied to the sale of a tertiary MSA, as described above). However, in the future, we intend to impose the Initial Franchise Fee uniformly, as described above.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	5% of Gross Sales; but you must begin paying the minimum Royalty of \$4000 per month commencing in the 3 rd month after you are open, which minimum amount will increase to \$7000 per month commencing in the 13 th month after you are open and for the remainder of the term, whichever is greater.	The monthly Royalty fee is due by automatic debit (electronic funds transfer) (Note 1) each month on a day of the month that we determine based upon your previous month's Gross Sales. We reserve the right to collect on a more frequent basis.	"Gross Sales" means revenue from the sale of all goods and services from the Franchised Business less any lender fees from any approved financing vendors (Note 2).
Brand Development Fee (Note 3)	2% of Gross Sales	The Brand Development Fee is due monthly by automatic debit (electronic funds transfer) (Note 1) for Gross Sales made during the preceding month.	"Gross Sales" means revenue from the sale of all goods and services from the Franchised Business less any lender fees from any approved financing vendors (Note 2). Honest Abe Roofing businesses operated by us or our affiliates will contribute to the Brand Development Fund on the same basis as franchisees.
Local Advertising (Note 3)	Equivalent of 7% of Gross Sales from previous month.	As incurred monthly	You pay this fee to an Approved Supplier. In addition to the Brand Development Fund Fee, you are required to spend, after the first 150 days of operation, an amount to market and advertise your Franchised Business in your market (Note 3). We may require your expenditures to be used in cooperative advertising

Type of Fee	Amount	Due Date	Remarks
			and such contribution amount is determined by the cooperative, of which you will be a voting member. Contributions to the advertising cooperative will not be more than the local advertising requirements disclosed here. Outlets operated by us or our affiliates will perform their own Local Advertising on the same basis as franchisees. Further information about all advertising programs is included in ITEM 11.
Marketing Materials	\$500 - \$1,000 per year	As incurred	You are required to purchase copies of certain Marketing Materials, including advertising and promotional materials that we develop from time to time.
Audit Expenses (Note 4)	Cost of audit and investigation, Royalty, plus Brand Development Fund Fees due on understatement, plus interest on any understatement at 18% per annum or highest maximum rate allowed by law, whichever is less	30 days after billing	Cost of audit payable by you only if audit shows an understatement of your Franchised Business's Gross Sales by 1% or more or an underpayment of the Royalty or Brand Development Fund Fee of 3% or more. You are responsible for the Royalty and Brand Development Fund Fees for any understated Gross Sales plus interest on these amounts.
Administrative Fee	\$100 for each returned payment or delinquent report filing for the first offense, \$250 for the second offense, \$500 for the third offense, and \$1,000 for the fourth offense, and a non-curable default on the fifth offense in a 24-month period.	On demand or by means of automatic debit (electronic funds transfer)	Payable for each monthly Royalty Fee or monthly Brand Development Fee that is returned for insufficient funds or some other reason or if you fail to file any report required by us when due.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Currently \$210 per month per user	Same as Royalty or other schedule as provided in the Operations Manual	We currently charge a monthly Technology Fee in the amount of \$210 per month per user, which amount may increase by 5% per year to maintain the level of services, and such other increases over the term of the Franchise Agreement as implemented through the Operations Manual. This fee would support various technology platforms provided by us, which includes Satellite measurement software, AbeConnect CRM, On-line Reputation Management Software, Learning Management Software. We will list your franchise location on our website. You will have access to update your required information including your location's business profile, career postings, and link social media accounts. We reserve the right to increase this fee in the future because of the rapidness of the changes in information technology.
Transfer Fee	\$1,500 if interests are transferred between and among your existing Principals; or 75% of the then current initial franchise fee if the business is transferred to a franchisee new to our System; or 50% of the then current initial franchise fee if the business is transferred to a franchisee already approved in our System.	Prior to consummation of transaction	Payable to us as one condition of our approval of the transfer.

Type of Fee	Amount	Due Date	Remarks
VOIP Service	\$100 - \$300 per month	Same as Royalty or other schedule as provided in the Operations Manual	The VOIP service automatically integrates with Abe Connect.
Additional Training (Note 5)	\$1,200 to \$2,000 per person	Immediately upon receipt of bill	We provide initial training programs as part of the Initial Franchise Fee.
Additional Assistance (Note 6)	\$500 to \$1,000 per person per day, plus expenses	Immediately upon receipt of bill	We provide initial assistance programs as part of the Initial Franchise Fee.
Renewal Fee	\$10,000	At renewal	Payable to us as one condition of our approval of your renewal.
Alternate Product/ Supplier Approval (Note 7)	Up to \$750	Immediately upon request for approval	Payable to us or other testing company.
System Performance Review Program (Note 8)	Currently \$0, but we reserve the right to do so in the future	Immediately upon receipt of bill	Payable to us or other approved supplier.
Interest	18% per annum or highest maximum rate allowed by law on past due fees owed to us, whichever is less	Immediately when due or by means of automatic debit (electronic funds transfer)	Payable to us.
Insurance Premium Reimbursement	\$8,800 - \$13,200	Immediately when due	If you do not obtain insurance, we may obtain insurance on your behalf and you pay us the actual cost of obtaining insurance plus a 10% administrative fee
Liquidated Damages (Franchise Agreement)	The greater of 2 years of Royalty and Brand Development Fund payments, respectively, based upon the previous year's Royalty and Brand Development Fund payments made, respectively, or \$132,000	Lump Sum on demand or by means of automatic debit (electronic funds transfer)	Payable as part of the damages due us if you breach the Franchise Agreement and the Franchise Agreement is terminated.
Collection Costs, Expenses and Attorney Fees	Our costs and expenses	Upon demand, if required	These costs and expenses include, but are not limited to all costs and expenses related to the enforcement of the Franchise Agreement or other agreement between us, including without limitation, court costs, expert witness fees, discovery costs and actual attorney fees incurred by us.

Type of Fee	Amount	Due Date	Remarks
Indemnification	The costs and expenses incurred by us	As incurred and upon demand	You must indemnify and hold us harmless in all actions arising out of or resulting from the development or operation of the Franchised Business.

The following fees are imposed by and payable to us or an affiliate: Royalty, Brand Development Fund, audit expenses, Technology, transfer, additional activities and programs, marketing materials, renewal, additional training and additional assistance, interest, alternative product/supplier, system performance review program, liquidated damages, collection costs, and indemnification. All fees are non-refundable. All fees are uniformly imposed and collected. However, some existing franchisees may be required to pay different amounts based upon the then-existing franchise agreements that they signed.

Note 1 Before Initial Training, you must sign, and deliver to us, the document (Exhibit C of this Disclosure Document) required to debit the Franchised Business's checking account automatically for all fees due us. This includes, without limitation, the Royalty, Brand Development Fund Fee, Technology Fees, Administrative Fees, and Interest fees.

Note 2 Gross Sales will include, without limitation, all revenue collected from the sale of goods and services from your Franchised Business or pursuant to your rights under the Franchise Agreement; all deposits not refunded to purchasers; and orders taken, although such orders may be filled elsewhere. Gross Sales shall not include the amount of returns to shippers or manufacturers; the amount of any cash or credit refunds made upon any sale where part or all of the product or service sold is later returned by the customer and accepted by you, limited to 1% of Gross Sales; receipts from sales of furniture, trade fixtures or other extraordinary sales (unless bearing any Trademarks) not made in the ordinary course of business; any sales or value added tax required by and duly constituted taxing authority which are separately accounted for and collected on behalf of the taxing authority by you directly from your customers and paid by you to the taxing authority; and any lender fees from any Approved Supplier financing vendor.

Note 3 We require you to contribute 2% of monthly Gross Sales to the Brand Development Fund ("Brand Development Fund Fee"). Our United States affiliate outlets pay the same fee. We, in our sole discretion, choose the timing of the marketing, promotion, and/or advertising expenditures, the type of marketing or promotion, the kind and type of technology to develop or support, the forum for the marketing/promotion/advertising, and the supplier for the marketing/promotion/advertising. This fee does not include any marketing/promotion/advertising expenditures you are required to make on your own for local advertising. We require that you spend a minimum of \$20,000 per month for the first 3 months of operation on Grand Opening Advertising with an Approved Supplier. After the first 3 months of operation, we require that you spend

at least the equivalent of 7% of previous month's Gross Sales per month on local advertising with an Approved Supplier. If you fail to spend at least the equivalent of 7% of the previous month's Gross Sales on local advertising in any month, you must pay the deficiency to us as additional Royalty.

Note 4 You must keep complete and accurate books and records of the operations of your Franchised Business in a form acceptable to or designated by us and report financial information to us as we require, in a format that we require. You are required to use our proprietary software, Abe Connect, to record all leads, transactions, work flow, invoicing, and collections. You shall directly integrate all digital leads into our proprietary software, Abe Connect. As part of the software, we will set up, but you will be required to purchase, an online Quickbooks account, which we will be the primary administrator and will provide access to you for all the tracking and recording of all accounting transactions. You must use accounting software we require. You must use the professional accounting services of an accountant or accounting firm. At our sole discretion, our authorized agent has the right to examine and make copies of your books, records, and tax returns. You must waive any accountant/client privilege to allow your accounting firm to disclose to us information required to be disclosed by you in the Franchise Agreement. In our discretion, we may initiate an audit of your books to ensure that you are properly accounting for all Gross Sales or other reasons at our sole discretion. You are required to provide copies of your annual tax returns upon the completion of your filing. You will be responsible to pay Audit Expenses in the event that you understate Gross Sales by 1% or more or an underpayment of the Brand Development Fund Fee of at least 3% or more. You will also be responsible to pay to us the deficiency plus interest at the maximum legal rate.

Note 5 We provide training as part of the Initial Franchise Fee (See Item 11). If we determine, in our sole discretion, that your management or staff needs additional training or if you ask us to perform additional management or staff training, we will charge you a fee based on the training required, which will be held at our offices. You will also be responsible for wages, benefits, travel, and expenses of your managers or crew attending this additional training.

Note 6 If we are required to visit your location for training, we will charge you a fee per participant for the training provided at your location plus a per diem fee for each of our trainers that can range from \$500 to \$1,000 per assistant or trainer, per day, plus expenses for any additional assistance in which an additional assistant is used, either directly or indirectly, by us. We may, in our sole discretion, determine that you require our additional assistance. You may request additional assistance, however, we reserve the right to determine whether or not it is necessary, and we reserve the right to not provide additional assistance if, among other things, the proper assistant is not available. Additional assistance can include, without limitation, on-site marketing consultation, on-site construction, build-out consultation, and/or on-site Franchised Business operation consultation. The rate of our staff that provides you additional assistance is dependent upon the level of

experience of the person providing you the additional assistance. At this time, our senior staff are billed to you at the higher end of the range, as disclosed in our Operations Manual.

Note 7 If you want to use an unauthorized supplier or product, we must approve that supplier or product before your use and we will charge you a one-time fee of up to \$750 to ensure that the proposed supplier or product meets our standards for quality.

Note 8 We currently do not have a system-wide System Performance Review Program (e.g., mystery shoppers). We reserve the right to charge this fee in the future and in our discretion as implemented consistent with our Operations Manual.

Note 9 If established, we require that you participate in our Web-based Marketing Program. The Web-based Marketing Program may consist of activities such as, without limitation, an email database marketing program, loyalty program, and other programs implemented in our Operations Manual.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT FOR FRANCHISE AGREEMENT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$35,000 – \$70,000	Lump sum	At signing of Franchise Agreement	Us
Training Expenses (Note 2)	\$2,450 to \$7,199	As incurred	As incurred	Airlines, Hotels and Restaurants
Real Estate/Rent (Note 3)	\$7,200 to \$21,600	As arranged	As arranged	Landlord
Licenses, Permits, and Deposits (Note 4)	\$1,375 to \$3,050	As arranged	As Arranged	Utility Companies, licensing agencies, Landlord
Real Estate/Building Improvements (Note 5)	\$15,000 to \$120,000	As arranged	As arranged	General Contractor and other vendors
Furniture, Fixtures, Equipment, and signage (Note 6)	\$15,000 to \$50,000	As arranged	Prior to Opening	Vendors designated or approved by Us (See Items 8 and 9)
Insurance (Note 7)	\$2,000 to \$3,000 (first 3 months)	As arranged	Prior to Opening	Insurance Company approved by Us
Professional Fees (Note 7)	\$1,500 to \$2,750	As incurred	As incurred	Professionals - Attorneys, Accountant
Uniforms (Note 8)	\$1,800 to \$2,588	Lump Sum	Prior to Opening	Supplier designated or approved by Us (See Items 8 and 9)
Grand Opening Advertising (Note 9)	\$60,000	As incurred	As incurred	Supplier designated or approved by Us (See Items 8 and 9)

TYPE OF EXPENDITURE	AMOUNT FOR FRANCHISE AGREEMENT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Vehicle Expenses (Note 10)	\$8,700 to \$26,154	As incurred	As incurred	Supplier designated or approved by Us or Us (See Items 8 and 9)
Additional Funds (Note 11)	\$35,000 to \$100,000 3 Months	As incurred	As incurred	Employees and Suppliers
TOTAL (Note 12)	\$185,025 to \$466,341			

Note 1 The Initial Fee is non-refundable.

Note 2 You are responsible for making arrangements and paying expenses for you and your managers to attend the management training program, including without limitation, transportation, lodging, meals, and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations that you choose. These amounts are non-refundable. This does not include any additional training that may be required of you or your Franchisee Designate. We encourage you to begin the management training approximately 30 days prior to the opening of your Franchised Business. This estimate contemplates training of you and the additional team members pursuant to the training program described in Item 11.

Note 3 We estimate that rent for suitable space (2,500–5,000 square feet) for the Franchised Business’s building will average the range indicated above, which is for the initial phase of the business (first 3 months), not including pass-through expenses such as, without limitation, property taxes, insurance, common area charges, or maintenance, depending upon whether you own or lease the real estate. Your actual costs will depend on the real estate market and the particular location of your building. You may also be required to provide a security deposit to your Landlord. Typically, the security deposit will equal the rental payment for the first month of the Lease term. This security deposit may be refundable in accordance with your agreement with your Landlord. We must approve your location, but we do not provide any assurances as to the success of the Franchised Business established at a particular location. We cannot estimate the cost of purchasing real estate or leasing land because such cost varies depending upon the location of the property, its condition, the state of the economy, and the terms of the purchase. Typical locations for Franchised Businesses may be near commercial areas and shopping areas with ample available parking. Whether any amount paid to a landlord is refundable depends upon your agreement with the landlord.

Note 4 Deposits may include security deposit or utility deposits. Licenses and permits may include a business license, building, or contractor license. Whether any amount paid as deposits is refundable depends upon your agreement with the landlord.

Note 5 You must construct or renovate space to operate your Franchised Business in accordance with our brand standards in our Operations Manual. In general, our

specifications require premises appropriate for the Franchised Business consisting of approximately 2,500–5,000 square feet in size. The costs of construction and leasehold improvements includes the actual remodeling and renovation expenses of the building location, but this amount depends upon the size and condition of the premises, the nature and extent of leasehold improvements required, the local cost of contract work, and the location of the Franchised Business. The low range of the estimate may occur if you already have a premises appropriate for the Franchised Business that we approve. The method of your payment will largely depend on your financing. The estimated amounts are generally non-refundable, and include site plan review fees, zoning fees, and building permit expenses. You must finish the interior of your Franchised Business in accordance with the System and such plans must be approved by us.

Note 6 You are required to obtain all the equipment necessary for the operation of the Franchised Business, including without limitation, furniture, fixtures, equipment, signage, smart phone, computer hardware, computer software licenses, internet connection, and office equipment and supplies. You are required to obtain the equipment that meets our specifications. Whether any amount paid for the equipment is refundable depends upon your agreement with the particular supplier.

Note 7 Insurance expenses are non-refundable. Professional fees include your initial accounting fees, attorney fees for formation of a corporation or other business entity, accounting fees, and the like. The amount of the professional fees may vary depending upon the professionals you choose, the extent of the construction project, the local cost of contract work, the location of the Franchised Business, and other factors. Whether these amounts are refundable depends upon your agreements with the professional.

Note 8 You must purchase uniforms for every employee and subcontractor. The cost of individual uniforms will vary depending on the position of the employee. Uniforms must be purchased from an Approved Supplier. Expenses for uniform purchases are non-refundable.

Note 9 You must use an Designated Supplier, to assist in organization and implementation of the Grand Opening Advertising. We require you to spend a minimum of \$20,000 per month for the first 3 months of operation (\$60,000 total) on Grand Opening Advertising but some franchisees have chosen to spend more. We may require you to advertise in media such as radio, television and newspaper, direct mail, other advertising, promotional items, and other media during your first 3 months of the operation of the Franchised Business. Such promotion will be designated as “Grand Opening” advertising and promotion, which you must conduct in accordance with the specifications set forth in the Operations Manual. You must work with our marketing team and their resources to finalize your Grand Opening marketing plan, which must be submitted to us no later than 45 days prior to the opening of the Franchise Business. All Grand Opening advertising expenditures must be approved by us before they are incurred. This advertising fee is non-refundable. The Grand

Opening Advertising funds are the only advertising expenses you will incur prior to and during the initial 3 months of operation of the Franchised Business. You will not be required to spend the equivalent of 7% of the previous month's Gross Sales per month on Local Advertising during the initial 3-month period of operation. You must pay us the Brand Development Fund Fee at all times. After the initial 3-month period of operation, you will be required to spend at least the equivalent of 7% of the previous month's Gross Sales per month on Local Advertising.

Note 10 This estimate includes the vehicle, vehicle graphics, and vehicle GPS tracking device and GPS fees (3 months) These amounts are non-refundable.

Note 11 The range estimates your initial start-up (3 months) working capital to cover operating expenses, including your staff salaries, for a period of three months and required business licenses and other expenses incident to opening a business. The estimate does not include an owner's salary or draw. These figures are estimates based upon our affiliate's development and operation of a Honest Abe Roofing business in our markets to compile these estimates and upon our current experience of opening franchises in our current markets. This range includes, but is not limited to, security deposits, utility costs, incorporation fees, and required licenses (including transfer of existing licenses). Utility companies may require that you place a deposit prior to installing telephone, gas, electricity, cable, and related utility services. A typical utility security deposit is equal to one-month's expense. These deposits may be refundable in accordance with the agreements made with the utility companies.

Note 12 We recommend that you have at least 20% of your Estimated Initial Investment in equity and no more than 80% of your Estimated Initial Investment financed with debt. We do not provide any financing related to the initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business according to our System. Our System may regulate, among other things, the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs; products and supplies you must use in operating the Franchised Business; unauthorized and prohibited products and services; inventory requirements; and designated and approved suppliers. A Designated Supplier, which may be us or an affiliate of ours, is the sole supplier of the supply or service. An Approved Supplier, which may also include us or an affiliate of ours, is one of multiple suppliers that could source the supply or service. There are other supplies or services used in the construction and operation of your Franchised Business that you can source through suppliers of your choice.

Franchised Business Premises. Your office must be located within the Designated Area. Although you are not required to purchase or lease real estate from us or our affiliates, we must approve the location for your Franchised Business (see Item 11), provided, however, that our approval of your location is not a representation or evaluation that we believe the location will be a profitable location for you. We also have the right, but not the obligation, to review and to approve or disapprove any lease for the Franchised Business premises. You must construct and

equip your Franchised Business in accordance with our then-current approved design, specifications, and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state, or local laws.

Proprietary Products, Designated Suppliers, Approved Products and Suppliers. We require you to purchase all proprietary products and supplies and other products and supplies and such other elements of the System as we determine from time to time, in our sole discretion, from us or a supplier designated by us, which may be an affiliate of ours (“Designated Supplier”). You must purchase or lease some of the Franchised Business’s equipment, furniture, computers, etc., and services such as advertising and customer financing from a supplier approved by us (“Approved Supplier”). You must offer customer guarantees as required by us.

We have the following Designated Suppliers, those suppliers from whom you must purchase products and services: accounting software, phone service, and uniforms, print, vehicle wraps, and other logoed materials. We may change these Designated Suppliers or add to these Designated Suppliers from time to time in our discretion. Other than Kevin Newton’s ownership of Metal Supply Depot, no franchisor officer owns an interest in any supplier. In 2023, Metal Supply Depot derived \$412,337.32 in revenue from the sale of products and services to our franchisees.

From time to time, we will provide you with a list of approved architects, contractors, finance companies, manufacturers, suppliers, vendors, and distributors (“Approved Suppliers List”) and approved inventory, supplies, products, fixtures, furniture, equipment, signs, stationery, supplies, and other items or services necessary to operate the Franchised Business (“Approved Supplies List”). Such lists will specify the manufacturer, supplier, and distributor as well as the inventory, products, fixtures, furniture, equipment, signs, stationery, suppliers, and services that we have approved to be carried or used in the Franchised Business. There may be only one Approved Supplier for an Approved Supply. We may revise the Approved Suppliers List and Approved Supplies List from time to time in our sole discretion. Such approved lists will be given to you as we deem advisable.

If you want to (i) offer for sale at the Franchised Business any brand of product not then-approved by us, (ii) use any brand of product or supply in the operation of the Franchised Business that is not then-approved by us as meeting its minimum specifications and quality standards, or (iii) purchase any product or service from a supplier that is not then-designated by us as an Approved Supplier, you must first notify us in writing and, if requested by us, submit samples and such other information as we require for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier meets our specifications and quality standards. You must pay a charge not to exceed the reasonable cost of the inspection and evaluation and the actual cost of the test and approval of the proposed supplier or product. We estimate that the costs for such tests and approval of the proposed supplier or product could be \$750 (See Item 6). Our review is typically completed in 30 to 45 days. We reserve the right, at our option, to reexamine or retest the facilities and products of any supplier of an approved item and to revoke such approval if such item fails to continue to meet any of our standards or criteria. We will send written notice of any revocation of an Approved Supplier.

All equipment, signs, fixtures, inventory, products and materials, and other items and supplies used in the construction and operation of your Franchised Business that are not specifically required to be purchased in accordance with our Approved Supplies List and Approved Suppliers List must conform to the specifications and quality standards established by us from time to time.

We approve suppliers who can match the exact specifications, overall quality, and appearance standards required by the System. We apply the following general criteria in approving a proposed supplier: (1) ability to make products in conformity with our specifications; (2) willingness to protect the trade secrets of a product without dissemination to others; (3) production and delivery capability; (4) reputation and integrity of supplier; and (5) financial condition and insurance coverage of the supplier.

We may, but are not obligated to, negotiate arrangements with suppliers for your benefit. For example, we expect to negotiate better prices with suppliers based upon larger volumes, and these price discounts would inure to your benefit. At this time, we do not, however, derive any material benefits based upon your use of any required purchases from Approved Suppliers, nor do we provide any material benefits to you based upon your use of any required purchases from Approved Suppliers. We do not provide material benefits to you (for example, renewal or granting additional franchises) based upon your purchase of particular products or services or use of particular suppliers.

We reserve the right from time to time to establish exclusive arrangements with certain providers or suppliers for the benefit of the entire System. When we establish these exclusive System-wide supplier arrangements, you must participate.

We also may receive rebates from suppliers based upon purchases by our franchisees. In our fiscal year ending December 31, 2023, we derived \$21,380.14 in revenue from our Designated or Approved Suppliers from required purchases or leases from our franchisees.

Computer System. You must purchase and use any computer system that we develop or select for the Franchised Business, including all future updates, supplements and modifications (the “Computer System”). The Computer System may include all hardware and software used in the operation of the Franchised Business, including electronic scheduling and back-office programs used to record, analyze and report Gross Sales, inventory, labor, and tax information. We reserve the right in the future to require that you use proprietary software. In that event, you may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. The computer hardware component of the Computer System must conform to the specifications we develop from time to time. We reserve the right to designate a single source from whom you must purchase some or all of the Computer System. If you choose to use a computer system different from our required computer system, you may do so only with our prior approval, which may be conditioned upon your payment of the full integration costs to our system and your assignment of this integration for our use going forward, and any other conditions in our sole and absolute discretion. You acknowledge and agree that we will have full and complete and independent access to information and data entered and produced by the Computer System. We have the right to have independent electronic access to this information. There are no contractual

limits on our right to independently access the data. You must record all sales at the Franchised Business on this Computer System, which includes an information interface capability to communicate electronically with our computer system to provide us with continuous transaction level point of sale data. You are responsible for the annual maintenance and repairs of the Computer System. The technology configuration is frequently subject to change due to technology and service advancements, as updated in the Operations Manual.

Specifications and Standards. You will offer for sale and sell at your Franchised Business, all types of products and services that we, from time to time, authorize, such as without limitation, roof repairs, new roof installations, gutter installations, and siding installation. You will not offer for sale or sell at the Franchised Business any other category of products or services or use the Franchised Business's premises for any purpose other than the operation of the Franchised Business in full compliance with the Franchise Agreement and our Operations Manual.

All services will be performed only by properly trained personnel strictly in accordance with our Operations Manual and the System.

If we develop and market special promotional items, you must maintain a representative inventory of such promotional items that may be available to you at our cost plus a reasonable mark-up. You may purchase alternative promotional items, provided that such alternative items meet our specifications and quality standards and have been approved by us as required in the Operations Manual.

Our standards and specifications are in our Operations Manual and other written materials, which will be provided to you, which we can and do revise. If we revise our standards and specifications, we will notify you of such revision by revising the Operations Manual and providing you with substitute pages for one or more loose-leaf or bound volumes; bulletins; notices; videos; other electronic media; online postings; e-mail and/or other electronic communications; facsimiles; intranet or secure internet posting; or any other medium capable of conveying the revisions to the Operations Manual contents. We also reserve the right to consent to or require limited variations from our standards. Standards with our written specifications and requirements must be maintained by Approved Suppliers for their Approved Supplies.

Collectively, the purchases and leases described above are about 75% of your overall purchases and leases in establishing the Franchised Business and 25% to 50% of your overall purchases and leases in operating the Franchised Business.

At this time there are no purchasing or distribution cooperatives, but we reserve the right to create them in the future.

Insurance Requirements. At this time, you must obtain insurance that meets the following minimum requirements:

A. Comprehensive General Liability Insurance including premises liability, products liability, and contractual liability coverage for bodily injury and property damage for an amount not less than \$1,000,000 per occurrence with \$1,000,000 aggregate. Coverage will also extend to

cover personal/advertising liability for an amount not less than \$1,000,000 per occurrence. You must include Honest Abe Roofing Franchise, Inc. as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Franchised Business.

B. Owned, Non-Owned and Hired Automobile Liability Insurance for an amount not less than \$1,500,000 combined single limit.

C. Workers' Compensation Insurance as required by law; Employers' Liability Insurance for amounts not less than \$500,000 per accident, \$500,000 per employee, and \$500,000 policy limit.

D. Umbrella liability coverage in an additional \$1,000,000 per occurrence/aggregate. The umbrella coverage must sit over the General Liability, Auto Liability and Employers Liability policies. You must include Honest Abe Roofing Franchise, Inc. as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Franchised Business.

F. Building, Personal Property, and Leasehold Improvements Insurance if applicable, under an "all risk" property form with replacement costs endorsement in an amount equal to 100% of the values of these items. Your deductible shall be no more than \$1,000 per occurrence.

G. Business Interruption Insurance covering royalty and Brand Development Fee payments to Honest Abe Roofing Franchise, Inc. at the address listed in this Agreement and earnings on an "actual loss sustained basis" for a minimum of 12 months; or, if "actual loss sustained" coverage is not obtainable, you must obtain Business Insurance (and extra expense) coverage (utilizing a valuation that shall include the equivalent of net income before taxes).

H. Cyber Security Liability insurance with limits of liability as provided in the Operations Manual.

You must obtain this insurance coverage from a reputable insurance company (with at least an A.M. Best analytical rating of "A" and the financial size category of VIII). All policies of insurance procured by you shall be written as primary policies and not be excess of coverage that we may carry. You must annually provide us with evidence of the required insurance coverage by proper certificates of insurance, and such insurance policies must require the insurer to provide us with not less than 30 days prior written notice of any cancellation, non-renewal, or material changes in such policy. We shall have the continuing absolute right to inspect all certificates, additional insured endorsements, binders, and any and all other policy documents you receive from the insurance provider. You must provide evidence that you have obtained all required insurance by providing us with evidence of insurance as required by the Franchise Agreement. You must instruct your insurance agent or provider to automatically send us evidence of your insurance coverages and our status as an additional insured at the time of renewal of each insurance policy.

Automated Staff Training Program. We have implemented, on a system-wide basis, a single provider of new staff training, which is web-based (www.honestabeuiversity.com). You must participate and be responsible for all costs associated with the program.

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.

Franchisee’s Obligations

Obligation		Section in the Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Franchise Agreement Section 4	Items 11 and 12
b.	Pre-opening purchases/leases	Franchise Agreement Sections 4, 5, and 6	Items 7 and 8
c.	Site development and other pre-opening requirements	Franchise Agreement Sections 4, 5, and 6	Items 7, 8 and 11
d.	Initial and ongoing training	Franchise Agreement Section 3	Items 6, 7 and 11
e.	Opening	Franchise Agreement Section 6	Item 11
f.	Fees	Franchise Agreement Sections 2 and 9	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Franchise Agreement Sections 6 and 11	Items 8, 14 and 16
h.	Trademarks and proprietary information	Franchise Agreement Sections 7 and 8	Items 13 and 14
i.	Restrictions on products/services offered	Franchise Agreement Sections 6 and 11	Items 8 and 16
j.	Warranty and customer service requirements	Franchise Agreement Sections 6.05	Item 16
k.	Territorial development and sales quotas	Franchise Agreement Sections 1 and 4	Item 12
l.	Ongoing product/service purchases	Franchise Agreement Sections 6 and 12	Items 8 and 11
m.	Maintenance, appearance, and remodeling requirements	Franchise Agreement Sections 6 and 12	Item 6
n.	Insurance	Franchise Agreement Section 10	Items 6, 7 and 8
o.	Advertising	Franchise Agreement Section 9	Items 6,7 and 11
p.	Indemnification	Franchise Agreement Section 17	Item 6
q.	Owner’s participation/management/staffing	Franchise Agreement Sections 3, 6, and 12	Item 15
r.	Records and reports	Franchise Agreement Section 11	Item 11
s.	Inspections and audits	Franchise Agreement Section 6 and 12	Items 6, 11 and 13
t.	Transfer	Franchise Agreement Section 13	Items 6 and 17
u.	Renewal	Franchise Agreement Section 16	Item 17
v.	Post-termination obligations	Franchise Agreement Section 16	Item 17
w.	Non-competition covenants	Franchise Agreement Section 16	Item 17
x.	Dispute resolution	Franchise Agreement Section 23	Item 17

ITEM 10. **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

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

Assistance Prior to Opening. Before you open your business, we will:

1. Review the location selected by you and approve the location if it meets our criteria, review the lease, and assign your designated area for your Franchised Business based upon the criteria in our Operations Manual. The factors we consider in approving the location for the proposed site may include, but are not limited to, the following: (i) general location; (ii) traffic patterns; (iii) rent expense; (iv) demographics; (v) equipment and services located at the site; (vi) leasehold improvement costs; (vii) ability to reflect image to be portrayed by “Honest Abe Roofing” Franchised Businesses; and (viii) parking. (Franchise Agreement - Section 4).
2. Provide you with a copy of sample and generic plans and specifications on the construction of a typical Franchised Business. (Franchise Agreement – Section 5). These plans and specifications will need to be altered or modified to meet your space requirements and local zoning requirements, which modifications will be at your cost and expense. (Franchise Agreement – Section 5).
3. Loan to you a complete set of the Operations Manual during the term of the Franchise Agreement. These manuals are confidential and remain our property. We may amend and revise the Operations Manual at our discretion (Franchise Agreement - Section 6.11).
4. Provide you with an Approved Suppliers List (including Designated Suppliers) and an Approved Supplies List (including Proprietary Supplies) from which you must purchase or lease all of the Franchised Business equipment, furniture, fixtures, signage, graphics, office furniture, computer systems, and the like (See Item 8) (Franchise Agreement - Section 5.06).
5. Review your use of all promotional materials and advertising to be used by you. (Franchise Agreement - Section 9.04).
6. Provide you with pre-training materials to use to better prepare you for the training program we describe below. (Franchise Agreement – Section 3.03)
7. Train you or additional management team members as follows (Franchise Agreement - Section 3.03):

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Management Training (Train the Trainer)	Approximately 60 hours (online) Approximately 35 hours (in-person) (Note 1)	Approximately 72 hours (Note 2)	Online; Terre Haute, Indiana; and Your Location (Note 3)

Note 1 Prior to attending the in-person training program, you must complete a review of the Operations Manual and complete the online training program that we anticipate taking approximately 60 hours. Upon completion of the online training program, you, your Franchisee Designate, and one 1 manager must complete the in-person training program that we anticipate taking approximately 35 hours and will run prior to the on-the-job training program described in Note 2. We will train you, your Franchisee Designate, and 1 manager in this training program. The classroom training portion of the training program is conducted several times a year, at our location in Terre Haute, Indiana. The general goal of the training program is to train how to train future employees of the franchisee in the positional training of field technicians (e.g., how to install a roof and supervise an installation crew), roofing advisors (e.g., how to deal with homeowners in the field, explain the roofing project, and secure the sale of the project), and an inside sales trainer (e.g., how to use the estimating software to prepare a roofing proposal). The general outline of the training program will include all of the elements of the positional training for the positions above, as well as other operational and managerial training to successfully operate a Franchised Business, including Honest Abe’s cultural orientation, sales, customer service, recruiting and training new staff and subcontractors, using the CRM software platform, scheduling, installation, repairs, networking, marketing, reporting requirements and managing staff and subcontractors. We do not charge you for the cost of the training program, but you must pay the travel and living expenses of those attending from your team. Those attending the training program are required to be “certified” and satisfactorily complete, as determined in our discretion, the classroom training program. Your team must commence the online and in-person classroom training program before the opening of your Franchised Business. You are responsible for maintaining a fully-trained and certified team consisting of your Franchisee Designate and at least 1 manager at all times.

Management employees that are hired after the Franchised Business opens must be trained at your sole cost and expense.

Note 2 On-the-job training will consist of approximately 72 hours of on-the-job operations training at your Location immediately after the opening of your Franchised Business. The training will consist of an overview of day-to-day management of the Franchised Business, development of skills and script adherence to sales

commenced over-the-phone, review of customer service, review of key performance indicators for the business, and discussion and review of early marketing efforts and results.

Note 3 Kevin Newton and Adriann Dalton are principally responsible for facilitating the above training. Additional employees or contractors of ours who have experience in some facet of the operation of a business, may assist in the implementation of the management training program. Those employees and contractors of ours who participate in the training programs will have, on average, 5 years of experience in the subject matter being taught and at least 6 months of experience with our System.

Assistance after Opening. During the operation of the Franchised Business, we will:

1. Provide the on-the-job training to you or additional management team members as described above (Franchise Agreement – Section 3.03).
2. Maintain the Brand Development Fund and require that you contribute 2% of your monthly Gross Sales to such a fund. (Franchise Agreement – Section 9.02).
3. We must approve the use of all promotional materials and advertising prior to its use. We must also review your quarterly Marketing Plan (Franchise Agreement - Section 9.04).
4. Make periodic visits to your Franchised Business, as are reasonably determined to be necessary by us, for consultation, inspections, assistance and guidance. Our representatives who visit your Franchised Business will prepare written reports outlining any suggested changes or improvements in the operation of your Franchised Business or describing any defaults that become evident. You will receive a copy of this written report from us. These inspections will be conducted to determine your compliance with our System. You must achieve a particular grade or score on such inspection as required by the Operations Manual. Failure to achieve these satisfactory scores or grades will result in default notice (Franchise Agreement - Section 6.16).

We may organize the System Performance Review Program and implement the program consistent with the Operations Manual. You must pay the cost of such program. Our Operations Manual particularly describe the criteria judged by the System Performance Review Program and our expectation for your performance (Franchise Agreement - Section 6.05).

5. We may organize and implement Franchisee meetings, in various formats, including without limitation, annual convention, in-person meetings, conference calls, webinars, and webcasts, to which you, your Franchisee Designate, if different from you, and managers, as we determine, must attend. These meetings collectively will not be more than 5 days in length and you are responsible for any registration fees we impose, the travel and expenses associated with the meetings, consistent with your obligations in the Operations Manual. The locations of the meetings will be determined by us and we may require that you stay at the hotel location of the meetings. Topics of such meetings will include operational

issues, “best practice” sharing, new product/service presentations, Operations Manual amendments, etc. (Franchise Agreement – Sections 3.03 and 6.05).

6. Maintain a representative inventory of special promotional items to meet public demand if we, in our discretion, decide to develop and market such special promotional items (Franchise Agreement - Section 6.05).
7. Periodically provide you with an updated Approved Suppliers List (including Designated Suppliers) and an Approved Supplies List (including Proprietary Products) (Franchise Agreement - Section 5.06).
8. Undertake such review, inspection or testing as we deem necessary of any unapproved item or supplier proposed by you for use in your Franchised Business (Franchise Agreement – Section 5.06).
9. You shall establish prices charged for products or services sold in your Franchised Business, provided, however, we may exercise rights with respect to the pricing of products and services to the fullest extent permitted by the then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and services offered and sold at your Franchised Business.

Advertising. As a franchisee, you must spend on a monthly basis throughout the term of the Franchise Agreement, a minimum of the equivalent of 7% of the previous month’s Gross Sales on Local Advertising for the Franchised Business in your Designated Area only using an Approved Supplier that will commence immediately upon the completion of your Grand Opening Advertising. All marketing materials are designed by our marketing department in accordance with our brand standards. If you want to use marketing materials that differ from those provided by our marketing department, you must submit a project request for the desired materials at least 30 days prior to your intended use, consistent with the requirements in our Operations Manual. We may charge you for the development of this market specific marketing material. We must approve all advertising before you use it. You must provide us with copies of your proposed advertising and we will approve or disapprove the advertising within 30 days of our receipt. You may not use advertising that is not approved by us. You may determine the timing, manner, media, and supplier for each piece of advertising with our approval. If you fail to spend at least the equivalent of 7% of the previous month’s Gross Sales per month on Local Advertising, you must pay any deficiency to us as an additional Royalty.

Also, we collect a Brand Development Fund Fee for the Brand Development Fund (the “Fund”) of 2% of the monthly Gross Sales of your Franchised Business to the Fund to develop the brand and promote the System. Our affiliates contribute the same amount. The Brand Development Fund Fee must be paid on a monthly basis based on the previous month’s Gross Sales (Franchise Agreement – Section 9).

With regard to the Fund, we direct all marketing, brand development expenses, and advertising programs and technology developments at our discretion. We have the right to approve the

creative concepts, materials, and media used in the programs and their placement and allocation, if any. The Fund is intended to maximize general public recognition and acceptance of the Trademarks and improve the collective success of all outlets operating under the System. For outlets we or our affiliates operate in the United States, we or our affiliates will contribute to the Fund on the same basis as you. In administering the Fund, we and our designees have no obligation to ensure that the expenditures for marketing, brand development, or advertising placement (if any) are approximately proportional to each franchisee's contributions to the fund within any given territory or designated area (as that term is defined in each franchisee's respective Franchise Agreement).

We or our designee may use the Fund to satisfy the costs of maintaining, administering, website development and maintenance, developing and maintaining other technology platforms, directing, and preparing all marketing and brand development expenses, and advertising (if any), including the cost of preparing, developing, producing, and conducting internet, social media, television, radio, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of our personnel and other departmental or overhead costs for marketing, brand development, and advertising that we administer or prepare internally and any other expenditures for marketing activities we make, as well as fund the staff necessary to perform these functions. We will keep all sums you pay to the Fund in a separate account and will not use them to defray any of our general operating expenses, except for reasonable administrative costs and overhead of the Fund, if any, that we may incur in the administration or direction of the Fund and advertising programs for you and the System. We operate the Fund solely as a conduit for collecting and expending the advertising fees as outlined above. We will spend any sums paid to the Fund that are not spent in the year they are collected in subsequent years. We intend to collect the Marketing Fee on a monthly basis. If we decide in our discretion, to create or form an affiliate to perform the functions related to the Brand Development Fund, you authorize that such affiliate will have the same authority as we have to collect the Brand Development Fee in the same manner as the Royalty without the need to obtain a separate authorization. At this time, we do not have an advertising council composed of franchisees that advises us on advertising policies. In our fiscal year ending December 31, 2023, we collected \$1,208,309.71 in Brand Development Fund Fees and spent \$1,239,934.70 in the following categories of expenses: Administrative: 27.3%; Media Placement: 54.2%; Production: 18.5%.

As Franchisor, we prepare an annual, unaudited statement of the operations of the Fund that is made available to you within six months of the end of our fiscal year. We are not required to have the Fund statements audited. These statements will be made available to you upon request.

Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to each contributor (including those Honest Abe Roofing businesses operated by us or our affiliates) without interest, on the basis of its respective contributions.

We currently advertise the Franchised Business and the products offered by the Franchised Business in various forms of media, including social media, internet, television, radio, advertising

campaigns, direct mail, outdoor billboard advertising, and other media as we determine from time to time in our discretion. Some of our advertising is developed by members of our staff. Other advertising is developed by third-party contractors.

We may designate any geographic area in which two or more Franchised Businesses are located and owned by different parties as a region for the purposes of establishing an advertising Cooperative. The members of the Cooperative for any area will consist of all Franchised Businesses, whether operated by us, our affiliates, or franchised. We will determine, in advance, how each Cooperative will be organized and governed and when it must start operation. We reserve the right to dissolve or merge these program(s) and/or council(s) at any time. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in Local Advertising. If a Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must sign all documents we request and become a member of the Cooperative according to the terms of the documents. We will provide to you a copy of the Cooperative documents applicable to the geographic area in which your Franchised Business will be located if you request it.

You must contribute to the Cooperative the amounts required by the documents governing the Cooperative, but in no event will that be more than your local advertising requirement. You may apply your payments to the Cooperative toward satisfaction of your Local Advertising requirement. We may allocate your contributions to a Cooperative to the Fund, as described above. All contributions to the Cooperative will be maintained and administered according to the Cooperative governing documents. Each Cooperative will be obligated to prepare an annual financial statement, reporting its expenditures for the previous year, to its members.

Neither the Fund nor any Cooperative will use any funds for advertising that is principally a solicitation for the sale of franchises.

You may not maintain any social media sites (e.g., www.twitter.com, www.facebook.com, or such other social media sites), as we retain all of those rights. If social media accounts are created, you must follow our social media policies and guidelines contained in our Operations Manual. You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks, without our advance written consent. We may periodically designate regional or territory-specific user names/handles to be maintained by you. You must adhere to the social media policies established by us and you will require all of your employees to do so as well. We have the right to establish regional and national social media accounts that will be operated solely by us. The costs associated with these social media sites, including the cost of our personnel and other departmental or overhead costs, will be paid by the Brand Development Fund. You are prohibited from creating any website outside of our website.

Except as described above, we have no obligation to spend any amount of the Brand Development Fund on marketing or advertising in the area where your Franchised Business is located.

Computer System. We require you to obtain and use in your Franchised Business a computer-based scheduling and invoicing system that will provide us independent access to all of your financial information as described in our Operations Manual. The cost of the Computer System needed to run this computer-based scheduling and invoicing system will range between \$500 and \$1500. We require that you use accounting software we designate. We also reserve the right to designate the change or enhancement to the Computer System used in your Franchised Business including the computer hardware, software, and other equipment. At such time as we designate the change or enhancement to the Computer System you may be required to make certain payments to us or our Designated Suppliers. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System, which we may require you to do in our sole discretion. There are no contractual limitations on the frequency or costs of your updating obligations. Neither we nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, or updates for your Computer System.

We make no guarantee as to the suitability or efficiency of the above specifications. Due to rapid technological changes and progress, the above specifications may change without prior notice.

We may format bookkeeping reports and forms for you to report financial information. You must report your financial information in accordance with such forms as they are changed from time to time at our sole discretion.

All sales information must be recorded by the Computer System. When implemented, the Computer System equipment provides you with sales reports, customer data, various product usage reports, and tax reports. We intend to have independent access to this information, and you consent to such access. There are no contractual limits on our right to independently access the data. You are required to provide the sales and purchases information to us as required in the Operations Manual. The technology configuration is frequently subject to change due to technology and service advancements, as updated in the Operations Manual.

Selection of Franchised Business Location. We neither own nor lease a business location to you. You must purchase or lease a suitable site for the Franchised Business subject to our approval. You must submit to us a description of the proposed site together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site. You must supply the required Development Materials that outline all of the information needed by us to review the proposed site. We will give you written notice of approval or disapproval of the proposed site within 30 days after receiving your written proposal. You must select a location we accept no later than 10 months after the execution of the Franchise Agreement. We may cancel the Franchise Agreement, in our sole discretion, and option if you fail to select a location acceptable to us within this time frame. In this event, your Initial Franchise Fee is non-refundable.

Timing of Franchised Business Opening. We expect that franchisees will open their Franchised Business within 12 months after signing the Franchise Agreement. Factors that may influence the length of time until opening include, by way of example, your ability to obtain a lease, a building site and a site survey, acceptable financing, or zoning and building permits; your compliance with local ordinances or other community requirements; the effect of weather conditions; shortages; slow delivery of materials or equipment; and other factors bearing on completion of construction,

decorating, purchasing, and installation of equipment, fixtures and signs. We have the discretion to approve the date of opening for the Franchised Business. We may cancel the Franchise Agreement, in our sole discretion, and option if you fail to open your Franchised Business within this time frame and the initial fee paid by you or other expenses incurred by you and paid to us are nonrefundable.

Operations Manual. The Operations Manual contains the proprietary and confidential standards, specifications, and procedures for the operation of your Franchised Business. A copy of the Tables of Contents of these manuals is attached as Exhibit H to this Disclosure Document. At this time, the Operations Manual consists of 134 pages. The Operations Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; other electronic media; online postings; e-mail and/or other electronic communications; facsimiles; intranet or secure internet posting; or any other medium capable of conveying the Operations Manual contents. These manuals are loaned to you for the operation of your Franchised Business during the term of the Franchise Agreement. We have the right, in our sole discretion, to modify, change, eliminate, or supplement the Operations Manual at any time. At all times, you must operate your Franchised Business consistent with the Operations Manual.

ITEM 12. TERRITORY

Your Franchise Agreement gives you the right to operate a Franchised Business and utilize our Trademarks and System at a single location in the designated area described in Attachment 1 of the Franchise Agreement (“Designated Area”). The Designated Area will be a Metropolitan Statistical Area (“MSA”) as defined by the United States Census Bureau or part of a MSA as described in Item 5 and will be defined by zip codes.

Within your Designated Area, neither we nor our affiliates will grant franchises or operate company-owned or affiliate-owned outlets using our Trademarks, nor may we solicit or accept orders. You may advertise or market only in your Designated Area. You may perform work only within your Designated Area. So long as you are not in breach of your Franchise Agreement, you will have an exclusive territory. The continuation of territorial exclusivity does not depend on you achieving a certain sales volume, market penetration, or other contingency. If you are in default of your franchise agreement beyond any applicable cure period, you will lose your exclusivity and we may put another franchisee in your Designated Area. You may not service any customer outside your Designated Area.

Except as expressly limited by the preceding paragraphs, we and our affiliates retain all rights with respect to Honest Abe Roofing businesses, the Trademarks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

1. The right to establish and operate, and to grant to others the right to establish and operate any other businesses offering dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Designated Area under trademarks or service marks other than the Trademarks and on any terms and conditions we deem appropriate;

2. The right to provide, offer and sell, and to grant others the right to provide, offer, and sell, goods and services that are identical or similar to and/or competitive with those provided at Honest Abe Roofing, whether identified by the Trademarks or other trademarks or service marks, through dissimilar channels of distribution (including, without limitation, the internet or similar electronic media) both inside and outside your Designated Area and on any terms and conditions we deem appropriate;
3. The right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Designated Area under the Trademarks and on any terms and conditions we deem appropriate;
4. The right to operate, and to grant others the right to operate, Honest Abe Roofing businesses located anywhere outside your Designated Area under any terms and conditions we deem appropriate and regardless of the proximity to the Franchised Business;
5. The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Honest Abe Roofing businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Designated Area); and
6. The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at Honest Abe Roofing businesses, or by other business, even if such business operates, franchises, and/or licenses competitive businesses in your Designated Area.

We are not required to pay you if we exercise any of the rights specified above inside your Territory or Designated Area.

You must receive our approval before relocating your Franchised Business within your Designated Area. In determining whether to allow you to relocate your unit, we consider the same factors we would consider in initially approving a site for your Franchised Business. In addition, we consider such factors as whether you have:

1. Removed all obligations from the previous location (e.g., land or building lease, land contract, property or sales taxes);
2. Previously violated your Franchise Agreement or other federal, state or local ordinances, statutes, or regulations;
3. Made full payment of all monies owed to us; and

4. Received prior approval, from us, for the proposed location.

You may not relocate your Franchised Business outside of your Designated Area. You may not establish additional outlets within or outside of your Designated Area without purchasing an additional franchise from us.

You may not use any alternative channels of distribution which are expressly reserved to us. Continuation of your Designated Area is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency and there are no conditions under which your Designated Area or income may be altered by us.

On renewal or transfer of a franchise, the Designated Area may be modified. Depending on the then-current demographics of the area, and on our then-current standards for territories, if the territory is larger than our then-current standard territory, we may require you or the transferees to accept a renewal territory or a transfer territory smaller than the then-current territory.


You have no options, rights of first refusal, or similar rights to acquire additional franchises, unless we approve in writing. We and our affiliates have no plan to operate or franchise a business under a different trademark that will sell goods and services similar to those described in this disclosure document.

ITEM 13. TRADEMARKS

The principal commercial symbol which we will license to you appears on the cover of this disclosure document.

You receive the right to operate your Franchised Business under the name “Honest Abe Roofing,” and “Honest Abe Roofing, The Reliable Roofer,” which are the primary Trademarks used to identify our System. You may also use any other current or future Trademarks to operate your Franchised Business that we designate, including the logo on the front of this Disclosure Document and the service marks listed below. By “Trademark,” we mean any trade name, trademark, service mark, or logo used to identify your business.

The following is a description of the principal trademarks which we license to you and have been registered with the U.S. Patent and Trademark Office (“USPTO”) Principal Register:

Mark	Registration Number	Application Number	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date	Application Date
 (Design Plus Words, Letters, and/or Numbers)	3690665		Principal	September 29, 2009; renewed January 11, 2018	
HONEST ABE ROOFING® (Standard Character Mark)	5417968		Principal	March 6, 2018; renewed March 15, 2023	

We have filed all required affidavits. We also intend to renew the registrations for all marks at the times required by law. Your use of the Trademarks and any goodwill is to our exclusive benefit and you retain no rights in the Trademarks. You also retain no rights in the Trademarks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Trademarks unless we direct in writing. We may change the System presently identified by the Trademarks including the adoption of new Trademarks, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply, within a reasonable time, if we notify you to discontinue or modify your use of any Trademark. We will have no liability or obligation as to your modification or discontinuance of any Trademark.

There are presently no effective determinations of the United States Patent and Trademark Office (“USPTO”), or the Trademark Administrator of any State, or any court; no pending infringement, interference, opposition or cancellation proceeding; or pending material litigation involving Trademarks which are relevant to the use of the Trademarks in this State. There are no agreements limiting our rights to use or license the Trademarks. There is no pending material federal or state court litigation regarding our use of the Trademarks.

We have no obligation to protect any rights which you may have to use the Trademarks and have no obligation to protect you against claims of trademark or trade dress infringement or unfair competition with respect to such Trademarks.

You must immediately notify us, in writing, of any claim, demand, or suit concerning any attempt by others to use any Trademarks that are licensed to you. If we defend or prosecute any such claim, you are obligated to execute any and all documents and do such acts as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution. We are not required to defend you against a claim by a third party against your use of our Trademarks.

We reserve the right to adopt new Trademarks at any time, or to change our existing Trademarks. If we adopt new marks, or change our existing marks, you must use the new or modified marks and discontinue the use of any marks we decide to change or discontinue. You must pay for these changes.

Upon termination of this franchise, for any reason, you will immediately discontinue all use of Trademarks or any designations confusingly similar thereto.

We do not know of any superior previous rights or uses that could materially affect your use of our Trademarks.

You may not use any part of the Trademark in your corporate name.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights. We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Confidential Operations Manual

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the United States Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. 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 which could materially affect your use of them in any state.

We have no obligation to protect any rights which you may have to use the copyrights and have no obligation to protect you against claims of copyright infringement with respect to such copyrights.

You must immediately notify us, in writing, of any claim, demand, or suit concerning any attempt by others to use any copyrights that are licensed to you. If we defend or prosecute any such claim, you are obligated to execute any and all documents and do such acts as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution. We are not required to defend you against a claim by a third party against your use of our copyrights.

We reserve the right to adopt new copyrights at any time, or to change our existing copyrights. If we adopt new copyrights, or change our existing copyrights, you must use the new or modified copyrights and discontinue the use of any copyrights we decide to change or discontinue. You must pay for these changes.

Upon termination of this franchise, for any reason, you will immediately discontinue all use of copyrights and other confidential information.

If it becomes advisable at any time in our sole discretion to modify or discontinue use of any copyright and/or use one or more additional or substitute copyrights, you are obligated to do so and our sole obligation in any such event will be to reimburse you for your tangible costs (such as ordering new printed materials) of complying with this obligation.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, our right or interest in our copyrights, trade secrets, methods, and procedures which are part of our business or contest our sole right to register, use or license others to use such copyrights, trade secrets, methods, and procedures.

Confidential Information. 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. All persons affiliated with you must sign our Confidentiality Agreement and Covenant Not to Compete (Exhibit E).

Our confidential information will include but will not be limited to any and all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all information, knowledge, trade secrets or know-how utilized or embraced by the System or otherwise concerns your or our systems of operations, programs, services, products, customers, practices, books, records, manuals, computer files, databases or software, the System, all Operations Manual, training manuals or other manuals, the Standards and Specifications, written directives, equipment and equipment specifications, all proprietary software, computer and point-of-sale programs (and output from such programs), all pricing paradigms established by you or us, all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers), our specifications, and your final plans for the construction, buildout, design, renovation, décor, the identity of and all information relating to the computer and POS hardware and software utilized by you and/or us, internet protocols, procedures and content, all communications between us (including financial and other reports you are required to submit to us under this Agreement), memoranda, notes, disks, cost analyses, financial statements, trademarks, trade dress, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production information and all extracts and copies thereof prepared by any party or its respective officers, agents, employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by you directly or indirectly from us in the course of activities related to the development of a business relationship between you and us, or which is obtained by you through an inspection or tour of our offices, facilities, or Franchised Businesses or the Franchised Businesses of our Franchisees, and any other information, know-how, techniques, material and data imparted or made available by us which is (a) designated as confidential, (b) known by you to be considered confidential by us, or (c) by its nature inherently or reasonably considered confidential.

All ideas, concepts, techniques, or materials concerning our Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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

You are not required to participate personally in the direct operation of the Franchised Business. Rather, the Franchised Business must be directly supervised “on premises” by a Franchisee Designate, an individual person approved by us and who has successfully completed our training program. The on-premises Franchise Designate cannot have an interest or business relationship with any of our business competitors. The on-premises Franchise Designate need not have an ownership interest in a corporate or partnership franchise. After a Franchise Designate’s death, disability, termination of employment, or resignation, you must immediately notify us and you must designate a successor or acting Franchise Designate within 10 days. We reserve the right to require the successor Franchise Designate to attend training and be approved by us. Your Franchisee Designate is required to be approved on an annual basis by us.

The following persons must sign our Confidentiality Agreement and Covenant Not to Compete (Exhibit E) and keep our confidential and proprietary information confidential (Item 14):

1. You, if you are an individual.
2. Your Franchisee Designate, all Franchised Business managers or managerial employees having access to our confidential and proprietary information and any other persons to whom you grant access to our confidential and proprietary information.
3. If you are a business entity, all of your officers, directors, shareholders, partners, or members, or equity owners and those business entities directly or indirectly controlling you. If you are a business entity, you and all of the equity owners must also personally guarantee the performance of the Franchisee under the Franchise Agreement in the form of Exhibit D.

You and/or your Franchisee Designate must attend the annual meeting, convention or conference of franchisees and all meetings related to new products or product preparation procedures, new operational procedures or programs, Franchised Business management, sales or sales promotion or similar topics, at your sole expense. Your Franchise Designate may attend at your expense such annual meeting, convention or conference. However, your Franchise Designate must attend any required training meetings for Franchise Designates at your sole expense. In addition, we reserve the right to require that you and/or your Franchisee Designate attend any additional meetings that we deem appropriate under special circumstances, provided, however, that we will not require more than one additional meeting every year and we will give you written notice of any such meeting at least ten days prior to the meeting. At all meetings, we may require that you and/or your Franchisee Designate stay at the hotel location of the meetings.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services which are part of our System, and all products and services we incorporate into our System in the future. In certain markets, some products and services may not be available. If you propose to sell products and services that are not authorized by the System, you must obtain our prior written approval before you commence selling such products and services. We may require you to offer a warranty for some of the products and services you sell to customers, as we may require in the Operations Manual. You may not use our name or the Trademarks for any other business. You must conduct the Franchised Business from a location that we have accepted.

We require you to offer only those goods and services authorized by the Operations Manual or previously approved in writing by us. Our written consent must be obtained prior to any deviation from the Operations Manual. Any effort to do business outside of the Franchised Business must be approved by us.

We may add to, delete from or modify the products and services which 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 the System's products and services at retail and you may not engage in the wholesale and/or distribution of any product, service, equipment or other component, or any related product or service, of the System.

You may not service customers outside your Designated Area, except in certain circumstances, such as, without limitation, when you have an existing relationship with a customer outside your Designated Area. You are, therefore, limited in the geographical area in which you may offer or sell such goods or services to your Designated Area. You may not open or operate another Franchised Business within your Designated Area or elsewhere without purchasing an additional franchise.

You must use the real estate solely for the purposes of conducting a Franchised Business.

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

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of franchise term	Section 1	The initial term is 7 years from the date the Franchised Business opens to the public.
b. Renewal or extension of the term	Section 16	You may renew for 2 additional renewal terms of 7 years each. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 16	You may renew the Franchise Agreement if you: are not in default of and have operated the Franchised Business in compliance with the Operations Manual and the terms of the Franchise Agreement; satisfy all of our then-current financial requirements (including the analysis of net worth, debt-to-equity ratios and capitalization) for a new Franchisee, and you must deliver certified financial statements for the fiscal year preceding the date that you give us notice of your election to exercise your renewal option, prepared by a Certified Public Accountant, supported by income tax returns and such other documentation as we reasonably request (if a Principal Owner's net worth is used to satisfy all or a portion of the financial requirements for you, the Principal Owner must submit a current certified financial statement); have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; pay a franchise fee for the renewal term equal to \$5,000; have made capital expenditures including remodeling and renovating the location as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, the terms of which may differ substantially; comply with the then-current training and certification requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 15	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined-curable defaults	Section 15	<p>If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 15 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h.) below. Defaults subject to a 15-day cure period including:</p> <p>(i) failure to make any payment on or before the date payable; (ii) failure to meet and/or maintain the Standards and Specifications; (iii) failure to meet and/or maintain the requirements of the Operations Manual; (iv) violation of the standards of operation as set forth in the Operations Manual; (v) an Event of Default shall arise under any other agreement you, or any of your affiliates, have with us in which you, or any of your affiliates, have an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the other agreement; (vi) you understate your Gross Sales by 1% or more; (vii) you engage in any dishonest or unethical conduct which may adversely affect the reputation of the Franchised Business, or the general goodwill associated with the Trademarks; (viii) you fail, for a period of 10 days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business; (ix) you violate any covenant of confidentiality or non-disclosure provision contained in this Agreement or you otherwise disclose, use, or permit the use of copies, duplicates, records, transmits, or otherwise reproduce any Operations Manual, business forms, videos, material or proprietary information, knowledge or know-how created or used by us and designated for confidential use within the System, without our prior written approval; (x) you abandon or cease to operate all or any part of the Franchised Business for more than 10 days; (xi) you fail to comply with modifications to System Standards and Specifications within the required time period; (xii) you fail to carry the insurance we require; and do not correct within 10 days of receipt of written notice to you; (xiii) you allow a supplier to place a lien on a customer property; and do not correct within 10 days of receipt of written notice to you; (xiv) you fail to receive our prior written approval and use products or materials that do not meet our Standards and Specifications and do not promptly discontinue use after written notice from us; (xv) you fail to timely provide us with any report, statement, or return required by the Franchise Agreement; or (xvi) you fail two (2) or more inspections in any twelve (12) month period.</p>
h. "Cause" defined- non-curable defaults	Section 15	<p>We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: (i) fail to commence construction of the Franchised Business or open and thereafter continually operate the Franchised Business; (ii) failure to complete the management training program to our satisfaction, in our sole and unfettered judgement; (iii) breach or make a false representation, covenant or warranty; (iv) failure to deliver</p>

Provision	Section in Franchise Agreement	Summary
		<p>executed covenants as required in the Franchise Agreement; (v) fail to comply with or perform your covenants, obligations and agreements; (vi) make any unapproved transfer; (vii) are adjudicated bankrupt or insolvent, make an assignment for the benefit of creditors, or seek protection from creditors by petition in bankruptcy or otherwise or there is filed against you a similar petition which is not dismissed within 30 days; (viii) are the subject of the appointment of a liquidator or receiver which is not dismissed within 30 days; (ix) breach or fail to perform any other term or condition of the Franchise Agreement; (x) allow an Event of Default to arise under any other agreement between you, or any of your affiliates, and us in which you, or any of your affiliates, have no opportunity to cure; (xi) or any Principal Owner pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith or our interest therein; (xii) evidence of substance abuse, sexual harassment, abusive behavior, or any other action we believe, in our discretion, is damaging to our reputation, by you, a Principal Owner, the Franchisee Designate, the Control Person, or a Manager; (xiii) allow multiple defaults to occur regardless if they are cured; or (xiv) the fifth offense within a 24-month period of a Payment being returned for any reason or failing to timely file any required forms, as described in the Franchise Agreement.</p>

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 16	If the Franchise Agreement is terminated or not renewed, you must immediately: cease to operate the Franchised Business under the System; cease to use any Confidential Information, the System, the Standards and Specifications, the Operations Manual, and the Trademarks and other distinctive signs, symbols and devices associated with the System; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; pay to us the actual and consequential damages, costs, and expenses (including without limitation attorney fees and expert fees) incurred by us as a result of your default; return the confidential Operations Manual, trade secrets and all other confidential information; transfer to us all telephone, telecopy, facsimile or other numbers and email addresses, website addresses, domain names, and other electronic media and electronic communication assets and notify telecommunications carriers and other companies of the transfer and that your telephone and facsimile numbers and electronic media belong to us; strictly comply with, observe and abide by all of the provisions and covenants contained in the Franchise Agreement; neither directly nor indirectly represent to the public that any other business you may then own or operate, is or was operated as, or was in any way connected to, the System; not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Franchised Business or any confusingly-similar business; completely de-identify the interior and exterior to our satisfaction within 60 days.
j. Assignment of contract by franchisor	Section 13	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 13	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the franchise location or the Franchised Business's assets.
l. Franchisor's approval of transfer by franchisee	Section 13	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 13	We will consent to a transfer if: we have not exercised our right of first refusal; there is no default that has occurred, continuing or outstanding and no event which, with the giving of notice or lapse of time, or both, would constitute a default; all obligations/debts owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement; payment by you to us of a nonrefundable transfer fee equal to \$1,500.00 if the equity interests are transferred between and among your existing Principal Owners, 75% of the then-current initial franchise fee for a transferee-franchisee who is new to the System, or 50% of the then-current initial franchise fee for a transferee-franchisee who is currently existing franchisee in good standing of the System; the transferee

Provision	Section in Franchise Agreement	Summary
		or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; transferee has agreed to execute any and all documents associated with the franchise relationship that are required of new franchisees, including without limitation, guarantee of performance, the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement; that the transferee has agreed that its Franchisee Designate will complete the initial training program before assuming management of the Franchised Business; that transferee shall repair and renovate the Franchised Business to the then-current System standards; and you and your Principal Owner(s) shall have agreed to personally guarantee transferee's performance of its respective transfer obligations.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 13	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's Franchised Business	Section 16	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 60-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for fair market value.
p. Death or disability of franchisee	Section 13	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within one year of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 12	You, your owners (and members of their families and households) and your officers, directors, executives, managers, and professional staff are prohibited from owning or operating a Competing Business or having any interest in a competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 16	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a Competing Business operating within 50 miles of the designated area or within 50 miles of any other existing Honest Abe Roofing business designated area existing as of the date of the termination or expiration of the Franchise Agreement; or soliciting or influencing any of our customers or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Section 25	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 25	Only the terms of the Franchise Agreement are binding. Any other promises other than as set forth in this Franchise Disclosure Document are not enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 23	Except for claims relating to the Trademarks, confidential information, trade secrets and covenants not to compete, and subject to state law, all disputes must be arbitrated in the county of our principal place of business at the time that the action is filed.
v. Choice of forum	Section 23	Subject to state law, any litigation must be pursued in courts located in the county of our principal place of business at the time that the litigation is commenced.
w. Choice of law	Section 23	Subject to state law, Indiana law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 <i>et. seq</i>) and disputes over copyrights will be governed by federal copyright laws of the United States.

ITEM 18. PUBLIC FIGURES

We do not presently 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.

The financial performance representation in Table 1 discloses historical gross sales information for the 14 Honest Abe Roofing franchisee-owned outlets that were open and operating for at least 1 full calendar year. As of December 31, 2023, we had 15 Honest Abe Roofing franchisee-owned outlets open and operating in a territory, but only 14 of them have been open and operating for at least 1 full calendar year. In the table below, we report the average gross sales for those 14 Honest Abe Roofing franchisee-owned outlets, how many franchisee-owned outlets met or exceeded the stated average performance, as well as the median performance and range of gross sales. There are no material differences in the economic or market conditions known to, or reasonably ascertainable by us between the business operated by the reporting Honest Abe Roofing franchise and the business being franchised.

Table 1						
Franchisee-Owned Outlets	Average	Number of Outlets Attaining or Surpassing Results	Percentage of Outlets Attaining or Surpassing Results	Median	Range	
					Low	High
Gross Revenue	\$3,250,436	3	21.4%	\$ 2,256,394	\$1,273,683	\$11,538,903

The financial performance representation in Table 2 discloses historical gross sales information for our 8 Honest Abe Roofing franchisees open and operating in 2023 (some of which operated multiple territories). One franchisee operated in 4 territories in 2023. One franchisee operated in 3 territories in 2023. Two franchisees operated in 2 territories in 2023 (one of which opened its second territory during 2023). Four franchisees operated in 1 territory in 2023. This financial performance representation does not include territories that were not opened or were terminated in 2023 (even if they were operated by a franchisee operating multiple territories). In the table below, we report the average gross sales for those 8 Honest Abe Roofing franchisees in 2023, how many franchisees met or exceeded the stated average performance, as well as the median performance and range of gross sales. Other than the number of territories a franchisee may operate, there are no material differences in the economic or market conditions known to, or reasonably ascertainable by us between the business operated by the reporting Honest Abe Roofing franchise and the business being franchised.

Table 2						
Franchisees	Average	Number of Franchisees Attaining or Surpassing Results	Percentage of Franchisees Attaining or Surpassing Results	Median	Range	
					Low	High
Gross Revenue	\$ 5,820,698	5	62.5%	\$ 6,758,702	\$1,717,416	\$11,538,903

Gross sales include all revenue associated with the Honest Abe Roofing business offering, less actual sales taxes remitted to taxing authorities.

Our management prepared this financial performance representation based on information provided by our franchisees that we believe to be reliable. This financial performance representation was prepared without an audit. Prospective franchisees should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to

their contents or form. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon request.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting in writing Kevin Newton, 1070 Windsor Road, Terre Haute, Indiana 47802, or by phone at (812) 877-7663 or by email at info@honestaberoofingfranchise.com, the Federal Trade Commission, and any appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	9	18	+9
	2022	18	16	-2
	2023	16	15	-1
Company-Owned	2021	1	3	+2
	2022	3	5	+2
	2023	5	5	0
Total Outlets	2021	10	21	+11
	2022	21	21	0
	2023	21	20	-1

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023		
State	Year	Number of Transfers
Florida	2021	0
	2022	3
	2023	0
Georgia	2021	0
	2022	2
	2023	0
Total	2021	0
	2022	5
	2023	0

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2021 TO 2023								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	1	5	0	0	0	0	6
	2022	6	2	1	0	0	0	7
	2023	7	1	1	0	0	0	7
Georgia	2021	0	6	0	0	0	1	5
	2022	5	2	2	0	0	0	5
	2023	5	0	1	0	0	0	4
Illinois	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Indiana	2021	5	0	0	0	1	0	4
	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
Texas	2021	0	1	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Total	2021	9	13	0	0	1	3	18
	2022	18	5	5	0	2	0	16
	2023	16	1	2	0	0	0	15

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Indiana	2021	1	1	1	0	0	3
	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
Missouri	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	1	0	0
Ohio	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Total*	2021	1	1	1	0	0	3
	2022	3	1	1	0	0	5
	2023	5	1	0	1	0	5

* The company-owned outlet refers to our affiliates' Honest Abe Roofing business.

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Florida	1	1	0
Georgia	1	1	0
Kentucky	0	1	0
Tennessee	1	1	0
Texas	1	1	0
All other states	0	0	0
Total	4	5	0

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with Honest Abe Roofing Franchise, Inc. You may wish to

Speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. A list of current franchisees is attached as Exhibit K. A list of former franchisees is attached as Exhibit L. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. There are no franchisee organizations associated with the franchise system being offered.

ITEM 21. **FINANCIAL STATEMENTS**

Attached as Exhibit A is the audited financial statements as of December 31, 2023, the audited financial statements as of December 31, 2022, and the audited financial statements as of December 31, 2021.

ITEM 22. **CONTRACTS**

Attached to this offering circular are the following contracts:

- Franchise Agreement (Exhibit B)
- Electronic Funds Transfer Authorization (Exhibit C)
- Guaranty and Assumption of Obligations (Exhibit D)
- Confidentiality and Nondisclosure Agreement and Covenant Not to Compete (Exhibit E)
- Telephone Number and Electronic Media Assignment (Exhibit F)
- Release (Exhibit G)
- Acknowledgment (Exhibit J)
- Receipt (Exhibit P)

ITEM 23. **RECEIPTS**

Exhibit P contains detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A

Honest Abe Roofing Franchise, Inc.

Financial Statements and Independent Auditors Report

For the years of 2021, 2022, & 2023

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Ryan Perkins CPA Group, LLC

800 Poplar St

Terre Haute, IN 47807

(812)233-8888

Independent Auditor's Report

To whom it may concern:

We have audited the accompanying financial statements of Honest Abe Roofing Franchise, Inc. (company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, retained earnings, and cash flows for the year, and previous two years, then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Honest Abe Roofing Franchise, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the company'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 the company'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.

Ryan Perkins CPA Group, LLC

3/27/2024

Honest Abe Roofing Franchise, Inc.

Balance Sheet as of

	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 557,867	\$ 1,273,357	\$ 291,648
Trade accounts receivable	98,248	66,929	259,397
Notes Receivable	<u>185,000</u>	<u>78,000</u>	
TOTAL CURRENT ASSETS	841,115	1,418,286	551,045
PROPERTY AND EQUIPMENT - on the basis of cost			
Building and improvements	47,151	522,241	542,640
Office furniture and equipment	17,085	17,085	17,085
Allowances for depreciation (deduction)	<u>(13,514)</u>	<u>(17,330)</u>	<u>(32,446)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>50,721</u>	<u>521,995</u>	<u>527,279</u>
INTANGIBLE ASSETS			
Trademark	70,000	70,000	70,000
Accumulated Amortization	<u>(42,000)</u>	<u>(42,000)</u>	<u>(56,000)</u>
TOTAL INTANGIBLE ASSETS	<u>28,000</u>	<u>28,000</u>	<u>14,000</u>
	<u>\$ 919,836</u>	<u>\$ 1,968,281</u>	<u>\$ 1,092,324</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	\$ 24,899	\$ 671,043	\$ 124,490
Payroll Liabilities	9,537	21,421	24,186
Credit Cards Payable	1,120	9,308	826
Current Portion of Long Term Debt	<u>-</u>	<u>-</u>	<u>8,772</u>
TOTAL CURRENT LIABILITIES	\$ 35,555	\$ 701,772	\$ 158,275
LONG TERM LIABILITIES (less current portions listed above)			
Notes Payable	149,900	149,169	131,625
Deferred Franchise Fees Revenue	<u>457,083</u>	<u>369,917</u>	<u>187,717</u>
TOTAL LONG TERM LIABILITIES	606,983	519,086	319,342
STOCKHOLDERS' EQUITY			
Common Stock, \$.01 par value:			
Authorized 1,000 shares; issued 1000 shares;	10	10	10
Retained earnings	<u>277,288</u>	<u>747,414</u>	<u>614,698</u>
	<u>277,298</u>	<u>747,424</u>	<u>614,708</u>
TOTAL STOCKHOLDERS' EQUITY	<u>277,298</u>	<u>747,424</u>	<u>614,708</u>
	<u>\$ 919,836</u>	<u>\$ 1,968,281</u>	<u>\$ 1,092,324</u>

Honest Abe Roofing Franchise, Inc.
Profit and Loss Statements for the periods of

	<u>2021</u>	<u>2022</u>	<u>2023</u>
INCOME RECEIVED	\$ 2,354,533	\$ 3,393,431	\$ 4,579,699
OPERATING EXPENSES			
Advertising and Marketing	582,744	1,103,463	1,672,529
Auto Expense	778	164,050	167,854
Bank Charges	1,049	489	275
Computer/Tech Expense	115,211	228,143	200,379
Employee Benefits	0	24,080	13,740
Insurance	3,506	5,423	5,598
Legal & Professional Fees	250,785	332,162	255,033
Licenses	226	226	359
Meals	3,611	10,212	14,048
Office	54,948	89,111	56,679
Outside Services-Mgt Fees	60,000	0	78,000
Payroll	909,380	583,198	1,063,423
Rent	24000	57000	60000
Recruiting	19,902	220,036	90,504
Repairs & Maintenance	0	0	102,351
Telephone	31,195	1,973	39,393
Travel	50,054	18,382	12,155
Uniforms	0	1,610	3,009
Utilities	518	1,220	6,875
TOTAL OPERATING EXPENSES	2,107,907	2,840,779	3,842,203
OTHER INCOME (EXPENSES)			
Amortization Expense	-14,000	0	-14,000
Depreciation Expense	-4,257	-3,816	-15,116
Interest Expense	0	0	0
TOTAL OTHER INCOME (EXPENSES)	-18,257	-3,816	-29,116
NET INCOME	\$ 228,370	\$ 548,835	\$ 708,379
Retained earnings at beginning of year	48,918	277,288	747,414
Shareholder Distributions		(78,709)	(841,095)
RETAINED EARNINGS AT END OF YEAR	<u>\$ 277,288</u>	<u>\$ 747,414</u>	<u>\$ 614,698</u>

Honest Abe Roofing Franchise, Inc.
Statements of Cash Flows for the periods of

	<u>2021</u>	<u>2022</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 228,370	\$ 548,835	\$ 708,379
Adjustments to net cash provided by operating activities:			
Depreciation	4,257	3,816	15,116
Amortization	14,000	-	14,000
Decrease (increase) in:			
Trade accounts receivable	35,191	31,320	(192,469)
Notes Receivable	(16,736)	82,000	78,000
Increase (decrease) in:			
Credit Cards Payable	1119.54	8188.64	-8482.02
Payroll Liabilities	-14215.61	11883.83	2765.48
Accounts payable	17,594	646,144	(546,552)
NET CASH PROVIDED BY OPERATING ACTIVITIES	269,580	1,332,187	70,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	-	(475,090)	(20,400)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) Proceeds from note payables	(160,232)	24,269	(8,772)
Shareholder Distributions	-	(78,709)	(841,095)
Deferred Revenue Franchise Fees	141,583	(87,167)	(182,200)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(18,648)	(141,607)	(1,032,067)
NET INCREASE IN CASH AND CASH EQUIVALENTS	250,932	715,490	(981,709)
Cash at beginning of year	306,935	557,867	1,273,357
CASH AT END OF YEAR	<u>\$ 557,867</u>	<u>\$ 1,273,357</u>	<u>\$ 291,648</u>

Honest Abe Roofing Franchise, Inc.

Notes to Financial Statements

Note 1 - NATURE OF COMPANY

Honest Abe Roofing Franchise, Inc. is a for profit corporation organized in the state of Indiana.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented in accordance with generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Property & Equipment

Property and Equipment purchases are recorded at cost. Depreciation is provided over their estimated service lives using the straight-line depreciation method.

Franchise Fee Revenue

ASC 606 was adopted for 2020, which states that franchise fee revenue is spread over the life of the franchise agreement according to ASC 606 and is calculated as follows:

First Year revenue recognition includes income attributable to training & related fees of \$22,500, plus additional broker fees, if applicable. There are sometimes rare instances where additional training, or additional territories are added to an existing franchisee that may deviate from the norm but will be notated here in the financial statements notes. There were no such instances for 2021, 2022, or 2023.

In the event a franchisee breaches contract and fees received are retained the income will be recognized during that year. During 2023 this occurred in the amount of \$35,000. No such events occurred during 2021 or 2022.

There also may be instances where the franchisee fee is financed by Honest Abe Roofing Franchise, Inc. internally. In the event that this takes place interest is charged at agreed upon rate and the income is reported on the financial statements.

In 2021, brokerage fees were encountering totaling \$65,000 for their assistance with the sale of 4 franchise locations, which is shown as a marketing expense and then recognized as franchise fee revenue for an equal amount on the financial statements. The remaining amount of initial franchise fee income collected is spread equally over the remaining 6 years of each franchise agreement. The deferred revenue is recorded on the balance sheet as "Deferred Revenue Franchise Fees".

Note 3 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2024, and determined that no events occurred which would require adjustment to the financial statements.



FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

Between

HONEST ABE ROOFING FRANCHISE, INC.
("FRANCHISOR")

and

*****FRANCHISEE*****

("FRANCHISEE")

*****Franchisee Street Number*** ***Franchisee Street Name*****

*****Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code*****

Telephone Number: *****Franchisee Phone*****

Email Address: *****Franchisee Email*****

Date: *****Franchise Agreement Date*****
(To be Completed by Us)

For Franchised Business Located at:

*****Franchise Location*****

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ***Franchise Agreement Date***, by and between Honest Abe Roofing Franchise, Inc., an Indiana corporation, with its principal place of business at 1070 Windsor Road, Terre Haute, Indiana 47802 (referred to in this Agreement as “we,” “us,” or “Franchisor”) and ***FRANCHISEE***, a ***Franchisee State Name*** corporation, limited liability company, a company formed or already existing whose principal place of business is , and its Principals, ***Principal Owner 1***, ***Principal Owner 2***, and ***Principal Owner 3*** (individually referred to in this Agreement as “Principal Owner” or collectively as “Principal Owners”), residents of the state of ***Franchisee State Name*** (collectively referred to in this Agreement as “you,” “your,” or “Franchisee”). The Principal Owners are personally responsible for the obligations of the Franchisee under this Agreement.

RECITALS

WHEREAS, we offer, to persons and entities that meet our qualifications to our satisfaction and demonstrate that they will be productive members of the Honest Abe Roofing System, the opportunity to be awarded a Honest Abe Roofing Franchise through which they will offer customers roof repair services, new roof installation, gutter installation, siding installation, and such other products and services we authorize from time to time with the primary focus being new roof installation. (the “Franchised Business”).

WHEREAS, Each Franchised Business will feature a distinctive facility layout and design, business format and method of doing business, including marketing and advertising procedures, job bidding and scheduling, customer service, and proprietary training processes and systems (the “System”).

WHEREAS, you understand that the market for your services in operating a Franchised Business consists of members of the general public seeking roofing and gutter installation. You understand that the market is very well developed and highly competitive. You understand that you will compete with other roofing businesses, locally owned roofing or building businesses, regional or national roofing or building businesses and other types of businesses that offer roofing and gutter installation services.

WHEREAS, your Franchised Business will be awarded a geographic territory (the “Designated Area”) wherein you will have certain rights as described in this Agreement in which you will identify that you are a Honest Abe Roofing Franchisee by exhibiting the Honest Abe Roofing trademarks and service mark on your marketing materials, vehicles, employee uniforms, signage, interior and exterior design, stationary, business cards, invoices, and other business supplies.

WHEREAS, you must comply with federal, state and local building regulations concerning the installation of roofs and gutters, and sales of these types of goods and services, and license, certificate and permit requirements for Franchised Business operation.

WHEREAS, you have received and reviewed our Franchise Disclosure Document, have reviewed the Franchise Disclosure Document with counsel of your choice, you understand the terms of this

Agreement and its consequences have been completely read and explained by your chosen counsel and you fully understand the terms of this Agreement and all Exhibits hereto.

WHEREAS, you have independently inspected the operations of other franchised businesses of other business concepts and independently inspected the operations of Franchised Businesses operating the System and have satisfied yourself by the performance of your own due diligence that entering into this Agreement is your business decision.

WHEREAS, you have not relied upon any oral statements or other representations other than as are contained in our Franchise Disclosure Document.

NOW THEREFORE, the parties agree as follows:

1. GRANT OF FRANCHISE; TERM

1.01 You have applied for a franchise to own and operate a Honest Abe Roofing Franchised Business. Subject to all of the terms and conditions of this Agreement and upon complete execution of this Agreement by all parties, we hereby grant to you a franchise (the “Franchise”) to operate a single Honest Abe Roofing Franchised Business at a single Location utilizing the System and the Trademarks within a geographic area (the “Designated Area”) as described in Attachment 1. During the Initial Term and for so long as no Event of Default has occurred and is continuing and no event has occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, we will not establish, nor authorize any other person to establish a Honest Abe Roofing Franchised Business within your Designated Area. The Designated Area and Location are described in Attachment 1 attached to this Agreement.

Except as expressly limited by the preceding paragraphs, we and our affiliates retain all rights with respect to Honest Abe Roofing Franchised Businesses, the Trademarks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

A. The right to establish and operate, and to grant to others the right to establish and operate any other businesses offering dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Designated Area under trademarks or service marks other than the Trademarks and on any terms and conditions we deem appropriate;

B. The right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at Honest Abe Roofing Franchised Businesses, whether identified by the Trademarks or other trademarks or service marks, through dissimilar channels of distribution (including without limitation, home improvement stores, hardware stores, other retail outlets, and the internet or similar electronic media) both inside and outside your Designated Area and on any terms and conditions we deem appropriate;

C. The right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your Designated Area under the Trademarks and on any terms and conditions we deem appropriate;

D. The right to operate, and to grant others the right to operate Honest Abe Roofing Franchised Businesses located anywhere outside your Designated Area under any terms and conditions we deem appropriate and regardless of the proximity to the Franchised Business;

E. The right to the assets or ownership interests of one or more businesses providing products and services similar to those provided at Honest Abe Roofing Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your Designated Area); and

F. The right to be acquired (whether through acquisition of assets, ownership interests, merger or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Honest Abe Roofing Franchised Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Designated Area.

We are not required to pay you if we exercise any of the rights specified above inside your Designated Area.

1.02 Unless sooner terminated as provided herein, this Agreement shall be effective on the date hereof, but no sooner than the last date on which a party has executed this Agreement and shall continue for a term of seven (7) years (the “Initial Term”).

1.03 We expressly reserve the exclusive right and you acknowledge that we have the exclusive unrestricted right, to engage, directly and indirectly, through employees, developers, Franchisees, licensees, agents and others within the Designated Area, to sell or to distribute to others for resale, roofing materials or products or other trademarked items from other locations within the Designated Area, such as, without limitation, building supply stores, or through other media, such as the internet, worldwide web, or any other publicly-accessible computer network, and we have no obligation to account for, or share, any profits with you related to these sales. We reserve all rights, title and interest to any domain names that include any part of our names or Trademarks. Nothing contained in this Agreement shall prevent us or our affiliates from establishing or operating, or granting the right to establish or operate, businesses using the System or a similar system outside of the Designated Area, or marketing other products or services that are not a part of the System under dissimilar names and marks within the Designated Area. Our rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of product or service except as restricted by this Section 1.

2. FEES AND PAYMENTS

2.01 Upon execution of this Agreement, in consideration of the franchise granted by us, you shall pay to us the non-refundable Initial Franchise Fee as disclosed in Attachment 1 of the Franchise Agreement.

2.02 You shall pay to us a monthly royalty fee ("Royalty") equal to five percent (5%) of the Franchised Business's Gross Sales. Commencing on the third (3rd) month after you are open, you will pay Royalty equal to the greater of five percent (5%) of the Franchised Business's Gross Sales or a minimum Royalty of Four Thousand Dollars (\$4,000) per month. Commencing on the thirteenth (13th) month after you are open and for the remainder of the Term or Renewal Term, you will pay Royalty equal to the greater of five percent (5%) of the Franchised Business's Gross Sales or Seven Thousand Dollars (\$7,000) per month. Royalty shall be paid without offset, credit or deduction of any nature. You authorize us to collect the Royalty by means of electronic funds transfer ("EFT") on a day of the month that we determine in our Operations Manual for the previous month's Royalty. On the tenth (10th) day of each month, you shall transmit to us a Gross Sales Report for the previous month's Gross Sales in a manner designated by us. Your Gross Sales Report shall include, without limitation, a deposit detail report, profit and loss statement, and balance sheet. You shall use the accounting, financial, and management software and proprietary software we designate and utilize our standard chart of accounts. You must comply with all financial reporting and bank account linking as we require in our sole discretion.

2.03 Any Payment not received by us on the date they are due shall bear interest from the due date until received by us at eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less. In addition, if any Payment is returned for any reason or you fail to timely file any required forms, we may collect a fee of One Hundred and 00/100 Dollars (\$100.00) for the first offense; Two Hundred and 00/100 Dollars (\$200.00) for the second offense within a twenty-four (24) month period; Five Hundred and 00/100 Dollars (\$500.00) for the third offense within a twenty-four (24) month period; One Thousand and 00/100 Dollars (\$1,000.00) for the fourth offense within a twenty-four (24) month period; and a non-curable default on the fifth offense within a twenty-four (24) month period.

2.04 Any taxes or duties imposed upon or with respect to this Agreement or any materials, supplies or specifications acquired by or provided to you pursuant to or in connection with this Agreement shall be paid by you. You shall pay to us an amount equal to any sales tax, gross receipts tax, excise tax or any license or tax similar thereto which is imposed, directly or indirectly, upon us with respect to any Payments from you to us that are required under this Agreement. The preceding sentence shall not apply to any franchise tax or income, or excess profits tax (or any tax in lieu thereof) imposed on us with respect to these Payments.

2.05 You shall not withhold, off-set or discount any portion of any payment due to our alleged non-performance under this Agreement or any other agreement by and between us and you.

3. CONTROL PERSON; FRANCHISEE DESIGNATE; FRANCHISED BUSINESS MANAGERS; TRAINING

3.01 You hereby designate the individual person identified in Attachment 1 to this Franchise Agreement as the Franchisee Designate. The Franchisee Designate shall be the person responsible for the day-to-day operations of the Franchised Business. Your Franchisee Designate is required to be approved on an annual basis by us. If your Franchisee Designate loses his/her approval, you are required to replace the Franchisee Designate consistent with this section, who shall successfully complete our training program and has been approved by us. The Franchisee Designate shall attend and successfully complete to our satisfaction the training programs required by us. Any replacement of the Franchisee Designate shall be appointed by you within ten (10) days of the prior Franchisee Designate's resignation, termination, disability, or death. If we conduct any training for the replacement Franchisee Designate, you shall pay to us all costs and expenses related to such training at the then-current rates for additional training, as well as all expenses related to such Franchisee Designate, including without limitation, wages, meals, lodging and travel to attend the training. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, including without limitation, a sexual harassment policy. You have sole discretion as to adoption of any such policies and procedures and the specific terms of such policies and procedures. Training with respect to all such policies and procedures shall be your sole responsibility.

3.02 You hereby designate the individual person identified in Attachment 1 of this Franchise Agreement as the Control Person. The Control Person shall be the person with whom we will communicate and upon whom we will rely on to bind the Franchisee. You authorize the Control Person to perform any and all actions on your behalf related to this Agreement. Any replacement of the Control Person shall be appointed by you within ten (10) days of the prior Control Person's resignation, termination, disability, or death.

3.03 The requisite number of Managers, as we determine, shall be employed by you for the Franchised Business. All Managers shall attend and successfully complete, to our satisfaction, our required training programs. At any time during the term of this Agreement, your Franchisee Designate and at least one (1) certified Manager must be fully-trained and eligible to work in the Franchised Business. The Franchised Business is required to be open with onsite representatives during the designated operating hours as outlined in the Operations Manual. You shall commence the required training before the opening of your Franchised Business. You shall be responsible for all wages, travel and living expenses of you and your Franchisee Designate during the training periods. You and the Franchisee Designate shall attend the Franchisee Meetings we sponsor from time to time at times and locations determined by us in our sole discretion. We may require that you stay at the hotel location of the scheduled meeting at your expense. You shall be responsible for all expenses associated with attendance at such Franchisee Meetings. We will provide the instructors and materials for the training programs. You will be responsible for all of your expenses and your Managers and your employees' expenses, including without limitation, wages, benefits, and travel and living expenses during training. We will conduct the initial training programs prior to the opening of your Franchised Business, except for the initial on-the-job training conducted

immediately after the opening of your Franchised Business. Management employees that are hired after the Franchised Business opens must be trained at your sole cost and expense.

3.04 We may in our discretion require you, your Control Person, your Franchisee Designate, to attend additional training programs and seminars during the term of this Agreement. We may charge you for such additional training. We may require you or your Control person, and your Franchisee Designate to attend such additional training programs and seminars. You will be responsible for paying travel and living expenses for you, your Control Person, and your Franchisee Designate to attend such additional training programs and seminars including employee wages, in addition to training expenses and our trainer expenses. Our current costs will range from \$1,200 - \$2,000 per day per trainer plus expenses, depending upon the training provided and may be modified throughout the term of this Agreement as provided in our Operations Manual. If you request additional assistance from us, we reserve the right to provide such assistance or not, in our discretion, if, for example, the proper assistant is not available. You shall pay to us a fee per participant plus a per diem fee for each of our trainers, which currently ranges from \$500 - \$1,000 per day, per trainer plus expenses and may be modified throughout the term of this Agreement as provided in our Operations Manual. We have the right in our discretion to require our additional assistance and charge you for such assistance. You shall also conduct such continuing training programs for your employees as we may reasonably require.

3.05 You shall maintain competent and conscientious personnel to operate the Franchised Business in accordance with this Agreement, the System, and the Operations Manual. You shall train or cause the training of all personnel as and when required by prudent business practices, System standards or this Agreement. Franchisee must conduct criminal background checks on all of its employees or independent contractors who will provide services to customers. All costs associated with your performance of your obligations under this Section shall be your sole responsibility.

3.06 You shall comply with such employee training and testing procedures and requirements reasonably prescribed in the Operations Manual or otherwise in writing.

3.07 We may create an audio and/or video recording of any training programs at our expense. You will be responsible for any fee related to your participation in such training program including, without limitation, on-line training or examination programs we implement.

3.08 At the start of the employment, you promise to require, as consideration for employment each of your Managers to execute non-disclosure and confidentiality agreements and covenants not to compete that we have approved. Such agreements will prohibit disclosure, by the Manager to any other person or legal entity, of any Trade Secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the Franchised Business, which is deemed confidential or propriety by us. Such Manager non-disclosure and confidentiality agreements and covenants not to compete will, to the fullest extent permitted by applicable law, prevent Managers from servicing or soliciting any of the customers of your Franchised Business, except in their capacities as Managers of the Franchised Business, and from engaging in a Competing Business, either as an owner, employee or any other capacity. You promise to ensure that terminated employees will not have access to the System, our software, intranet sites, our

materials or any aspect of the Franchised Business. A fully-executed copy of each management employee agreement will be sent to us.

All individuals attending meetings of a confidential nature (*i.e.*, Annual Convention, Regional Meetings) must sign the most current version of the confidentiality agreement.

You agree and acknowledge and will ensure that your management employees agree and acknowledge that a violation of the covenants not to compete as listed in this Section will result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement or otherwise, will not constitute a defense to the enforcement by us of these covenants not to compete. If we prevail, you promise to pay all costs and expenses (including reasonable attorneys and experts' fees) incurred by us in connection with the enforcement of these covenants not to compete, if you are found to be in violation of your confidentiality and/or your non-competition obligation(s) under this Agreement. The protection awarded in this Paragraph will be in addition to, and not in lieu of, all other protections for such Trade Secrets and Confidential Information as may otherwise be afforded in law or in equity.

4. FRANCHISED BUSINESS LOCATION; LEASE

4.01 You shall not relocate your Franchised Business from the Location without our consent. In determining whether to allow you to relocate your Franchised Business, we consider the same factors we would consider in initially approving a site for your Franchised Business, as specified in Section 4.02 of this Agreement. In addition, we consider such factors as to whether you have:

- A. Removed all obligations from the previous location (e.g., land or building lease, land contract, property or sales taxes);
- B. Previously violated this Agreement or other federal, state, or local ordinances, statutes, or regulations;
- C. Made full payment of all monies owed to us; and
- D. Received prior approval, from us, for the proposed location.

You may not relocate your Franchised Business outside your Designated Area. You may not establish additional outlets within or outside of your Designated Area without purchasing an additional franchise from us.

4.02 You must purchase or Lease a suitable site for the Franchised Business subject to our approval using the site selection criteria in our Operations Manual. You must submit to us a description of the proposed site together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site. You must supply the required Development Materials that outline all of the information needed by us to review a proposed site. We will give

you written notice of approval or disapproval of the proposed site within thirty (30) days after receiving your written proposal. The factors we consider in approving the location for the proposed site may include, but are not limited to, the following: (i) general location; (ii) traffic patterns; (iii) rent expense; (iv) demographics; (v) equipment and services located at the site; (vi) leasehold improvement costs; (vii) ability to reflect image to be portrayed by “Honest Abe Roofing” Franchised Businesses; and (viii) parking. We may cancel the Franchise Agreement in our sole discretion and option if you fail to select a location acceptable to us within ten (10) months after this agreement is executed. We have the right to review and consent to your Lease prior to the execution of the Lease. You shall also provide to us prior to our consideration of your proposed Location the Development Materials for your proposed Location. We will generally provide you a decision regarding our consent to the Location within thirty (30) days after receipt of your Development Materials. You represent that the Lease as consented to by us shall be executed by all necessary parties within ten (10) days following receipt of our consent and provide us an executed copy promptly following execution. You must conduct the Franchised Business from a location that we approve.

4.03 Notwithstanding the terms of Section 4.02, you shall:

A. Deliver to us, immediately after delivery to or by you, any notice of default under the Lease which threatens or purports to terminate the Lease or your rights of possession under the Lease or result in a foreclosure thereof;

B. Permit us to enter the Franchised Business Location to protect our Trademarks or the System or to cure any default under this Agreement or the Lease, all at your expense; and

C. Not amend the Lease in any way that is inconsistent with this Agreement.

5. FRANCHISED BUSINESS CONSTRUCTION; APPROVED SUPPLIES AND APPROVED SUPPLIERS

5.01 You shall ensure that (a) materials satisfying our System and Approved Supplies are utilized in construction, and (b) such materials are purchased from Approved Suppliers.

5.02 We will provide to you a copy of sample and generic plans and specifications on the construction of a typical Franchised Business. These plans and specifications may be of an existing Franchised Business or the current prototype that will need to be altered or modified to meet your space requirements and local zoning requirements, which modifications will be at your cost and expense. To that end, you shall provide copies to us, upon request of architectural or construction contracts applicable to the Franchised Business Location. Upon request by you, we will make available to you, at your expense (a) architectural consultation or advice; (b) preparation of conceptual drawings; and (c) consultation and advice on the purchase, display and installation of Approved Supplies.

5.03 You shall (a) submit conceptual drawings, incorporating proposed adaptations to the local market for our consent; (b) modify the drawings as reasonably required by us; and (c) submit the modified drawings to us for our final consent. Following our consent to the final drawings, you

shall, pursuant to the Operations Manual, (a) submit for our review, construction plans and specifications based upon the standard construction plans provided to you, adapted by you pursuant to the conceptual drawings listed above to which we have consented; (b) modify such construction plans and specifications as reasonably required by us; (c) submit the modified construction plans and specifications to us for final consent; and (d) construct the Franchised Business pursuant to the plans and specifications to which we have consented. Conceptual drawings and construction plans and specifications to which we have consented shall not be modified without our approval and consent. Prior to the commencement of construction, you shall deliver a construction schedule and thereafter shall deliver monthly revisions to us indicating construction progress.

5.04 You shall obtain all zoning classifications, clearances, consents, permits, licenses, and variances, required in connection with the construction of the Franchised Business. Upon request, copies of such permits and licenses shall be provided to us.

5.05 You shall commence construction within ten (10) days from the date of the date we provide you with preliminary Location consent and shall complete construction no later than thirty (30) days thereafter. Construction shall be deemed to have been commenced upon the commencement of construction-related work at the Location. You shall, within ten (10) days after commencement of construction, advise us of such date in which construction commenced. We may inspect construction at the Location. You shall make all necessary arrangements to ensure our access to the Location.

5.06 We may periodically provide you with an approved suppliers list (the “Approved Suppliers List”) and approved supplies list (the “Approved Supplies List”). Such lists may specify, without limitation, the approved manufacturers, suppliers and distributors and the inventory, products, equipment, signs, stationery, supplies, uniforms, proprietary apparel, proprietary promotional items, computer hardware and software, and services that we have approved to be carried or used in the Franchised Business. We may revise the Approved Suppliers List and the Approved Supplies List from time to time in our sole discretion. Such approved lists will be given to you as we deem advisable or at your request. You shall acquire Approved Supplies from Approved Suppliers satisfying the requirements of this Agreement and the Operations Manual. We or one of our affiliates may be the only Approved Supplier of some Approved Supplies. In other cases, there may be only one Approved or Designated Supplier. **ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND AFFILIATES MAKE NO REPRESENTATION OR WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS AND EQUIPMENT (INCLUDING WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED SUPPLIES. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, SUPPLIERS OR ANY OTHER INDIVIDUAL, ENTITY OR ITEM SHALL NOT CREATE ANY LIABILITY TO US.**

If you want to (i) offer for sale at the Franchised Business any brand of product, not then-approved by us, (ii) use any brand of any other material or supply in the operation of the Franchised Business that is not then-approved by us as meeting our minimum specifications and quality standards, or (iii) purchase any product from a supplier that is not then-designated by us as an Approved Supplier, you must first notify us in writing and, if requested by us, submit samples and such other information as we require for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier meets our specifications and quality standards. You must pay a charge of Seven Hundred Fifty Dollars (\$750) for the inspection and evaluation and approval of the proposed supplier. We reserve the right, at our option, to re-examine or re-test the facilities and products of any supplier of an approved item and to revoke such approval if such item fails to continue to meet any of our criteria. We will send written notice of any revocation of an Approved Supplier.

All equipment, signs, inventory, products and materials, and other items and supplies used in the construction and operation of the Franchised Business that are not specifically required to be purchased in accordance with our Approved Supplies List and Approved Suppliers List must conform to the specifications and quality standards established by us from time to time. The signage and decorating materials at your Franchised Business must comply with our then-current specifications, which we may modify and change from time to time due to modifications in the System, including changes to the Trademarks. You must make such changes to the signage and decorating materials as we require at your sole cost and expense. Any upgrades to the type or size of your signage and decorating materials will be at your sole cost and expense. You must post a prominent sign in the Franchised Business identifying you as a franchisee in a format that we deem acceptable, including statements (i) that you independently own and operate the Franchised Business, (ii) that the Trademarks are owned by us, and (iii) that we use the Trademarks pursuant to a license we have issued to you.

We approve suppliers who can match the precise standards and overall quality and appearance standards required by the System. We apply the following general criteria in approving a proposed supplier: (i) ability to make products in conformity with our specifications and standards; (ii) willingness to protect the trade secrets of a product without dissemination to others; (iii) production and delivery capability; (iv) reputation and integrity of supplier; and (v) financial condition and insurance coverage of the supplier.

We reserve the right to re-inspect any supplier and revoke our consent upon such supplier's failure to continue to meet any of the foregoing criteria.

We have the right to retain rebates, markups and other benefits from suppliers or in connection with the furnishing of Approved Supplies by suppliers that are furnished to our Company-owned or affiliate-owned Franchised Businesses. You shall have no entitlement to or interest in any such benefits. We reserve the right to negotiate rebates, markups and other benefits from suppliers in connection with the furnishing of Approved Supplies by suppliers that are furnished to you and paid for by you. If we negotiate rebates from suppliers based upon purchases you make, we reserve the right to retain all or any portion of the rebates, contribute the rebates to the Brand Development Fund, or do anything else with these rebates that we may determine in our discretion. We reserve the right to amend, change, or discontinue the rebate distribution policy at any time and we reserve

the right to retain all or any portion of the rebates, or do anything else with these rebates that we may determine in our discretion. We intend that any rebates received as a result of purchases by our affiliates will be returned to our affiliates.

5.07 You shall provide us with a current list of your suppliers prior to the commencement of construction of the Franchised Business (current supplier lists shall thereafter be provided upon request).

5.08 We reserve the right to consent to, or require, limited variations from the Standards and Specifications with respect to the development of other Franchised Businesses in the System.

6. FRANCHISED BUSINESS OPERATIONS; MANUALS

6.01 You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, you shall provide or offer for sale or use at the Franchised Business only those products, supplies, uniforms, proprietary apparel, proprietary promotional items, and other items, products and services that we from time to time approve (and which are not thereafter disapproved) and that comply with our Specifications and Standards and only within your Designated Area. We will from time to time provide you with a list of these Approved Supplies and Approved Suppliers. If required by us, any such items or services shall be purchased only from "Approved Suppliers" that we designate or approve (which might include, or be limited to, us or an Affiliate). You shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any products or services that we have not approved or products or services we have approved that you offer for sale or sell or provide outside your Designated Area. We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 5.06 and shall not create any rights to you to provide the same products or services.

EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING, WE AND OUR AFFILIATES MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS OR SERVICES SOLD BY OR THROUGH US OR OUR AFFILIATES, INCLUDING THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WE WILL NOT BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE, LOSS OF PROFIT, OR OTHER INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS AND SERVICES SOLD BY OR THROUGH US OR OUR AFFILIATES OR FOR ANY DAMAGES (REGARDLESS OF THEIR NATURE) CAUSED BY OUR FAILURE TO FULFILL OUR RESPONSIBILITIES UNDER THIS AGREEMENT. OUR AND OUR AFFILIATES' SOLE LIABILITY FOR ANY WARRANTIES GRANTED IS TO REPAIR OR REPLACE, AT OUR OR OUR AFFILIATES' OPTION, ANY PRODUCTS AND SERVICES SOLD BY OR THROUGH US AND OUR AFFILIATES THAT ARE NOT IN COMPLIANCE WITH THE WARRANTY. WE AND OUR

AFFILIATES LIABILITY RELATING TO PRODUCTS AND SERVICES SOLD BY OR THROUGH US AND OUR AFFILIATES WILL IN NO EVENT EXCEED THE STATED SELLING PRICE OF THE PRODUCTS AND SERVICES TO YOU. ANY WARRANTIES GRANTED WILL BE VOID AND OF NO FORCE AND EFFECT WITH RESPECT TO ANY PRODUCTS THAT ARE DAMAGED AS A RESULT OF (A) NEGLIGENCE, ALTERATION OR ACCIDENT OR (B) IMPROPER USE, INCLUDING FAILURE TO FOLLOW OPERATING AND MAINTENANCE PROCEDURES SPECIFIED BY US AND OUR AFFILIATES.

6.02 The Franchised Business shall open for business (a) only with our consent, (b) promptly after completion of appropriate training pursuant to the System, as we determine in our sole discretion, and (c) on the Commencement Date. You shall be open for business within twelve (12) months of executing this Agreement. We may terminate this Agreement, in our sole discretion and option, if you fail to open your Franchised Business within this time frame, and the Initial Franchise Fee paid by you, or other expenses incurred by you and paid to us, are non-refundable.

6.03 You acknowledge that (a) every component of the System is material to (i) us, (ii) other Franchisees in the System, and (iii) the operation of the Franchised Business; and (b) compliance by all System Franchisees with the Operations Manual is (i) fundamental to the value of the System and to this Agreement and (ii) the basis for the broad public acceptance of the System and the goodwill associated therewith. Accordingly, you promise, during the term of this Agreement, to not:

A. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other home improvement concept or any other business that is the same as, similar to, or competitive with, the services sold by the Franchised Business (except for other Franchises under Franchise Agreements we enter into with you); and

B. Use our Confidential Information, System, Operations Manual, Trademarks, customer lists, Trade Secrets, Trade Dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business whether or not similar to, competitive with or the same as that conducted by the Franchised Business.

6.04 You shall employ continuously during the Term the requisite number of Franchised Business Managers as we determine, each of whom shall have successfully completed appropriate training as described in this Agreement.

6.05 Except as otherwise provided herein, you shall:

A. Use the Franchised Business Location solely for the operation of the Franchised Business pursuant to the terms of this Agreement and the Operations Manual. Specifically, your Franchised Business must be confined to the preparation and sale of only such products and services as we designate and approve in writing from time to time. We have the right to make modifications to these product and service offerings from time to time through revisions to the Operations Manual and you agree to comply with these modifications. You may not offer or sell any other product or service at the Location or in the Designated Area without our prior written consent.

B. Keep the Franchised Business operating pursuant to the terms of this Agreement and the Operations Manual for such minimum hours and days as from time to time are prescribed in the Operations Manual or otherwise in writing except as restricted by local law. You acknowledge and agree that the hours of operation are integral to the value of the System and the Trademarks, and any failure by you to operate during the designated hours of operation is detrimental to the System and the Trademarks. You further acknowledge and agree that the day-to-day operational decisions relating to the opening and closing procedures of the Franchised Business, including any security, staffing, and other similar matters, shall be made solely by you.

C. Obtain and maintain all permits and licenses required for Franchised Business operations and comply with all applicable laws and regulations.

D. Permit us to enter upon the Franchised Business Location at any time to inspect the Franchised Business and the products and materials used by you, accompany you in the performance of any jobs in the Designated Area, cooperate with such inspection and take such steps as may be necessary to correct any deficiencies discovered during such inspection (you acknowledge that we may re-inspect the Franchised Business and such products or materials and revoke our consent to any product or material (or the supplier thereof) or the condition of the Franchised Business should the Franchised Business, products or materials fail to meet the Standards and Specifications of the System).

E. Permit us or an authorized representative to enter upon the Franchised Business at all reasonable times during the Business Day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you; to inspect and evaluate your building, land and equipment; and to inspect and evaluate the performance of any jobs in the Designated Area. If we determine that any condition in the Franchised Business presents a threat to customer or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Franchised Business until the situation is remedied to our satisfaction. Other than requiring you to follow the mandatory requirements of our System, any guidance, suggestions, or advice provided to you in the course of such consultation shall be deemed suggestions only, and the decision to follow any such guidance, suggestions, or advice will be made by you in your sole discretion. In particular, and not in limitation of the foregoing, you will be solely responsible for all policies and decisions concerning your employees and will consult with your own independent advisors with respect to those policies and decisions.

F. Participate in any system performance review program and implement the program consistent with our Operations Manual.

G. Participate in a web-based marketing program that may consist of activities such as, without limitation, email database marketing programs, or other programs implemented in our Operations Manual.

H. Participate in any and all marketing programs we deem necessary for the System, such as, without limitation, a system-wide gift card program, and pay all costs associated with your implementation of such program.

I. Attend at your expense national or regional meetings we may organize and implement for the System and stay at the hotel we designate for the meeting. We may organize and implement other franchisee meetings, in various formats, including without limitation, an annual convention, in-person meetings, conference calls, webinars, and webcasts, to which you, your Franchisee Designate, if different from you, and Managers, as we determine, must attend. These meetings collectively will not be more than five (5) days in length, and you are responsible for any registration fees we impose, the travel and expenses associated with the meetings, consistent with your obligations in the Operations Manual. The locations of the meetings will be determined by us, and we may require that you stay at the hotel location of the meetings. Topics of such meetings will include operational issues, “best practice” sharing, new product/service presentations, Operations Manual amendments, etc.

J. Maintain a representative inventory of special promotional items to meet public demand as we develop from time to time. You may purchase alternative special promotional items, provided that such alternative items meet our Standards and Specifications and have been approved by us as required in the Operations Manual.

K. Operate the Franchised Business at all times consistent with and in compliance with the System as revised by us in our discretion from time to time, in writing through revisions of the Operations Manual and only within your Designated Area. The Operations Manual will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications, and requirements for operating your Franchised Business designed to protect and maintain the value of the Trademarks and the System. You must comply with specifications, standards, procedures, and rules prescribed from time to time in the Operations Manual that we designate as mandatory. We will revise the manuals for the System periodically to meet changing conditions of business operation in the best interest of the Franchised Businesses operating under the Trademarks and the System. Any required standards (such as, without limitation, the System as implemented through the Operations Manual) exist to protect our interests in the System and Trademarks and not for the purpose of establishing any control or duty to take control over matters that are reserved to you. You agree and acknowledge that full compliance with the Operations Manual is essential to preserve, maintain and enhance the reputation, trade demand, and goodwill of the System and the Trademarks and that your failure to operate the Franchised Business in accordance with the Operations Manual can cause damage to us and all other franchisees within the System as well as to you. You agree to offer a system wide guarantee or warranty of your work and materials to customers consistent with the customer warranty provided in our Operations Manual. Notwithstanding the foregoing, and consistent with the goals of the System, you shall be responsible for the day-to-day operation of the Franchised Business. You must use your best efforts to promote and increase the sales and service of all product and service offerings of the System and to effect the widest and best possible distribution throughout the Designated Area in implementing the System and all standards of operation as contained in the Operations Manual.

L. Purchase and use any computer system that we develop or select for the Franchised Business, including all future updates, supplements, and modifications (the “Computer System”). The Computer System may include all hardware and software used in the operation of the Franchised Business, including electronic scheduling and back-office programs used to record,

analyze and report Gross Sales, inventory, labor, and tax information. The computer software package may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. The computer hardware component of the Computer System must conform to the specifications we develop from time to time. We reserve the right to designate a single source from whom you must purchase some or all of the Computer System. If you choose to use a computer system different from our required computer system, you may do so only with our prior approval, which may be conditioned upon your payment of the full integration costs to our system and your assignment of this integration for our use going forward, and any other conditions in our sole and absolute discretion. You acknowledge and agree that we will have full and complete and independent access to information and data entered and produced by the Computer System. We have the right to have independent electronic access to this information. There are no contractual limits on our right to independently access the data. You must record all sales at the Franchised Business on this Computer System, which includes an information interface capability to communicate electronically with our computer system to provide us with continuous transaction level point of sale data. You shall directly integrate all digital sales leads into the Computer System. You are responsible for the annual maintenance and repairs for the Computer System. The technology configuration is frequently subject to change due to technology and service advancements, as updated in the Operations Manual. THE COMPUTER SYSTEM AND ITS CONTENT ARE PROVIDED "AS-IS". WE AND OUR AGENTS AND LICENSORS DISCLAIM ANY AND ALL WARRANTIES RELATING TO THE COMPUTER SYSTEM, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, REGARDING ANY CONTENT AND YOUR ABILITY OR INABILITY TO USE THE COMPUTER SYSTEM AND ITS CONTENT. USE OF THE COMPUTER SYSTEM IS AT YOUR SOLE RISK. WE WILL NOT BE LIABLE TO YOU OR ANY PERSON CLAIMING THROUGH YOU FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR OTHER DAMAGES UNDER ANY THEORY OR LAW FOR ANY ERRORS IN OR THE USE OF OR INABILITY TO USE THE COMPUTER SYSTEM AND ITS CONTENT INCLUDING DAMAGES FOR LOST PROFITS, BUSINESS, DATA, OR DAMAGE TO ANY COMPUTER SYSTEMS. You must provide such assistance as may be required to connect your Computer System to our computer system. We shall have the right to retrieve transaction level data through your Computer System, and such other information from your Computer System as we deem necessary or desirable, and you agree to fully cooperate with us to accomplish such interface. Notwithstanding the above, we shall set up, but you shall purchase, an online Quickbooks account, which we will be the primary administrator and will provide access to you for all the tracking and recording of all accounting transactions for your Franchised Business. You must provide us with all of the data required by us in the Operations Manual in a format readily usable by us. All data pertaining to, derived from, or displayed at the Franchised Business (including without limitation, data pertaining to or otherwise about Franchised Business customers) is and shall be our exclusive property, and we hereby grant you with a royalty-free non-exclusive license to use that data during the Term of this Agreement and any renewal term. You agree that all data collected from customers and potential customers in connection with the Franchised Business ("Customer Data") is deemed to be owned exclusively by us, and you agree to provide Customer Data to us at any time that we request. You have the right to use Customer Data while this Agreement is in effect, but only in connection with operating

the Franchised Business and only in accordance with the policies established by us from time to time. You shall not sell, assign, transfer or use Customer Data for any purpose other than operating the Franchised Business and marketing Honest Abe Roofing services and products. You agree to abide by all applicable laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards pertaining to the Privacy Laws and the requirements of any applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately provide written notice to us of said conflict; and (c) promptly and fully cooperate with us and counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You must at all times have at the Location internet access with a form of high speed connection as we require and you must maintain: (i) an email account for our direct correspondence with you, your Control Person and Franchisee Designate; and (ii) a separate email account for the Franchised Business. We reserve the right to require that you use an email address and account that we designate. You shall, at your expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable the Franchised Business to accept such methods of payment from customers. You shall also accept debit cards, stored value gift cards or other non-cash payment systems specified by us to enable customers to purchase authorized products and services. You shall obtain all necessary hardware and/or software used in connection with these non-cash payment systems. At all times, you shall maintain credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, and electronic funds transfer systems (together, "Credit Card Vendors") that we designate as mandatory. The term Credit Card Vendors includes among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You may not use any Credit Card Vendors that we have not approved in writing or for which we have revoked approval. We have the right to modify the requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke approval of any such service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved supplier to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You will be required to enter into a contractual relationship directly with an approved managed firewall supplier, if we so determine.

M. Open your Franchised Business within twelve (12) months after signing this Agreement on the Commencement Date.

N. Permit us to remove from the Franchised Business samples of any inventory items (without payment) in amounts reasonably necessary for testing to determine if such samples meet the Standards and Specifications of the System. We may require you to bear the cost of such testing if we have not given consent to the supplier or if the sample fails to conform to our Standards and Specifications.

O. Purchase and maintain in force all required licenses.

6.06 You shall forward to us within five (5) days of your receipt thereof copies of all inspection reports, citations, complaints, warnings, certificates and ratings issued by any governmental entity during the Term of this Agreement in connection with the conduct of the Franchised Business which indicate less than full compliance by you with any applicable law, rule or regulation.

6.07 You acknowledge that a material aspect of the System is the quality of the products and services and Standards and Specifications related to roofing and gutter installation. Therefore, you shall (i) sell or offer only such products and services to which we have consented (which products and services shall be sold and performed in accordance with the Standards and Specifications of the System and only within your Designated Area); (ii) sell or offer for sale all products and services required by us; (iii) refrain from any deviation from the Standards and Specifications of the System without our consent or advertising or performing any services outside your Designated Area; and (iv) discontinue selling or offering any products and services to which we may, in our sole discretion, fail to consent or revoke our consent, in writing.

6.08 You shall purchase our proprietary products or other products and services we may determine in our discretion from us or our Designated Supplier at a reasonable price established by us or our supplier. If we are the sole supplier, you will pay us in the manner established in the Operations Manual, but you agree that we may collect such fees in the same manner as we collect Royalty or Brand Development Fund fees. You acknowledge that we may profit from the sale of proprietary products to you and receive consideration from the supplier with respect to your purchases of such proprietary products by you.

6.09 During the term of this Agreement, you shall (a) repair, maintain and keep the interior and exterior of the Franchised Business (and all fixtures, furnishings, signs, equipment, sidewalks, walkways and parking lots) and vehicles in good order and first-class condition and repair and in compliance with the Standards and Specifications of the System and all applicable laws, rules, regulations and ordinances, and (b) as reasonably required by us, upgrade the Franchised Business to the then-current Standards and Specifications of the System. You must renovate, repair and alter the exterior and interior of your premises at your own expense as reasonably directed by us in accordance with our Standards and Specifications in our Operations Manual. If you fail to make such required renovations within thirty (30) days after your receipt of written notice from us setting forth the specific repairs or alterations that are required, then we, without being guilty in any manner of trespass, fault or negligence, and without prejudice to any of the other remedies we have, may have such repairs or alterations completed to maintain your Franchised Business in accordance with our required standards. If this occurs, you must immediately reimburse us for all costs we incur to make such renovations, repairs, or alterations. You will indemnify and hold us, our Franchisees and affiliates harmless from all fines, suits, proceedings, claims, demands,

damages, liabilities or costs, including, without limitation, reasonable attorney fees, arising out of any Action or proceeding of any kind or nature that arises or grows out of or is in any way connected to the construction, renovation, or operation by you of the Franchised Business. This renovation and remodeling obligation is separate and apart from any remodeling required as a condition of your renewal of this Agreement under Section 16.

6.10 You shall acquire all inventory, supplies and other products, materials required for the operation and maintenance of the Franchised Business, and all other Approved Supplies solely from Approved Suppliers, which may include a Designated Supplier (an exclusive supplier), and such Approved Suppliers or Designated Suppliers may include us or our affiliates. If you want to do otherwise, you must comply with section 5.06 of this Agreement and the Operations Manual. We may, in the exercise of our business judgment, enter into supply contracts for all Franchised Businesses or a subset of Franchised Businesses situated within one or more geographic regions (each, a “system-wide supply contract”). We may enter into system-wide supply contracts with one or more suppliers of products, services, equipment that all affiliate-owned and Franchised Businesses in a geographic area will be required to purchase, use or sell. If we do so, then immediately upon notification, you, us and all other Franchised Businesses in the geographic area must purchase the specified product, service or equipment only from the designated supplier. However, if at the time of our notification, you are already a party to a non-terminable supply contract with another supplier or vendor for the product, service or equipment, then your obligation to purchase from our designated supplier under the system-wide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We currently have an exclusive supplier relationship with our affiliate Designated Supplier for metal roofing products and we may enter into other system-wide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue system-wide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

6.11 We will provide you with one (1) set of the Operations Manual “on loan.” You acknowledge our ownership of these Operations Manual and any copyright rights in or to the Operations Manual. The Operations Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manual contents. You shall observe such reasonable requirements concerning copyright notices as we request. Replacement Operations Manual will be made available to you at an additional cost.

6.12 You shall operate the Franchised Business in accordance with the System, the Operations Manual, the Standards and Specifications contained in the Operations Manual, this Agreement, written directives (whether or not such directives are made part of the Operations Manual) and other manuals prepared for use in Franchised Business operations. The Operations Manual, Standards and Specifications, other manuals, and written directives may be revised from time to time by us in our sole discretion through the use of supplements to the Operations Manual, all of which will be considered a part of the Operations Manual. Such revisions may require you to use

new Approved or Designated Suppliers, including us or an affiliate of ours. All references to the Operations Manual in this Agreement shall include all supplements to the Operations Manual. Supplements to the Operations Manual will become binding upon you as if originally set forth in the Operations Manual, upon being delivered to you.

6.13 The Operations Manual, other manuals, such written directives and any other Confidential Information shall be kept in a secure location in the Franchised Business Location and returned to us immediately upon request or upon termination or expiration of this Agreement.

6.14 You shall keep the Operations Manual, other manuals and such written directives up to date. In the event of any dispute as to the contents of the Operations Manual, other manuals or written directives, the copy thereof maintained by us shall control.

6.15 You shall establish prices charged for products or services sold in your Franchised Business, provided, however, we may exercise rights with respect to the pricing of products and services to the fullest extent permitted by the then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and services offered and sold at your Franchised Business.

6.16 We will provide to you:

A. Access, together with other System Franchisees, to new System developments. You may be required to attend meetings at your expense to discuss such developments.

B. Access to and written materials concerning improvements to the System which may include, without limitation, new products, equipment, specifications and service offerings. At your request, we will provide training or demonstrations at the Franchised Business of new products or other changes to the System. You shall bear or reimburse our expenses for such demonstrations, including without limitation, our staff's wages, benefits, travel, living and other expenses related to such demonstration.

C. Periodic inspection and evaluation of the Franchised Business as reasonably required by us. You will pay for such inspections as provided in the Operations Manual. Following each inspection, we will provide you an inspection report listing your score on the inspection and those conditions at the Franchised Business that must be rectified. If you fail to achieve a passing score on an inspection, the inspection report shall constitute notice of default.

6.17 We reserve the right to consent to, or require, limited variation from the Standards and Specifications in the Operations Manual with respect to the operation of the Franchised Business and other Franchised Businesses in the System.

7. CONFIDENTIAL INFORMATION

7.01 Neither you nor any Principal Owner shall, at any time during the term of this Agreement or after this Agreement has expired or been terminated, communicate, disclose or use any Confidential Information for your benefit, or the benefit of any Principal Owner or any third party,

nor will you nor any Principal Owner directly or indirectly aid any third party to imitate, duplicate or “reverse engineer” any of our Confidential Information. You and each Principal Owner agree to use and permit the use of Confidential Information solely in connection with the operation of the Franchised Business. Neither you nor any Principal Owner shall, without our prior consent, copy, duplicate, record or otherwise reproduce any Confidential Information. Confidential Information may be provided to employees, agents, consultants, and contractors only to the extent necessary for such parties to provide services to you. Prior to such disclosure of any Confidential Information, each of such rank-and-file employees, agents, consultants and contractors shall (i) be advised by you of the confidential and proprietary nature of the Confidential Information, (ii) agree to be bound by the terms and conditions of Section 7 of this Agreement, and (iii) agree to sign a confidentiality and non-disclosure agreement in order to protect such Confidential Information. Notwithstanding such agreement, you and each Principal Owner, jointly and severally, shall indemnify us and Our Indemnities from any damages, costs or expenses resulting from or related to any disclosure or use of Confidential Information by your agents, employees, consultants, and contractors. You and each Principal Owner agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or part, share it with any other third party individual or entity (except as provided herein), store it in a computer or other electronic format, or otherwise make it available to any third party by any other means whatsoever.

7.02 In the event that you or your employees, agents, consultants or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, you shall immediately notify us thereof, and shall fully cooperate with and assist us in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, you shall fully cooperate with and assist us in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

7.03 You and each Principal Owner acknowledge our exclusive ownership of the Confidential Information and the System and our exclusive ownership and our license with respect to the Trademarks. Neither you nor any Principal Owner shall, directly or indirectly, contest or impair our or our exclusive ownership of, and/or license with respect to, the Confidential Information, the System or the Trademarks.

7.04 If you develop improvements (as determined by us) to the Confidential Information, you and the Principal Owners shall each, without additional consideration, execute such agreements and other documentation as shall be deemed necessary by us, granting exclusive ownership thereof to us as if you developed such improvements as work for hire for us. All such improvements shall be Confidential Information.

7.05 Each Principal Owner shall execute and deliver to us a Confidentiality and Nondisclosure Agreement and Covenant not to Compete in the form prescribed by us. You shall cause your Control Person, your Franchisee Designate, and each Manager to execute and (if requested) deliver to us a Confidentiality and Nondisclosure Agreement and Covenant not to Compete in the form prescribed by us. You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Nondisclosure Agreement and Covenant not to Compete executed by any of the individuals referenced in the section, and you acknowledge our

right, to be exercised as we alone determine, to ourselves and to enforce the terms of any such executed Confidentiality and Nondisclosure Agreement and Covenant not to Compete.

7.06 Immediately upon any termination or expiration hereof, you and each Principal Owner, Control Person, Franchisee Designate, and Manager shall return the Confidential Information, including without limitation, that portion of the Confidential Information which consists of analyses, compilations, studies or other documents containing or referring to any part of the Confidential Information, prepared by you or such Principal Owner, Control Person, Franchisee Designate, and Manager, and all copies thereof.

7.07 Notwithstanding the confidentiality of data we poll from your Computer System, you authorize us to use the data for our purposes, including without limitation, use for any financial performance representation in our future franchise disclosure documents.

8. TRADEMARKS

8.01 We grant to you the non-exclusive right and licensee to use the Trademarks (subject to the terms hereof) during the Term in accordance with the System, the Operations Manual and as prescribed by us from time to time. In connection therewith, you agree that:

A. You shall use only within your Designated Area (i) only such of the Trademarks as we designate and (ii) such marks only in the manner specified by us in writing. Any other use of any Trademark shall constitute an infringement of our rights therein.

B. You shall use the Trademarks only (i) for the operation of a single Franchised Business at a single Location, (ii) at the Location or in advertising related to the Franchised Business and within your Designated Area, and (iii) during the Term. You shall immediately cease (a) any unauthorized use of any Trademark upon demand and (b) all use upon the termination or expiration of this Agreement.

C. We reserve the right to substitute different trade names, service marks, trademarks, logos, Trade Dress, emblems, symbols and indicia of origin for the Trademarks for use in identifying the System and the business operated thereunder, as deemed reasonable and necessary in our sole discretion. If we substitute any or all of the Trademarks, you shall implement such new Trademarks when we deem reasonable in our sole discretion, at your sole cost and expense.

D. You acknowledge that Trade Dress is essential to us and the System. In order to protect the System, you shall comply with all mandatory specifications, standards and procedures relating to (i) the type and quality of the products and services offered by the Franchised Business; (ii) the appearance, color, indicia, and signage of the Franchised Business premises; (iii) appearance of employees; (iv) cleanliness, standards of services, and operation of the Franchised Business; (v) submission of requests for approval of materials, supplies, distributors, and suppliers; and (vi) safety procedures and programs prescribed by us. You also agree to use all equipment, signage, and services as have been approved for the System from time to time by us. Mandatory specifications, standards, and procedures may be prescribed from time to time by us in the Operations Manual, or otherwise communicated to you in writing.

E. During the Term, you shall identify yourself as a “licensed Franchisee” of ours (i) in conjunction with any use of the Trademarks including, without limitation, invoices, order forms, receipts, contracts, stationary and business cards; (ii) in a notice of such content and form and at conspicuous locations in the Franchised Business as we may designate as specified in Section 5.06 of this Agreement; and (iii) on any authorized delivery vehicles.

F. You shall not assign, pledge, mortgage, or otherwise encumber your rights to use any of the Trademarks.

G. You shall not use any of the Trademarks as part of your corporate or other name. You shall comply with our instructions, and shall execute any documents deemed necessary by us, or our counsel, in filing and maintaining any requisite trade name or fictitious name registrations in connection with the Trademarks.

H. You shall immediately notify us of any (i) infringement of the Trademarks or challenge to the use of any thereof or (ii) claim by any person of any rights in or to any of the Trademarks. You and each Principal Owner shall not communicate with any person except us or our counsel in connection with any such infringement, challenge or claim. We, in our sole discretion, may take such action as we deem appropriate, and shall exclusively control any litigation or proceeding arising from any infringement, challenge, or claim or otherwise relating to any of the Trademarks. You shall execute any and all instruments and documents, render such assistance and do such acts and things as may, in our opinion or in the opinion of our counsel, be necessary or advisable in any such litigation or proceeding or to otherwise protect or maintain our rights and interest in the Trademarks.

I. Neither you nor any Principal Owner shall, directly or indirectly, apply for, register, attempt to obtain or obtain control of the Trademarks or any marks or other indicia of ownership or origin which resemble, or are deceptively or confusingly similar to, the Trademarks, in any country or political sub-division thereof. Neither you nor any Principal Owner shall interfere with our efforts to obtain registration or ownership of any name, trademark, service mark or other identifying name anywhere in the world.

J. You shall cooperate with us to prove the continuous and effective use of the Trademarks, including without limitation, in connection with any registration or any renewal thereof.

8.02 Franchisee and each Principal Owner agree and acknowledge that:

A. We are the exclusive owner of all right, title and interest in and to the Trademarks and the goodwill associated therewith;

B. The Trademarks identify us as the source or origin of goods and services provided under such marks and the System;

C. Neither you nor any Principal Owner shall directly or indirectly contest our ownership, or the validity of the Trademarks;

D. You do not have, and shall not acquire by use pursuant to this Agreement, any ownership or other interest in or to the Trademarks, except the right and license granted herein, subject in all respects to the terms hereof;

E. Any and all goodwill arising from your use of the Trademarks shall inure exclusively to us without compensation; and

F. Your right and license to use the Trademarks is non-exclusive and, subject to this Agreement. We have and retain all rights relating to the Trademarks and the use thereof including, without limitation, the right to:

(1) Grant other licenses to use the Trademarks;

(2) Develop and establish Other Concepts using the Trademarks or other names or marks and to grant licenses thereto without providing any rights therein to you; and

(3) Engage, directly or indirectly, at wholesale, retail or otherwise, in (i) the production, distribution, license and/or sale of products and services under the Trademarks or other names or marks and (ii) the use, in connection with such production, distribution and sale, of any and all trademarks, trade names, service marks, logos, insignia, Trade Dress, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

9. ADVERTISING AND MARKETING

9.01 You recognize the value of advertising and that standardized advertising programs enhance the goodwill and public image of the System.

A. You shall expend not less than the equivalent of Seven Percent (7%) of the previous month's Gross Sales per month for local advertising only in your Designated Area using an Approved Supplier. Your local advertising may utilize media to which we have granted consent including:

- (1) Newspapers, magazines and other periodicals;
- (2) Radio/television;
- (3) Outdoor advertising (*e.g.*, billboards or signs);
- (4) Transit advertising and direct mail;
- (5) Social media; and
- (6) Such other media to which we consent.

You may not advertise in any form outside your Designated Area. On a monthly basis, you will report to us your local advertising in a form we require. If you fail to spend at least the equivalent of Seven Percent (7%) of the previous month's Gross Sales per month on local advertising, you

shall pay the difference to us as additional Royalty. We have no obligation to spend this money in your territory.

B. You, at your expense, shall obtain listings in bold type in the white pages directory of the local public telephone company under the name “Honest Abe Roofing.”

C. We may, in our sole discretion, require you to spend a minimum amount of Twenty Thousand and 00/100 Dollars (\$20,000.00) per month for the first three (3) months of operation (Sixty Thousand and 00/100 Dollars (\$60,000.00) in total) on the advertising and promotion of the Franchised Business including without limitation, newspaper, direct mail, promotional items, social media, and other media (“Grand Opening Advertising”) using a Designated Supplier. You shall conduct the Grand Opening Advertising in accordance with the specifications set forth in the Operations Manual. If you do not utilize the services of our affiliate, you shall work with our marketing team and their resources to finalize a Grand Opening marketing plan, in accordance with the requirements set forth in the Operations Manual or as otherwise required by us, which must be submitted to us no later than forty-five (45) days prior to the Franchised Business being open for business. All Grand Opening Advertising expenditures must obtain our prior approval. We may, in our sole discretion, require you to pay the Grand Opening Advertising expenses directly to us or our affiliate, in which event we will spend such amounts on your behalf. During the first three (3) months of the operation of the Franchised Business, you shall expend funds on Grand Opening Advertising in lieu of the local advertising. You must pay the Brand Development Fee at all times. After the first three (3) months of operation, you shall begin to spend at least the equivalent of Seven Percent (7%) of the previous month’s Gross Sales per month on local advertising in accordance with this Agreement. We may require you to use a Designated Supplier for these services.

9.02 You shall pay us on a monthly basis, in addition to any Payments required under this Advertising Section of this Agreement and other fees required to be paid to us under this Agreement, a fee for the Brand Development Fund (“Brand Development Fee”) in an amount of two percent (2%) of monthly Gross Sales. We shall collect the Brand Development Fees in the same manner we collect Royalty. You shall report your Gross Sales to us on a monthly basis in a form we prescribe.

We or our designate shall administer the funds in the national and/or regional Brand Development Fund and direct all national and regional advertising programs. We or our designate shall have the sole discretion to consent to or reject all creative concepts, materials and media and the placement and allocation thereof. THE BRAND DEVELOPMENT FUND IS ESTABLISHED AS A SEPARATE BANKING ACCOUNT AND MONIES RECEIVED FOR THE BRAND DEVELOPMENT FUND ARE ACCOUNTED FOR SEPARATELY FROM OUR OTHER FUNDS. THERE IS NO FIDUCIARY OR TRUST RELATIONSHIP CREATED BY OUR ADMINISTERING THE BRAND DEVELOPMENT FUND. WE MAY CAUSE THE BRAND DEVELOPMENT FUND TO BE INCORPORATED OR OPERATED THROUGH A SEPARATE ENTITY IF WE DEEM APPROPRIATE. WE ANTICIPATE ALL OF OUR FRANCHISEES WILL CONTRIBUTE TO THE BRAND DEVELOPMENT FUND, ALTHOUGH THERE IS NO PROHIBITION AGAINST US CHARGING HIGHER OR LOWER RATES FOR FUTURE FRANCHISEES. WE ALSO MAY FORGIVE, WAIVE,

SETTLE OR COMPROMISE CLAIMS BY OR AGAINST THE BRAND DEVELOPMENT FUND. WE MAY DEFER OR REDUCE A FRANCHISEE'S CONTRIBUTION BASED ON THE PECULIARITIES OF A PARTICULAR TERRITORY OR CIRCUMSTANCE, EXISTING BUSINESS PRACTICES OR OTHER FACTORS THAT WE DEEM TO BE IMPORTANT TO THE OPERATION OF ANY FRANCHISED BUSINESS OR THE SYSTEM. IF WE TERMINATE THE BRAND DEVELOPMENT FUND, WE WILL DISTRIBUTE ALL UNUSED MONIES TO THE CONTRIBUTORS IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS DURING A PRE-DETERMINED PERIOD. We and our designate undertake no obligation to make expenditures in the area where your Franchised Business Location is located which are equivalent or proportionate to your contribution or ensure that any particular Franchisee benefits directly or *pro rata* from the placement of such advertising. Such funds may be applied to our costs of maintaining, administering, directing and preparing national or regional advertising (including without limitation, marketing research, public relations activities, marketing programs and initiatives including but not limited to employing advertising agencies to assist therein), and all facets of brand development and marketing, including our own internal resources such as, without limitation, staff; provided however, that such funds shall not be used to defray our general operating expenses (except reasonable administrative costs and overhead related to the administration or direction of such funds and programs). An annual statement of fund expenditures shall be delivered to you upon request. We will prepare an annual, unaudited statement of the operations of the Fund that is made available to you within six (6) months of the end of our fiscal year. We are not required to have the Fund statements audited. These statements will be made available to you upon request.

9.03 In addition to the Brand Development Fee described in Section 9.02, we may from time to time develop and administer advertising, marketing, sales, and brand development promotional programs in which you shall participate upon such terms and conditions as established by us. Such programs may include, without limitation, promotional pricing, financing promotions, and other seasonal System-wide specials and the like. All phases of such advertising and promotion, including without limitation, type, quantity, timing, placement, choice of media, market areas, promotional programs and advertising or public relations agencies, shall be determined by us in our sole discretion.

9.04 All advertising and promotion shall conform to the Standards and Specifications in the Operations Manual. All promotional, advertising, and marketing materials are designed by our marketing department in accordance with our Standards and Specifications. If you want to use marketing materials that differ from those provided by our marketing department, you must submit a project request for the desired materials at least thirty (30) days prior to your intended use, consistent with the requirements in our Operations Manual. We may charge you for the development of this market specific marketing material. You shall not use such plans or materials until our consent is received. You shall promptly discontinue any advertising or promotional plans or materials, whether or not previously consented to, upon notice from us.

9.05 We may designate any geographic area in which two (2) or more Franchised Businesses are located and owned by different parties as a region for purposes of establishing an advertising Cooperative. The members of the Cooperative for any area will consist of all Franchised Businesses, whether operated by us, our affiliates or franchised. We will determine, in advance,

how each Cooperative will be organized and governed and when it must start operation. Once established, we retain the right to dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. If a Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the Term on the Franchise Agreement, you must sign all documents we request and become a member of the Cooperative according to the terms of the documents. We will provide to you a copy of the Cooperative documents applicable to the geographic area in which your Franchised Business will be located if you request it.

You must contribute to the Cooperative the amounts required by the documents governing the Cooperative, but will not exceed the amount of your local advertising requirement. You may apply your Payments to the Cooperative toward satisfaction of your local advertising requirement. We may allocate your contributions to a Cooperative to the Fund, as describes above. All contributions to the Cooperative will be maintained and administered according to the Cooperative governing documents. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the Cooperative or services furnished to its members without first obtaining our approval. Each Cooperative will be obligated to prepare an annual financial statement reporting its expenditures for the previous year to its members.

9.06 We also may maintain one or more social media sites (e.g., www.twitter.com; www.facebook.com, or such other social media sites). We have the right to establish regional and national social media accounts that will be operated solely by us. You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Trademarks, without our advance written consent. We may periodically designate regional or territory-specific user names/handles to be maintained by you. You must adhere to the social media policies established by us and you will require all of your employees to do so as well.

10. INSURANCE

10.01 At this time, you must obtain insurance that meets the following minimum requirements. You are reminded that the requirement that you meet these minimum standards in no way limits your liability for claims or suits in excess of these limits or claims or suits outside of the scope of the listed coverage:

A. Comprehensive General Liability Insurance including premises liability, products liability, and contractual liability coverage for bodily injury and property damage for an amount not less than \$1,000,000 per occurrence with \$1,000,000 aggregate. Coverage will also extend to cover personal/advertising liability for an amount not less than \$1,000,000 per occurrence. You must include Honest Abe Roofing Franchise, Inc. at the address listed in this Agreement as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Franchised Business.

B. Owned, Non-Owned and Hired Automobile Liability Insurance for an amount not less than \$1,500,000 combined single limit.

C. Workers' Compensation Insurance as required by law; Employers' Liability Insurance for amounts not less than \$500,000 per accident, \$500,000 per employee, and \$500,000 policy limit.

D. Umbrella liability coverage in an additional \$1,000,000 per occurrence/aggregate. The umbrella coverage must sit over the General Liability, Auto Liability and Employers Liability policies. You must include Honest Abe Roofing Franchise, Inc. at the address listed in this Agreement as an additional named insured to protect us from any liability by reason of ownership, maintenance, or operation by you of the Franchised Business.

F. Building, Personal Property, and Leasehold Improvements Insurance if applicable, under an "all risk" property form with replacement costs endorsement in an amount equal to 100% of the values of these items. Your deductible shall be no more than \$1,000 per occurrence.

G. Business Interruption Insurance covering royalty and Brand Development Fee payments to Honest Abe Roofing Franchise, Inc. at the address listed in this Agreement and earnings on an "actual loss sustained basis" for a minimum of 12 months; or, if "actual loss sustained" coverage is not obtainable, you must obtain Business Insurance (and extra expense) coverage (utilizing a valuation that shall include the equivalent of net income before taxes).

H. Cyber Security Liability insurance with limits of liability as provided in the Operations Manual.

You must obtain this insurance coverage from a reputable insurance company (with at least an A.M. Best analytical rating of "A" and the financial size category of VIII). All policies of insurance procured by Franchisee shall be written as primary policies and not be excess of coverage that Franchisor may carry. You must annually provide us with evidence of the required insurance coverage by proper certificates of insurance, and such insurance policies must require the insurer to provide us with not less than 30 days prior written notice of any cancellation, non-renewal, or material changes in such policy. We shall have the continuing absolute right to inspect all certificates, additional insured endorsements, binders, and any and all other policy documents you receive from the insurance provider. You must evidence that you have obtained all required insurance by providing us with: (1) Certificate of Insurance naming us, Our Indemnitees, and all specified affiliates as "additional insureds" on each policy specified by us; (2) an endorsement form listing us, Our Indemnitees, and designated affiliates as an additional insured, which endorsement form shall not limit our coverage under the policy to liability caused by the Named Insured's acts or omissions but shall include coverage for liability from our own negligent acts or omissions; and (3) any and all Policy Documents and any other documents and forms describing or relating to all terms and conditions of the insurance Policy. You must instruct your insurance agent or provider to automatically send us evidence of your insurance coverages and our status as an additional insured at the time of renewal of each insurance policy.

10.02 Such insurance shall also:

- A. Name Our Indemnities as an additional insured on an endorsement form acceptable to us;
- B. The insurance policy and endorsement must cover our and Our Indemnitee's own acts or omissions and must not be limited to our vicarious liability or liability arising solely from the granting of a franchise;
- C. The policy must not be subject to cancellation, modification, or amendment except after 30 days written notice to us;
- D. The policy must provide that failure by you to comply with any term, condition, or provision of the insurance contract, or other conduct by you, will not void or otherwise affect the coverage afforded to us and Our Indemnitees (e.g., we, although named as an additional insured, will nevertheless be entitled to recover under such policies on any loss occasioned to us or Our Indemnitees by reason of the negligence of you or your agents or employees);
- E. The policies must cover your contractual liability, including without limitation, your indemnification obligations under this Agreement;
- F. The policies will be primary to and without right of contribution from any insurance purchased by us;
- G. The policies must contain a waiver of subrogation in our favor for casualty losses and contain no provision which limits or reduces coverage in the event of a claim by any one (1) or more of the insured or additional insured parties; and
- H. Have deductibles in amounts deemed reasonable by us.

10.03 A certificate of insurance and endorsements shall be submitted for our consent prior to the commencement of construction and additional certificates of insurance and endorsements shall be submitted to us thereafter, evidencing uninterrupted coverage. You shall deliver complete copies of all insurance policies within fourteen (14) days of our request.

10.04 If a claim is made by any one or more of Our Indemnities against you, you shall, upon our request, assign to us any and all rights which you then have or thereafter may have with respect to such claim against the insurer(s) providing the coverage under this Section. Your obligation to obtain and maintain the policy or policies of insurance in the minimum amounts specified by us will not be limited in any way by reason of any insurance that may be maintained by us nor will your obligation to obtain insurance relieve you of your liability for indemnification as provided in this Agreement.

10.05 Your obligation to obtain and maintain insurance or to indemnify any of Our Indemnities shall not be limited by reason of any insurance which may be maintained by any of Our

Indemnities, nor shall such insurance relieve you of any liability under this Agreement. Your insurance shall be primary to any policies maintained by any of Our Indemnities.

10.06 If you fail to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time, we may acquire such insurance and the cost thereof, together with a reasonable fee for our expenses in so acting and interest at eighteen percent (18%) per annum or the highest maximum rate allowed by law, whichever is less, from the date acquired, shall be payable by you upon notice from us.

11. ACCOUNTING AND RECORDS

11.01 You shall prepare in accordance with the System and generally accepted accounting principles, and preserve for the periods specified in the Operations Manual, complete and accurate books, records and accounts with respect to the Franchised Business and all other reports or disclosures required or permitted herein and in the Operations Manual including, without limitation, sales slips, coupons, purchase orders, invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, in a form and manner prescribed in the Operations Manual or otherwise in writing. You shall adopt such accounting periods as we prescribe.

11.02 On the tenth (10th) day of each month or such other date that we determine in our discretion, you shall submit to us your monthly Gross Sales Report for the previous month, upon which we will base your Royalty, Brand Development Fee, and other Payments due to us. The monthly Gross Sales Report shall include, without limitation, a deposit detail report, profit and loss statement, and balance sheet. You shall use the accounting, finance, and management software and proprietary software we designate and utilize our standard chart of accounts. You must comply with all financial reporting and bank account linking as we require in our sole discretion. You shall submit to us an annual accounting of Gross Sales within thirty (30) days after the end of each accounting year in the format we require.

11.03 You shall submit to us such additional reports, records, data, information, financial statements, (including, without limitation, periodic guest counts, daily, weekly, and monthly sales reports and quarterly and annual statements of profit and loss for the Franchised Business and quarterly and annual financial statements and statements of your Gross Sales, showing itemized deductions and exclusions from Gross Sales for the Franchised Business) as we may reasonably require or as specified from time to time in the Operations Manual in a form reasonably required. We may inspect, copy and audit all of the documents and information specified in this Section and your books, records and tax returns at any time during normal business hours upon five (5) days prior notice.

11.04 If any audit discloses an understatement of Gross Sales for the period subject to audit of one percent (1%) or more, or an underpayment of the Royalty or Brand Development Fee for the period subject to the audit of three percent (3%) or more, you shall reimburse us (in addition to payment of such Royalty and Brand Development Fee and interest as provided in this Agreement) any and all costs and expenses incurred in connection with such audit, including without limitation, reasonable attorney fees, auditor fees, and expenses related to our staff to conduct the audit,

including without limitation, wages, benefits, lodging, travel and meal expenses related to the conduct of the audit.

11.05 The annual accounting of Gross Sales, and other financial statements required by this Section or as we request shall be accompanied by a certificate signed by your chief financial officer to the effect that such statements or reports fairly and accurately reflect the matters reported therein and are complete and correct. You acknowledge that the financial information you supply to us may be used by us in the preparation of, and may be disclosed by us in, our future Franchise Disclosure Documents.

11.06 You shall use the professional services of an accountant or accounting firm. You shall provide to us copies of your books and records, as we may request from time to time in our sole discretion. You are required to provide copies of your annual tax returns upon the completion of your filing. You hereby waive any accountant-client privilege to allow your accountant to disclose to us information required to be disclosed under this Agreement. We reserve the right to make a financial performance representation in the future Franchise Disclosure Documents that may be based in part upon the actual performance of your Franchised Business. To that end, you agree and consent to our use of the financial information of your Franchised Business and financial statements you provide to us in future franchise disclosure documents.

12. YOUR REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE AND NEGATIVE COVENANTS

12.01 If you are a corporation, partnership, limited partnership or limited liability company, you represent and warrant to us as follows:

A. You are duly organized, validly existing and in good standing under the laws of the jurisdiction of your organization with all requisite power and authority to own, operate and Lease your assets (real and personal), to carry on your business, and to enter into this Agreement and perform its obligations hereunder. You are duly qualified to do business and are in good standing in each jurisdiction in which you do business. The information and documentation contained in Attachment 2 and the documents attached thereto are true and correct;

B. The execution, delivery and performance of this Agreement and all other agreements contemplated herein have been duly authorized by all requisite action and no further action is necessary to make this Agreement or such other agreement valid and binding upon you and enforceable against you in accordance with their respective terms. Neither the execution, delivery nor performance by you of this Agreement or any other agreement contemplated hereby will conflict with, or result in a breach of any term or provision of your articles of incorporation or organization, bylaws, operating agreement, partnership agreement or other governing documents or under any mortgage, deed of trust, or other contract or agreement to which you are a party or by which you or any of your assets are bound, or breach any order, writ, injunction or decree of any court, administrative agency or governmental body;

C. Any certificate representing an equity interest in your business shall bear a legend indicating that any transfer is subject to this Agreement; and

D. You represent, warrant and covenant to us that (1) neither you, nor any individual or entity owning directly or indirectly any of your equity interest (if you are a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities (“OFAC Laws and Regulations”) or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither you nor any individual or entity owning directly or indirectly any of your equity interest or their respective affiliates or the funding sources for any of the foregoing, (a) is under investigation by any government authority form, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any Action under these laws; (3) neither you nor any individual or entity owning directly or indirectly any of your equity interest or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a county that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations ; and (5) you shall take all reasonable measures to continue compliance with all OFAC Laws and Regulations during the term of this Agreement.

12.02 You affirmatively covenant with us as follows:

A. You shall perform your duties and obligations under this Agreement and shall require your Control Person, Franchisee Designate, Managers, and other managerial personnel to dedicate their respective full time and attention and best efforts to the development, construction, management, operation, supervision and promotion of the Franchised Business in accordance with the terms and conditions of this Agreement;

B. You shall promptly provide us with all information concerning any new process or improvement in the development, construction, management, operation, supervision or promotion of the Franchised Business developed by you or any Principal Owner without compensation. You and the Principal Owners shall each execute such agreements and other documentation as we shall deem necessary, granting us exclusive ownership thereof;

C. You shall comply with all requirements of applicable rules, regulations, statutes, laws and ordinances, including without limitation, any and all applicable safety standards prescribed by any governmental authority. In addition to complying with such standards, if the Franchised Business is subject to any safety inspection by any governmental authority under which it may be rated in one (1) or more than one (1) classification, the Franchised Business must be maintained and operated so as to be rated in the highest available safety classification with respect to each governmental agency inspecting the same. In the event that you fail to be rated in the highest classification or receive notice that you are not in compliance with all applicable safety standards, you must immediately notify us of such failure or noncompliance;

D. You shall maintain a current list of all Principal Owners and deliver a certified copy to us upon any transfer or our request;

E. Any certificate representing an equity interest in your business shall bear a legend indicating that any transfer is subject to this Agreement;

F. You shall participate in our website on the internet, our intranet system or other online communication as we may require from time to time as implemented through the Operations Manual, and pay the monthly Technology Fee we implement through our Operations Manual. You may not maintain a World Wide Website or otherwise maintain a presence on the internet other than as we provide through our website. You may not separately register any domain name containing any of the Trademarks nor participate in any website that markets goods and services similar to a Franchised Business. We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators (“URLs”) and if we do, we may design and provide for the benefit of your Franchised Business a “click through” sub-page at each such website for the promotion of your Franchised Business. If we establish one or more such website or other modes of electronic commerce and if we provide a “click through” sub-page at each such website for the promotion of your Franchised Business, you agree to routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your Franchised Business’s “click through” sub-page, the content, frequency and procedure of which will be specified in our Operations Manual. You will have access to update your required information including your Location’s business profile, career postings, and link social media accounts. Any websites or other modes of electronic commerce that we establish or maintain may, in addition to advertising and promoting the products and services available at the System’s Franchised Businesses, also be devoted in part to offering Honest Abe Roofing franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve. We retain all rights relating to our website and intranet system and may alter or terminate our website or intranet system. In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be affected. Your conduct on our website and intranet system or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and

intranet system or otherwise use the Trademarks or System on the intranet, or other online communication, will terminate when this Agreement expires or terminates. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us as provided above.

G. You acknowledge and agree that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any franchised business, based upon the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised business. You will have no right to require us to disclose any variation or to grant the same or similar variation to you.

H. You acknowledge and agree that we, in the exercise of our sole business judgment, have the right to modify, add to or rescind any requirement, standard or specification, any components of the System and requirements applicable to you that we prescribe under this Agreement so that we can adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate in our sole discretion. We may communicate these System modifications to you by means of supplements to the Operations Manual or otherwise, including the right to alter the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; add to, or delete from or modify the products and services which you are authorized and required to offer; modify or substitute the equipment, signs, Trade Dress and other Franchised Business characteristics that you are required to adhere to (subject to the limitations set forth in this Agreement); and change, improve, modify or substitute the Trademarks. You must comply with these modifications, additions or rescissions at your expense, except as otherwise limited by express provisions of this Agreement.

12.03 You acknowledge and/or negatively covenant with us as follows:

A. You shall not amend your articles of incorporation or organization, bylaws, operating agreement, partnership agreement or other governing documents in a manner which is inconsistent with this Agreement;

B. You shall not remove or allow the removal from any certificate the legend described in this Section; and

C. You and each Principal Owner shall receive valuable, unique training, Trade Secrets and the Confidential Information which are beyond your present skills, experience and knowledge or the present skills, experience and knowledge of each Principal Owner. You and each Principal Owner acknowledge that such training, Trade Secrets and the Confidential Information are essential to the development of the Franchised Business and provide a competitive advantage to you and that access to such training, Trade Secrets and the Confidential Information is a primary reason for your execution of this Agreement. In consideration thereof, you and each Principal Owner covenant that during the term or any renewal term of this Agreement, neither you

nor any Principal Owner shall, directly or indirectly including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder, or in any other manner whatsoever, carry on, be engaged in, or be concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit their name(s) or any part thereof to be used or employed by any person or entity engaged in, or concerned with or interested in any Competing Business.

D. Sections 12.03 shall not apply to an interest for investment purposes only in any Publicly-Held Entity, so long as such owner is not a director, officer or manager thereof, or consultant thereto.

12.04 Each of the covenants contained in this Section are independent of each other covenant or agreement contained in this Agreement.

12.05 Your representations, warranties, covenants and agreements herein are continuing, each of which shall survive the expiration or termination of this Agreement.

13. TRANSFER

13.01 We may assign this Agreement, or any of its rights or obligations herein, to any person or entity without your or your Principal Owners' consent. However, our obligations that are assigned shall be fully assumed by the party to whom we assign such obligations.

13.02 A. You and each Principal Owner acknowledge that your rights and obligations herein are personal as to you and that we have entered into this Agreement relying upon your business skills, expertise and aptitude, financial resources, and reputation and the same qualities of each Principal Owner. Therefore, neither you nor any Principal Owner, your respective successors or permitted assigns, shall complete, or allow to be completed, any transfer without our consent. Any purported transfer, by operation of law or otherwise, without our consent shall be null and void and constitute a default. For purposes of this Agreement a transfer shall mean the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect of this Agreement, any or all of your rights or obligations herein or any equity interest, including with limitation the issuance on new equity interests, by merger or consolidation, or by operation of law, will, or a trust upon the death of a Principal Owner (including the laws of intestate succession).

B. We may require satisfaction of the following conditions and such other conditions we reasonably require prior to consenting to any transfer, each of which you acknowledge as being reasonable and necessary:

(1) There is no default that has occurred, continuing or outstanding and no event which, with the giving of notice or lapse of time, or both, would constitute a default;

(2) Our satisfaction with the character, business experience and credit rating of the proposed assignee (and its partners, officers, controlling stockholders or members if it is a partnership, corporation or limited liability company);

- (3) Your payment of all outstanding debts owed to us;
- (4) The satisfactory completion of our initial training program by the proposed new Franchisee and its Managers;
- (5) Your and each Principal Owner's execution of a release of any and all claims against us, our officers, directors, agents, and employees arising out of or related to this Agreement or to any other aspect of the relationship between you, on the one hand, and us, our officers, directors, agents and employees, on the other hand. The release shall be on a form prepared by us;
- (6) Payment by you to us of a nonrefundable transfer fee equal to one thousand five hundred dollars (\$1,500.00) if the equity interests are transferred between and among your existing Principal Owners; seventy five percent (75%) of the then-current initial franchise fee for a transferee-franchisee who is new to the System; or fifty percent (50%) of the then-current initial franchise fee for a transferee-franchisee who is currently existing franchisee in good standing of the System;
- (7) Execution by the assignee or transferee of our then-current Franchise Agreement, which shall include, without limitation, Royalty and Brand Development Fees at the same rates as are applicable to our new Franchisees at the time of the assignment or transfer;
- (8) Execution by the assignee or transferee, its shareholders, officers, directors, members, Managers, employees and other persons associated with assignee or transferee as required by us, of any agreements related to the franchise relationship in the form required to be executed by new Franchisees at the time of assignment or transfer including without limitation the Confidentiality and Nondisclosure Agreement and Covenant Not to Compete;
- (9) The transferee, at its expense, shall repair or replace equipment, signs, interior or exterior décor items, fixtures, furnishings and shall offer such products and services such that the Franchised Business appearance and operations reflect the then-current Standards and Specifications of the System; and
- (10) Your and each Principal Owner's execution of a guaranty of assignee's or transferee's performance of their respective transfer obligations.

13.03 We shall have the right of first refusal with respect to all bona fide written offers to purchase that you receive for the Franchised Business or any transfer under this Section. Any time that you receive a bona fide offer to purchase, you shall inform us in writing of all the terms and conditions of the offer and provide us with a copy of any written offer to purchase. Any such offer must be in writing and signed by the offeree to be considered bona fide. We may, within sixty (60) days after receiving the notice of the bona fide offer, notify you, in writing, of our election to exercise its right to purchase the Franchised Business or the transfer under this Section on the same terms and conditions as are contained in that offer. If the offer provides for any Payments in the form of property other than cash, we can substitute cash for the fair market value of such property

or services. If we waive or fail to exercise our option, and subject to the conditions contained in this Agreement, you can complete the proposed sale or transfer, but only to the bona fide offeree, and only on the same terms and conditions as were disclosed to us. Such sale must be completed within ninety (90) days after the expiration of our option period or, if earlier, the date on which we waived its option rights in writing.

13.04 In the event you or any Principal Owner is a natural person, you or your administrator, executor, guardian or personal representative shall promptly notify us of your death or the death of any Principal Owner. Any transfer upon the death shall be subject to the terms and conditions described in this Section and shall be completed within one (1) year of the date of death.

13.05 Our consent to any transfer shall not constitute a waiver of any claims we may have against the transferor or the transferee's compliance with the terms and conditions of this Agreement.

14. CONSENT AND WAIVER

14.01 When required, you or any Principal Owner shall make a written request for our consent in advance and such consent shall be obtained in writing. Our consent shall not be unreasonably withheld. The foregoing notwithstanding, where either party's consent is expressly reserved to such party's sole discretion, the exercise of such discretion shall not be subject to contest.

14.02 WE MAKE NO REPRESENTATIONS OR WARRANTIES UPON WHICH YOU OR ANY PRINCIPAL OWNER MAY RELY AND ASSUME NO LIABILITY OR OBLIGATION TO YOU, ANY PRINCIPAL OWNER OR ANY THIRD PARTY BY PROVIDING ANY WAIVER, ADVICE, CONSENT OR SERVICES TO YOU OR DUE TO ANY DELAY OR DENIAL THEREOF.

15. DEFAULT AND REMEDIES

15.01 A. The following shall constitute Events of Default by you or any Principal Owner for which there shall be no opportunity to cure and for which notice of termination is not required: (i) failure to commence construction of the Franchised Business or open and thereafter continually operate the Franchised Business as described herein; (ii) failure to complete the management training program to our satisfaction, in our sole and unfettered judgement; (iii) the breach or falsity of any representation, covenant or warranty herein; (iv) failure to deliver executed covenants as required in Section 7.05; (v) failure to comply with or perform its covenants, obligations and agreements herein; (vi) any Transfer that (a) occurs other than as provided in Section 13 or (b) fails to occur within the time periods described in Section 13 (notwithstanding any lack of, or limits upon, the enforceability of any term or provision of Sections 12 or 13); (vii) you (a) are adjudicated, or are, bankrupt or insolvent, (b) make an assignment for the benefit of creditors, or (c) seek protection from creditors by petition in bankruptcy or otherwise or there is filed against you a similar petition which is not dismissed within thirty (30) days; (viii) the appointment of a liquidator or receiver for (a) all or substantially all of your assets or (b) any Franchised Business owned by you or an Affiliate is sought which is not dismissed within thirty (30) days; (ix) breach or failure to perform any other term or condition of this Agreement; (x) an Event of Default shall arise under any other agreement between you, or any of your affiliates, and us in which you, or

any of your affiliates, have no opportunity to cure; (xi) you or any Principal Owner pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to adversely affect the Trademarks, the System or the goodwill associated therewith (whether in the Designated Area or elsewhere) or our interest therein; (xii) evidence of substance abuse, sexual harassment, abusive behavior, or any other action we believe, in our discretion, is damaging to our reputation, by you, a Principal Owner, the Franchisee Designate, the Control Person, or a Manager; (xiii) any (a) two (2) or more Events of Default shall arise under any single subsection of Section 15.01.B or (b) three (3) or more Events of Default shall arise under this Section 15.01.B in any continuous twelve (12) month period notwithstanding the previous cure of such Events of Default; or (xiv) the fifth offense within a twenty-four (24) month period of a Payment being returned for any reason or failing to timely file any required forms, as described in Section 2.03 of this Agreement.

B. The following shall constitute Events of Default by you or any Principal Owner for which there shall be a cure period of fifteen (15) days after written notification from us: (i) failure to make any payment on or before the date payable; (ii) failure to meet and/or maintain the Standards and Specifications; (iii) failure to meet and/or maintain the requirements of the Operations Manual; (iv) violation of the standards of operation as set forth in the Operations Manual; (v) an Event of Default shall arise under any other agreement you, or any of your affiliates, have with us in which you, or any of your affiliates, have an opportunity to cure, in which case, the cure period under this Agreement shall be extended to coincide with the cure period of the other agreement; (vi) you understate your Gross Sales by one percent (1%) or more; (vii) you engage in any dishonest or unethical conduct which may adversely affect the reputation of the Franchised Business, or the general goodwill associated with the Trademarks; (viii) you fail, for a period of ten (10) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business; (ix) you violate any covenant of confidentiality or non-disclosure provision contained in this Agreement or you otherwise disclose, use, or permit the use of copies, duplicates, records, transmits, or otherwise reproduce any Operations Manual, business forms, videos, material or proprietary information, knowledge or know-how created or used by us and designated for confidential use within the System, without our prior written approval; (x) you abandon or cease to operate all or any part of the Franchised Business for more than ten (10) days; (xi) you fail to comply with modifications to System Standards and Specifications within the required time period; (xii) you fail to carry the insurance we require; and do not correct within ten (10) days of receipt of written notice to you; (xiii) you allow a supplier to place a lien on a customer property; and do not correct within ten (10) days of receipt of written notice to you; (xiv) you fail to receive our prior written approval and use products or materials that do not meet our Standards and Specifications and do not promptly discontinue use after written notice from us; (xv) you fail to timely provide us with any report, statement, or return required by this Agreement. If you cannot reasonably cure the Event of Default within fifteen (15) days, you shall provide us notice thereof (together with your best estimate of the time period required to complete such cure) and immediately undertake efforts to cure such default within the fifteen (15) day cure period and continue such efforts with diligence to completion. In no event, however, shall such cure period be extended without our prior written consent; or (xvi) you fail two (2) or more inspections in any twelve (12) month period.

15.02 Among the remedies we have for breach of this Agreement, upon the occurrences of any Event of Default under Section 15.01, we may terminate this Agreement and all rights granted hereunder without waiving, (i) any claim for damages suffered by us, or (ii) other rights, remedies or claims, or exercise any other right or remedy available to us in law or equity. Should this Agreement terminate due to a material breach by you, you shall pay us immediately the greater amount of (i) as liquidated damages, two (2) times the amount of Royalty and Brand Development Fund Fees paid by you for the 52 weeks preceding the termination, or if there is less than two (2) years in the remainder of the Term of the Agreement, then the amount due shall be the amount of Royalty and Brand Development Fund Fees for the remaining term of the Agreement, prorated based on the previous 52 weeks' payments; or (ii) as liquidated damages, \$132,000 (the minimum Royalty and Brand Development Fund Fees due in the initial twenty-four (24) month period. If the Franchised Business was open fewer than 12 months, then the average of all months for which the Franchised Business was open shall be used. Payment of these liquidated damages to us shall be in addition to other amounts to which we are entitled to recover, including without limitation, past due fees, attorney fees and other costs and expenses of collection and such other injunctive relief or other remedies to which we are entitled to enforce this Agreement.

15.03 Subject to the provisions of Section 15.06, all rights and remedies of either party shall be cumulative, and not exclusive, of any other right or remedy described herein or available at law or in equity. The expiration or termination of this Agreement shall not release any party from any liability or obligation then accrued or any liability or obligation continuing beyond, or arising from, such expiration or termination. Nothing in this Agreement shall impair either party's right to obtain injunctive or other equitable relief.

15.04 The failure of any party to exercise any right or remedy or to enforce any obligation, covenant or agreement herein shall not constitute a waiver by, or estoppel of, that party's right to any of the remedies described herein including, without limitation, to enforce strict compliance with any such obligation, covenant or agreement. No custom or practice shall modify or amend this Agreement. The waiver of, or failure or inability of, any party to enforce, any right or remedy shall not impair that party's rights or remedies with respect to subsequent Events of Default of the same, similar or different nature. The delay, forbearance or failure of any party to exercise any right or remedy in connection with any Event of Default or default by any other Franchisees shall not affect, impair or constitute a waiver of such party's rights or remedies herein. Acceptance of any Payment shall not waive any Event of Default.

15.05 You and each Principal Owner shall, jointly and severally, pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, or obtaining any remedy arising from the breach of this Agreement. The existence of any claims, demands or Actions which you or any Principal Owner may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of your or any Principal Owner's representations, warranties, covenants, obligations or agreements herein.

15.06 IN THE EVENT OF A DISPUTE BETWEEN THEM WHICH IS NOT SUBJECT TO, NOR ARISES UNDER, SECTION 17, WE, YOU, AND EACH PRINCIPAL OWNER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM

FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, BUT SPECIFICALLY EXCLUDING, HOWEVER, DAMAGES TO THE REPUTATION AND GOODWILL ASSOCIATED WITH AND/OR SYMBOLIZED BY THE TRADEMARKS) AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT.

15.07 You and each Principal Owner agree that our exercise of the rights and remedies set forth herein are reasonable. We may, in addition to pursuing any other remedies, specifically enforce such obligations, covenants and agreements or obtain injunctive or other equitable relief in connection with the violation or anticipated violation of such obligations, covenants and agreements.

15.08 You may terminate this Agreement as a result of a breach of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within thirty (30) days after our receipt of your written notice. If we fail to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement will not release or modify your post-term obligations upon termination as provided in this Agreement.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION; RENEWAL OPTION

16.01 Upon any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option described in Section 16.09 has been exercised), and subject to the other terms of this Agreement, we may establish, or authorize others to establish Franchised Business in the Designated Area.

16.02 Upon any termination or expiration of this Agreement, (or any renewal franchise agreement, if the renewal option is exercised), all rights granted to you herein shall terminate and you shall:

- A. Immediately cease to operate the Franchised Business under the System;
- B. Immediately cease to use any Confidential Information, the System, the Standards and Specifications, the Operations Manual, and the Trademarks and other distinctive signs, symbols and devices associated with the System;
- C. Immediately deliver to us all Confidential Information and all copies thereof (without regard to form or format), and all records, files, instructions, correspondence, and all other materials related to operating the Franchised Business;

D. Cancel any assumed name or equivalent registration which contains any of the Trademarks or parts of Trademarks or any other name, service mark or trademark of ours;

E. Immediately pay to us within seven (7) days of the effective date of the termination or expiration of this Agreement all Royalties, Brand Development Fund fees, and any other fee payable to us, with late payment charges, interest and any other fees due to us;

F. Immediately pay to us the actual and consequential damages, costs, and expenses (including without limitation attorney fees and expert fees) incurred by us as a result of your default;

G. Strictly comply with, observe and abide by all of the provisions and covenants contained in this Section;

H. Neither directly nor indirectly represent to the public that any other business you may then own or operate, is or was operated as, or was in any way connected to, the System;

I. Not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Franchised Business or any confusingly-similar business;

J. Transfer to us all telephone, telecopy, facsimile or other numbers and email addresses, website addresses, domain names, and other electronic media and electronic commutation assets associated with any Trademark, and notify the telephone company and all telephone directory publishers or other companies of the transfer of your use of any telephone, telecopy, or other numbers or electronic media and any telephone directory listings associated with any Trademark, as provided for us in the Telephone Number and Electronic Media Assignment in a form we prescribe. If you fail to do so, we can take whatever action is necessary, on your behalf consistent with this Agreement and Telephone Number and Electronic Media Assignment, to affect these events; and

K. Immediately de-identify the Location and Franchised Business under Section 16.04.

16.03 A. You grant to us the option, exercisable by giving written notice within sixty (60) days after any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option is exercised), to acquire all or any portion of the furnishings, fixtures, inventory, or equipment of the Franchised Business at fair market value, free and clear of all liens, encumbrances or claims, and subject to such other terms and conditions as are usual and customary for such acquisitions.

B. If we do not exercise our option under Section 16.03A, we shall have and are hereby granted a right of first refusal with respect to the sale by you of You shall promptly notify us of any proposed sale and shall provide such information and documents relating thereto as we may require. Within sixty (60) days after receipt of such notice, information and documents, we may notify you that we intend to exercise our right of first refusal with regard to such furnishings,

fixtures and equipment upon the same terms and conditions. If such transaction shall not be consummated within a reasonable period of time after we have given such notice, then our right of first refusal under this Section shall be a continuing right and failure to exercise such right shall not constitute a waiver of any other provision of this Agreement, including such right of first refusal with respect to future offers.

C. If we exercise our option under Section 16.03A but the parties cannot agree on the fair market value of your right, title, or interest in and to the furniture, fixtures or equipment within fifteen (15) days of the exercise of such option(s), we shall notify you of our designation of an Appraiser to determine such fair market value and a copy of said appraisal will be provided to you. If the value is not agreed to by the parties within ten (10) days after your receipt of the appraisal, you shall select and pay for the services of a qualified Appraiser to appraise the property within fifteen (15) days after the expiration of such ten (10) day period. You shall provide us with a copy of your appraisal. If the value of all of the property is still not agreed to within ten (10) days after the receipt of that appraisal from you, then the two (2) Appraisers shall select a third Appraiser within the fifteen (15) days thereafter whose determination of fair market value as to the property to which a value has not yet been agreed to shall be final and binding. The cost of the third Appraiser shall be paid equally by you and us. The purchase price, less any sums otherwise due to us from you shall be paid to you at closing which shall take place at our offices, or such other location as is mutually agreed by the parties. At such closing, the parties shall execute such instruments of conveyance and/or transfer as reasonably required by us and payment shall be made. If we exercise our option under Section 16.03A, possession of the Location shall transfer pursuant to Section 16.03A and the Conditional Lease Assignment in a form we prescribe, even though the purchase price for the furnishings, fixtures and equipment is not closed.

16.04 If we do not exercise our option to acquire the Lease or your right, title and interest in and to the Location, you shall within sixty (60) days after the expiration of our option make such alterations to the Franchised Business as may be necessary, in our reasonable judgment, to distinguish the appearance of the Location from that of other Franchised Businesses in the System, including without limitation:

- A. Removal of all decorative memorabilia, including wall hangings;
- B. Removal of all Trade Dress;
- C. Removal of all proprietary decorative items as may be required by the Operations Manual;
- D. Removal or painting of all interior awnings and exterior and interior walls to a solid color other than the color specified in the Operations Manual;
- E. Removal of all interior and exterior signage.

If we do not elect to purchase all or any portion of the furnishings, fixtures or equipment which bear any Trademark or otherwise proprietary in nature, you shall dispose of such furnishings,

fixtures and equipment only in a manner to which we have given our consent within the same period of time as required in this Section for removal of all other furnishings, fixtures or equipment.

16.05 Subsequent to any termination or expiration of this Agreement (or any renewal franchise agreement if the renewal option is exercised), you shall not:

A. Use the Trademarks or any reproduction, counterfeit, copy or colorable imitation of any of the Trademarks that could cause confusion, mistake or deception as to source of origin or which could dilute our rights in and to any of the Trademarks;

B. Utilize any designation of origin, description or representation which suggests an association or connection with us;

C. Utilize the System or any part thereof; and

D. For a period of two (2) years engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent of, in any other capacity, in any Competing Business within:

(1) The Designated Area as defined in Attachment 1 of this Agreement;

(2) The geographic area encompassed by the Designated Area of any of our Franchisees as of the date of termination or expiration of this Agreement; or

(3) A geographic area that is contained in a circle having a radius of fifty (50) miles outward from the borders of the Designated Area as defined in Attachment 1 of this Agreement, or the Designated Area or location of any other of our Franchisees or corporate or affiliate owned Franchised Businesses as of the date of the termination or expiration of this Agreement.

E. Use in any way any Confidential Information.

16.05 Until all Payments are made and any damages, costs and expenses incurred or suffered by us have been paid, we shall have, and you shall be deemed to have granted, a lien against any and all of the furnishings, fixtures and equipment, and your interest in the Lease and Location.

16.06 You and each Principal Owner shall, jointly and severally, pay all costs and expenses, (including without limitation, reasonable attorney fees and expert fees) incurred by us in connection with the successful enforcement of this Section 16. In the event that you fail to comply with this Section 16, we may enter the Location, without being guilty of trespass or otherwise liable, for the purpose of carrying out your obligations under this Section 16 at your expense.

16.07 You, at our option, shall assign to us all rights to the telephone numbers and facsimile numbers, email addresses, website addresses, domain names, and other electronic communication assets and electronic media of the Franchised Business consistent with the Telephone Number and Electronic Media Assignment.

16.08 This Agreement shall not automatically renew upon the expiration of the Term. You shall have the option to renew the Term of this Agreement for two (2) renewal terms of seven (7) years each, if, and only if, each of the following terms and conditions has been fully met to our satisfaction each time you seek renewal. If your compliance is not achieved prior to the expiration of the Term, you shall not be entitled to continue the operation of the Franchised Business beyond the expiration of the Term, it being understood that your compliance is a condition to the effectiveness of any renewal franchise agreement and the renewal term.

A. You must give us written notice of your election to renew the Term of this Agreement no later than one (1) year, but no earlier than two (2) years, prior to the expiration of the Term of this Agreement.

B. You must deliver evidence of control of the Location for the renewal term.

C. You must satisfy all of our then-current financial requirements (including the analysis of net worth, debt-to-equity ratios and capitalization) for a new Franchisee. You must deliver certified financial statements for the fiscal year preceding the date that you give us notice of your election to exercise your renewal option, prepared by a Certified Public Accountant, supported by income tax returns and such other documentation as we reasonably request. If a Principal Owner's net worth is used to satisfy all or a portion of the financial requirements for you, the Principal Owner must submit a current certified financial statement.

D. You must have satisfied all monetary obligations owed to us and our affiliates.

E. You must not be in default of and must have operated the Franchised Business in compliance with the Operations Manual and the terms of this Agreement.

F. The Location must be brought up to the then-current System Standards and Specifications and reflect an acceptable System image. As part of these upgrades, you must (i) repair, upgrade or replace, at your expense, such equipment, signage, interior and exterior décor items, fixtures, furnishings, supplies, computers and other technology-driven systems, including hardware and software, products and materials, required for the operation of the Franchised Business as we may reasonably require, (ii) obtain any new or additional equipment we reasonably require in order for you to meet the then-current System Standards and Specifications or to provide the Franchised Business's services by alternative means such as through carry-out or delivery, and (iii) otherwise modernize the Franchised Business Location to reflect the then-current System Standards and Specifications and image.

G. You must submit to us all standard form information and documentation reasonably requested by us as a basis for the issuance and consummation of a franchise. You, each of your Principal Owners and we must execute a Mutual Release related to this Agreement.

H. You must pay a franchise fee for the renewal term equal to Five Thousand Dollars (\$5,000).

I. You must comply with the then-current training and certification requirements.

J. You must execute and deliver to us, prior to the expiration of the term, the then-current form of franchise agreement for the renewal term. The renewal franchise agreement shall be on the standard form of franchise agreement being issued to new Franchisees entering the System. The terms of the renewal franchise agreement may be different than those terms included in this Agreement, including without limitation, higher Royalty and Brand Development Fund fees, higher local advertising requirements and a modification to the Designated Area.

17. INDEMNIFICATION

17.01 You and each Principal Owner will, at all times and at your sole cost and expense, indemnify and hold harmless, to the fullest extent permitted by law, Our Indemnitied from all “Losses and Expenses” incurred in connection with any Action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or Action has been instituted or reduced to judgment) which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of, or is related in any way to any of the following:

A. The infringement, alleged infringement, or any other violation or alleged violation by you or any Principal Owner of any patent, mark or copyright or other proprietary right owned or controlled by third parties.

B. The violation, breach or asserted violation or breach by you or any Principal Owner of any contract, federal, state or local law, regulation, ruling, standard or directive or any industry standard.

C. Libel, slander or any other form of defamation of us or the System, by you or any Principal Owner.

D. The violation or breach by you or any Principal Owner of any warranty, representation, agreement or obligation in this Agreement.

E. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, affiliates or representatives.

F. Any and all liability that may arise as a result of your development, establishment, construction, opening, or operation of the Franchised Business.

G. Any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the Franchised Business; crimes committed on or near any of the premises, facilities of the Franchised Business or vehicles used in the operation of your Franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Franchised Business, whether or not any of the foregoing was approved by us; defects in any Franchised

Business you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the Franchised Business and/or the Principal Owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Franchised Business (or any third party acting on your behalf or at your direction), whether in connection with the Franchised Business or otherwise, including without limitation, any property damage, injury or death suffered or caused by any delivery person or vehicle serving your Franchised Business; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and any action by any customer of yours or visitor to your Franchised Business or any other facility of your business.

17.02 You and each Principal Owner agree to give us written notice of any such Action, suit, proceeding, claim, demand, inquiry or investigation immediately upon your actual or constructive knowledge of it.

17.03 We shall at all times have the absolute right to retain counsel of our own choosing in connection with any Action, suit, proceeding, claim, demand, inquiry or investigation. We shall at all times have the absolute right to investigate any Action, suit, proceeding, claim or demand itself.

17.04 You and each Principal Owner shall indemnify Our Indemnities for actual attorney fees, expenses, and costs incurred in connection with the enforcement of our rights under Section 17. This provision shall not be construed so as to limit or in any way affect your indemnity obligations pursuant to the other provisions of Section 17.

17.05 In the event that the exercise of our rights under Section 17 actually results in your insurer with respect to insurance required to be maintained by you pursuant to Section 10 (hereinafter, the “Insurer”) refusing to pay on a third-party claim, all causes of Action and legal remedies which you might have against the Insurer shall be automatically assigned to us without the need for any further action on our or your part. For the purposes of Section 17, “actually results” means that, but for the exercise of our rights under Section 17, the Insurer would not have refused to pay on said third-party claim.

17.06 In the event that the exercise of our rights under Section 17 actually results in the Insurer refusing to pay on a third-party claim, you shall be required to indemnify us for our attorney fees, expenses and costs incurred in connection with that claim.

17.07 In the event that you encourage, request, or suggest that the Insurer deny a claim, you shall indemnify us for our attorney fees, expenses and costs in connection with that claim.

17.08 Subject to the provisions of Section 17.02. above, in order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as in our judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the Action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

A. Any of the acts or circumstances enumerated in Section 17.01 above have occurred;
or

B. Any act, error, or omission of you or any Principal Owner may result directly or indirectly in damage, injury or harm to any person or any property.

17.09 In addition to your indemnity obligations under Section 17.04., you and each Principal Owner shall indemnify us for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described, which result from any of the items set forth in Section 17.

17.10 We do not assume any liability whatsoever for acts, errors, or omissions of those with whom you or any Principal Owner may contract, regardless of the purpose. You and each Principal Owner shall hold harmless and indemnify us for all Losses and Expenses which may arise out of any acts, errors or omissions of these third parties.

17.11 Under no circumstances shall we be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against you or any Principal Owner. You and each Principal Owner agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by us from you or any Principal Owner. The indemnification obligations of this section will survive the expiration or sooner termination of this Agreement.

17.12 All such Losses and Expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

18. NOTICES

All notices required or desired to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, facsimile, reputable overnight courier, or certified mail, return receipt requested to the addresses identified in Attachment 1 to the Franchise Agreement (or such other addresses as designated pursuant to this Section 18).

Notices posted by personal delivery, next day or same day expedited service or given by facsimile shall be deemed given the next Business Day after transmission. Notices posted by certified mail shall be deemed received three (3) Business Days after the date of posting. Any change in the foregoing addresses shall be affected by giving fifteen (15) days written notice of such change to the other party.

19. FORCE MAJEURE

No party shall be liable for any inability to perform resulting from acts of God or other causes (other than financial inability or insolvency) beyond their reasonable control; provided, however, that nothing herein shall excuse or permit any delay or failure (i) to remit any Payment on the date due; or (ii) for more than one hundred eighty (180) days. The party whose performance is affected by an event of force majeure shall, within three (3) days of the occurrence of such event, give notice thereof to the other party setting forth the nature thereof and an estimate of its duration. Notwithstanding the foregoing, if, through no fault of yours, the Franchised Business is damaged or destroyed by an event such that it cannot, in our judgment, reasonably be restored within ninety (90) days thereafter, then you may, within sixty (60) days after such event, apply for our consent to relocate and/or reconstruct the Franchised Business, which consent shall not be unreasonably withheld. If you fail to make such application, this Agreement shall be deemed terminated for cause.

20. SEVERABILITY

20.01 Should any term, covenant or provision hereof, or the application thereof, be determined by a valid, final, non-appealable order to be invalid or unenforceable, the remaining terms, covenants or provisions hereof shall continue in full force and effect without regard to the invalid or unenforceable provision. In such event, such term, covenant or provision shall be deemed modified to impose the maximum duty permitted by law and such term, covenant or provision shall be valid and enforceable in such modified form as if separately stated in and made a part of this Agreement. Notwithstanding the foregoing, if any term hereof is so determined to be invalid or unenforceable and such determination adversely affects, in our reasonable judgment, our ability to realize the principal purpose of the Agreement or preserve its or our rights in, or the goodwill underlying, the Trademarks, the System, or the Confidential Information, we may terminate this Agreement upon notice to you.

20.02 Captions in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

21. INDEPENDENT CONTRACTOR

21.01 You are an independent contractor. We do not operate your business. or otherwise have direct or indirect control of, or the right or authority to control, your day-to-day operations or employment related decisions. Nothing herein shall create the relationship of principal and agent, legal representative, joint ventures, joint employer, partners, employee and employer or master and servant between the parties. No fiduciary duty is owed by, or exists between, the parties. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa. Your business is, and shall be kept, totally separate and apart from any that may be operated by us. In all public records, in relationships with other persons, and on letterhead and business forms, you shall indicate your

independent ownership of the Honest Abe Roofing and that you are solely a franchisee of Honest Abe Roofing Franchise, Inc.

21.02 You are your own independent business with permission, consistent with this Agreement, to operate our System. You are exclusively responsible for hiring, retention, and firing decisions and all other decisions pertaining to the terms and conditions of employment of the employees of your Franchised Business. You are exclusively responsible for establishing the terms, conditions, and benefits of employment for all employees, including without limitation, scheduling, employee discipline, employee performance evaluations, awards, promotions, demotions, work assignments, wages, benefits, vacation time, and sick time policies, the compensation rates for all employees, and for ensuring that all employees are properly trained in the operation of the Franchised Business consistently with the Operations Manual. You acknowledge that we do not have direct or indirect control, including through the implementation of our System, of your employment decisions. You agree to establish a training program for all employees using our Operations Manual. You agree to require all employees to maintain a neat and clean appearance and to conform to the standards of dress and/or uniforms we specify from time to time. You agree to ensure your employees render prompt, efficient and courteous service to all customers. We will not have the power to hire or fire your employees, or otherwise establish any terms and conditions of your employees. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

21.03 Nothing herein authorizes you or any Principal Owner to make any contract, agreement, warranty or representation or to incur any debt or obligation in our name. You do not have any power or authority to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. You shall have no right or power to, and shall not, bind or obligate us or our affiliates in any way or manner, nor represent that you have any right to do so. You are an independent contractor, and you are solely responsible for all aspects of the development and operation of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Without limiting the generality of the foregoing, you acknowledge that we have no responsibility to ensure that the Franchised Business is developed and operated in compliance with all applicable laws, ordinances and regulations and that we shall have no liability in the event the development or operation of the Franchised Business violates any law, ordinance or regulation.

21.04 Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over the Franchised Business. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between

us is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Franchised Business.

22. DUE DILIGENCE AND ASSUMPTION OF RISK

22.01 You and each Principal Owner (i) have conducted such due diligence and investigation as each desire; (ii) recognize that the business venture described herein involves risks; and (iii) acknowledge that the success of such business venture is dependent upon the abilities of you and Principal Owners. **WE, INCLUDING OUR SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS AND FRANCHISEES EXPRESSLY DISCLAIM THE MAKING OF, AND YOU AND EACH PRINCIPAL OWNER ACKNOWLEDGE THAT THEY HAVE NOT RECEIVED OR RELIED UPON, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL PERFORMANCE OR VIABILITY OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR OTHERWISE ARE CONTRARY TO THE TERMS SET FORTH IN THIS AGREEMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT REQUIRED OR PERMITTED TO BE GIVEN TO YOU PURSUANT TO APPLICABLE LAW.**

22.02 You and each Principal Owner have received, read and understand this Agreement, the documents referred to herein and the Exhibits and Schedules hereto. You and each Principal Owner had ample time and opportunity to consult with their advisors concerning the potential benefits and risks of entering into this Agreement.

23. ENFORCEMENT

23.01 We shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in Section 15, to prevent or remedy a material breach of this Agreement by you or a Principal Owner if such breach could materially impair the goodwill associated with our Trademarks (including Actions with respect to the servicing of wholesale accounts), to enforce our rights under the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 *et. seq*), as amended, to enforce the confidentiality provisions of this Agreement, to collect unpaid Royalties, Brand Development Fees and any other fees due and owing to us, and to enforce the Non-Competition provisions of this Agreement. We shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, you or Principal Owner agree that the bond shall be limited to not more than Five Thousand Dollars (\$5,000). If we are successful in obtaining an injunction or any other relief against you or Principal Owner, you or Principal Owner shall pay us an amount equal to the aggregate of our costs of commencing and prosecuting the Action, including, without limitation, reasonable attorney fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

23.02 Except insofar as we elect to enforce this Agreement by judicial process and injunction as provided above, all disputes and claims relating to any provision hereof, to any specification, standard, operating procedure or other obligation of us or our agents or the breach thereof (including, without limitation, any claim that this Agreement, any provision thereof, any specification, standard, operating procedure or any other obligation of you or Principal Owner or us is illegal, unenforceable or voidable under any law, ordinance or ruling) shall be settled by binding arbitration in the county of our principal office at the time that the action is filed. Arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 *et. seq*), if applicable, and the JAMS Comprehensive Arbitration Rules and Procedures (or such rules relating to the arbitration of disputes arising under Franchise Agreements).

23.03 Except with respect to matters for which we believe it necessary to seek equitable relief or to collect Royalties or other amounts owing to us, you or Principal Owner and us shall be required to enter into mediation of all disputes involving this Agreement or any aspect of the relationship between them for a minimum of four (4) hours prior to the initiation of any arbitration or other Action or proceeding against the other party or any agent or affiliate of the other party. Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) Business Days from the date the notice of intention to mediate is received, then the other party, at its option, may (i) forego mediation of the issue(s) and commence legal Action, or (ii) select the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator, then the other party shall select an organization. Once the organization is designated and agrees to accept the appointment as mediator, or if the designated organization is unwilling to serve as mediator or does not meet the requirements of this subparagraph, then the initiating party may designate such an organization. Once the organization is designated, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to us and you or Principal Owner. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services shall be retained. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall either be a person who has had at least ten (10) years of experience as either Franchisee or franchisor (or as an officer of such an entity) or in franchise law. The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation. If you or Principal Owner fails or refuses to abide by the provisions of this subparagraph and to engage in mediation as required herein, and litigation or arbitration ensues between the parties, you or Principal Owner shall be liable for all attorney fees incurred by us in such proceeding, regardless of the outcome of the proceeding, and shall reimburse us on demand for such costs.

23.04 Any arbitrator appointed must have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement. We and you or Principal Owner acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction and shall be binding, final and non-

appealable. During the pendency of any arbitration proceeding, you or Principal Owner and we shall fully perform this Agreement.

23.05 If, after we or you or Principal Owner institute an arbitration proceeding, one (1) or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision is nonarbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or to proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction. The arbitration proceeding must be resolved on an individual basis and not joined as part of a class action or the claims of other parties, including any consolidation of any claims or parties. The arbitrators must follow the law and not disregard the terms of this Agreement.

23.06 TO THE EXTENT EITHER PARTY IS PERMITTED TO ENFORCE THIS AGREEMENT BY JUDICIAL PROCESS AND ELECTS TO DO SO, EACH OF THE PARTIES WAIVES ITS RIGHT TO A TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN US AND YOU OR PRINCIPAL OWNER (INCLUDING ANY PRINCIPAL OWNERS OR GUARANTORS, IF APPLICABLE, AND INCLUDING ACTIONS INVOLVING AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS OF OURS OR YOURS) FOR BREACH OF THE FRANCHISE AGREEMENT.

23.07 We and you or Principal Owner (and the respective owners, officers, affiliates agents, and other non-signatories, if applicable) each agree to submit to the exclusive jurisdiction of the state and federal courts of the state of our principal place of business at the time that the litigation is commenced with respect to any litigation pertaining to this Agreement or to any aspect of the business relationship between the parties, even if additional persons are named as parties to such litigation. No Action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the county of our principal place of business at the time that the litigation is commenced, nor shall any such Action be transferred to any other venue. Notwithstanding the foregoing, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring such Action in the county in which the Franchised Business is located.

23.08 The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between us and you or Principal Owner. We and you or Principal Owner therefore each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such Action from making similar arguments, or taking similar positions, in any Action between us and you or Principal Owner. The parties therefore waive the right to assert that

principles of collateral estoppel prevent either of them from raising any claim or defense in an Action between them as a result of such party having lost a similar claim or defense in another Action.

23.09 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 *et. seq*), as amended, this Agreement shall be governed by the laws of the state of Indiana. The parties agree, however, that if the Franchised Business is not located in Indiana, and if you are not a resident of Indiana, the provisions of Indiana's franchise laws, including the Indiana Franchises Act and the Indiana Deceptive Franchise Practices Act, and the regulations promulgated thereunder shall not apply to this transaction or this Agreement. Notwithstanding the foregoing, the parties recognize that if you are a resident of a state that has a law specifically governing the sale and operation of franchises of the type granted hereby to you, or if the Franchised Business is located in such a state, then while the foregoing paragraph shall still be applicable, the franchise law of such other states shall also apply to this transaction. In that event, to the extent that the provisions of this Agreement provide for periods of notice less than those required by such applicable law, or provide for termination, cancellation, non-renewal or the like other than in accordance with such applicable law, such provisions shall, to the extent that such are not in accordance with such applicable law, be superseded by said law, and we shall comply with such applicable law in connection with each of these matters.

23.10 All claims, except for monies due to us or your performance under this Agreement, arising under this Agreement or from the relationship between the parties are barred unless an Action is filed and timely served on the opposing party within one (1) year from the date the party knew or should have known of the facts creating the claim, except to the extent any applicable law or statute provides for a shorter period of time to bring a claim or as otherwise required by law.

24. MISCELLANEOUS

24.01 Time is of the essence to this Agreement.

24.02 There are no third-party beneficiaries to this Agreement.

24.03 This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

24.04 All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, unless otherwise suggested by the text.

24.05 This Agreement will become effective only upon execution hereof by an Officer of ours.

24.06 You shall not use the words “Honest Abe Roofing”, or any part thereof, as part of its corporate or other name.

24.07 You and each Principal Owner acknowledge that each has received a complete copy of this Agreement, the documents referred to herein and the Exhibits hereto at least seven (7) days prior to the date on which this Agreement was executed. You and each Principal Owner further acknowledge that each has received the Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed.

24.08 You and each Principal Owner, jointly and severally, personally guarantee your performance of your obligations under this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of this Agreement must execute a joinder agreement committing to be bound by the rights, duties, and obligations of this Agreement within ten (10) days from the date such person or entity becomes a Principal Owner, provided, however, that any person or entity who becomes a Principal Owner shall automatically acquire all of the obligations of a Principal Owner under this Agreement at the time that such person or entity becomes a Principal Owner.

24.09 Notwithstanding anything to the contrary contained herein, we are not obligated to perform any services required under this Agreement to your particular level of satisfaction, but as a function of our experience, knowledge, and judgment.

24.10 In addition to all other references in this Agreement, you shall comply with all requirements of federal, state and local laws, rules, regulations, and orders related to the operation of your Honest Abe Roofing, including but not limited to obtaining the appropriate licenses and permits required by your local or state government and any licenses or permits required to offer and sell roofing and gutter products and services and operate the Honest Abe Roofing in compliance with such requirements, all federal, state, and local laws, rules, regulations, or ordinances that govern construction service, and construction safety conditions, all federal, state, and local laws, rules, regulations, and ordinances that govern your employment relationship with your employees, and other laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Fair Labor Standards Act, Family and Medical Leave Act, Affordable Care Act, Federal Wage and Hour Laws, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Employee Retirement Income Security Act, and the Occupational Safety and Health Act, also apply to Franchised Businesses.

25. ENTIRE AGREEMENT

This Agreement and the contemporaneously executed Addenda and Attachments hereto and the Franchise Disclosure Document constitute the entire agreement between us, you and the Principal Owners concerning the Franchise Agreement. All prior agreements, discussions, negotiations, understandings, inducements, representations, warranties and covenants are merged herein and are superseded by this Agreement. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE

EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY US HEREUNDER, NO AMENDMENT, CHANGE OR MODIFICATION VARIANCE FROM THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY US AND YOU AND EXECUTED IN WRITING. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. THIS SECTION 25 SHALL NOT APPLY TO THE SEPARATE CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETITION AGREEMENT EXECUTED BY YOU AND YOUR OWNERS AND THE PRINCIPAL OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS, WHICH SHALL EACH CONSTITUTE A SEPARATE AGREEMENT AND SHALL NOT BE CONSIDERED A PART OF THIS FRANCHISE AGREEMENT.

26. DEFINITIONS

As used in this Agreement the following words and phrases shall have the meanings attributed to them in this Section:

Action - any cause of action, suit, proceeding, claim, demand, investigation or inquiry (whether a formal proceeding or otherwise) asserted or instituted by a third party with respect to which the indemnity described in Section 17 applies.

Agreement - this Franchise Agreement.

Appraiser(s) - one or more independent third parties selected by the parties to this Agreement in accordance with the terms and conditions hereof.

Business Days - Each day except Saturday, Sunday and United States Government legal holidays.

Commencement Date – as provided in Attachment 1.

Competing Business – a business offering the same or similar products and services, including roofing, gutters, and other home improvement products and services now provided by the Honest Abe Roofing System, or developed in the future.

Confidential Information – including but not limited to any and all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all information, knowledge, Trade Secrets or know-how utilized or embraced by the System or otherwise concerns your or our systems of operations, programs, services, products, customers, practices, books, records, manuals, computer files, databases or software, the System, all Operations Manual, training manuals or other manuals, the Standards and Specifications, written directives, equipment and equipment specifications, all proprietary software, computer and point-of-sale programs (and output from such programs), all pricing paradigms established by you or us, all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers), our specifications, and your final plans for the construction, buildout, design, renovation, décor, the identity of and all information relating to the computer and POS

hardware and software utilized by you and/or us, internet protocols, procedures and content, all communications between us (including financial and other reports you are required to submit to us under this Agreement), memoranda, notes, disks, cost analyses, financial statements, trademarks, Trade Dress, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production information and all extracts and copies thereof prepared by any party or its respective officers, agents, employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by you directly or indirectly from us in the course of activities related to the development of a business relationship between you and us, or which is obtained by you through an inspection or tour of our offices, facilities, or Franchised Businesses or the Franchised Businesses of our Franchisees, and any other information, know-how, techniques, material and data imparted or made available by us which is (a) designated as confidential, (b) known by you to be considered confidential by us, or (c) by its nature inherently or reasonably considered confidential.

Control Person - an individual person designated and described in Attachment 1 who shall devote his or her full time and attention to the franchise relationship and who is designated to bind the Franchisee.

Designated Area - the geographical area described in Attachment 1.

Development Materials - a description of the Location, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Lease, and documentation indicating your prospects to acquire the Location) and such other information related to the development of the Location as we reasonably request.

Event of Default - as defined in Section 15.

Franchisee - if not the individual executing this Agreement, the business entity disclosed in Attachment 2.

Franchisee Designate - an individual person designated as described in Attachment 1 who shall devote his or her full time and best efforts to the management and supervision of (i) your duties and obligations hereunder; and (ii) the operation of the Franchised Business.

Gross Sales – For the purposes of this Agreement, “Gross Sales” shall mean:

- a. All revenue collected from the sale of goods and services from your Franchised Business or pursuant to your rights under this Agreement;
- b. All deposits not refunded to purchasers; and
- c. Orders taken, although such orders may be filled elsewhere.

Gross Sales shall not include:

- a. The amount of returns to shippers or manufacturers;
- b. The amount of any cash or credit refunds made upon any sale where part or all of the product or service sold is later returned by the customer and accepted by you, limited to 1% of Gross Sales;
- c. Receipts from sales of furniture, trade fixtures or other extraordinary sales (unless bearing any Trademarks) not made in the ordinary course of business;
- d. Any sales or value added tax required by and duly constituted taxing authority which are separately accounted for and collected on behalf of the taxing authority by you directly from your customers and paid by you to the taxing authority; and
- e. Any lender fees from any Approved Supplier financing vendor.

Location - the proposed location of the Franchised Business.

Losses and Expenses - all claims, causes of action, fines, penalties, liabilities, losses, compensatory, exemplary, statutory or punitive damages, costs of investigation, charges, costs, expenses, lost profits, reasonable fees of attorneys and other engaged professionals including without limitation, experts' fees and disbursements, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, compensation for damage to our reputation and goodwill, costs of or resulting from delays, travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-government entities (including those incurred by Our Indemnitees' attorneys and/or experts), costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described in Section 17.

Manager(s) - managers, the individual persons other than the Franchisee Designate, required for the management, operation, supervision and promotion of the Franchised Business pursuant to the terms hereof and the Franchise Agreement under which the Franchised Business is operated.

Operations Manual – Our confidential operating manuals, as amended from time to time in our sole discretion, which contain the instructions, requirements, standards, specifications, methods and procedures for the operation of the Franchised Business including without limitation, (i) those relating to the selection, purchase, service and sale of all products and services sold at the Franchised Business; (ii) those relating to the maintenance and repair of the Franchised Business, buildings, grounds, equipment, signs, interior and exterior décor items, fixtures and furnishings; (iii) those relating to employee apparel and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations and other brand protection standards; and (iv) the purchase, delivery, of products to customers as well as the performance of the services to customers. The Operations Manual may be revised from time to time by us in our sole discretion

through the use of supplements to the Operations Manual, all of which will be considered a part of the Operations Manual. All references to the Operations Manual in this Agreement shall include all supplements to the Operations Manual. Supplements to the Operations Manual will become binding upon you as if originally set forth in the Operations Manual, upon being delivered to you. The Operations Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manual contents.

Our Indemnities – Us, our directors, officers, employees, agents, members, affiliates, successors and assigns, affiliates, subsidiaries, and the respective directors, officers, employees, agents, shareholders, members, affiliates, and successors and assigns of each.

Other Concepts - Retail, wholesale, Franchised Business, home improvement products and services, merchandise or other items that do not use one, some or all of the Trademarks or other names or markets but may utilize some part of or similar components of the System pursuant to which a Honest Abe Roofing Franchised Business is operated.

Payments - all transfers of funds from you to us, including, without limitation, the Franchise Fee, Royalty, Brand Development Fund fee, liquidated damages, and reimbursement of expenses.

Principal Owner(s) - the persons listed on Attachment 2, who are (and such other persons or entities to whom we shall consent from time to time) the record and beneficial owners of, and have the right to vote their respective interests (collectively 100%) of your equity interests or the securities or partnership interest of any person or entity designated by us which owns or controls a direct or indirect interest in your equity interests of the Franchisee.

Publicly - Held Entity - a corporation or other entity whose equity securities are (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

Franchised Business – the business operated in accordance with the System under the registered service marks “Honest Abe Roofing.”

Standards and Specifications - our Standards and Specifications, as amended from time to time by us, in our sole discretion, contained in, and being a part of, the Confidential Information pursuant to which you shall develop and operate the Franchised Business in the Designated Area.

System - a unique, proprietary system developed and owned by us (which may be modified or further developed from time to time in our sole discretion) for the establishment and operation of Franchised Business under the Trademarks, which includes, without limitation, a distinctive image consisting of exterior and interior design, decor, color scheme and furnishings; uniform standards, products, services and specifications; procedures with respect to operations, inventory and management control (including accounting procedures and policies); training and assistance; customer service; sales; roofing and gutter installation procedures; and advertising, marketing, brand promotion and promotional programs.

Trade Dress - including without limitation each and every detail of the design, layout, decor, color scheme, supplies utilized, services offered, appearance of the premises, personnel, and other elements of the Franchised Business.

Trademarks - certain trademarks, trade names, Trade Dress, service marks, emblems and indicia of origin designated by us from time to time for use in connection with the operation of the Franchised Business pursuant to the System in the Designated Area, including, without limitation, "Honest Abe Roofing."

Trade Secrets - shall mean information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product/service plans, passwords, and lists of actual or potential customers or suppliers) related to or used in the Franchised Business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Transfer - the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement; (ii) any or all of your rights or obligations herein; or (iii) any interest in any equity interest, including the issuance of any new equity interests.

Transferee Owner(s) - the owner of any and all record or beneficial interest in the capital stock of, partner's interest in, or other equity or voting interest in any transferee of a Transfer occurring pursuant to the terms of Section 13.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISEE (For a business entity) HONEST ABE ROOFING FRANCHISE, INC.

By: _____

Name: ***Principal Owner 1***

Title: ***Principal Owner 1 Title***

Date: _____

By: _____

Name: Kevin Newton

Title: President

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***, ***Principal Owner 1 Title***

Date: _____

Name: ***Principal Owner 2***, ***Principal Owner2 Title***

Date: _____

Name: ***Principal Owner 3***, ***Principal Owner 3 Title***

Date: _____

**ATTACHMENT 1
TO THE FRANCHISE AGREEMENT BETWEEN
HONEST ABE ROOFING FRANCHISE, INC.
AND**

*****FRANCHISEE*****

DATED: *Franchise Agreement Date*****

FRANCHISEE'S DESIGNATED AREA AND LOCATION

A. **Description of Franchisee's Designated Area.** Franchisee's Designated Area shall be defined as that area within the following borders or as depicted in the attached map:

Description of Franchisee's Designated Area

B. **Location of Franchised Business.** We hereby approve the location of the Franchised Business as:

Franchise Location

C. **Initial Franchise Fee.** The Initial Franchise Fee is ***Initial Franchise Fee***.

D. **Franchisee Designate.** The Franchisee Designate (the individual person) and contact information for purposes of this Franchise Agreement is:

Name	***FRANCHISEE***
Address	***Franchisee Street Number*** ***Franchisee Street Name***
City, State, Zip code	***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code***
Phone Number	***Franchisee Phone***
Email Address	***Franchisee Email***

E. **Control Person.** The Control Person and contact information for purposes of this Franchises Agreement is:

Name	***Control Person***
Address	***Control Person Street Number*** ***Control Person Street Name***
City, State, Zip code	***Control Person City Name***. ***Control Person State Name***. ***Control Person Zip Code***
Phone Number	***Control Person Telephone Number***
Email Address	***Control Person Email Address***

F. **Notice.** Addresses for Notice pursuant to Section 18 of the Franchise Agreement shall be as follows:

if to You or any Principal Owner: ***FRANCHISEE***
Attn: ***Principal Owner 1***
Franchisee Street Number
Franchisee Street Name
Franchisee City Name,
Franchisee State Name,
Franchisee Zip Code
Facsimile No.: ***Franchisee Fax Number***

if to Us: HONEST ABE ROOFING FRANCHISE, INC.
1070 Windsor Road
Terre Haute, Indiana 47802
Facsimile No.: (812) 234-8494

with a copy to:
(does not constitute notice) Mark J. Burzych
Fahey Schultz Burzych Rhodes PLC
4151 Okemos Road
Okemos, MI 48864
Facsimile No.: (517) 381-5051

G. **Commencement Date.** The Commencement Date of the Franchise Agreement is ***Date of Opening of Franchised Business/Commencement of Operations***.

H. Counterparts. This Attachment 1 may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Attachment 1 may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Attachment 1.

Signature Page to Follow

This Attachment 1 is current and complete as of _____, 20__.

FRANCHISEE (For a business entity)

HONEST ABE ROOFING FRANCHISE,
INC.

FRANCHISEE

By: _____

By: _____

Name: ***Principal Owner 1***

Name: Kevin Newton

Title: ***Principal Owner 1 Title***

Title: President

Date: _____

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***, ***Principal Owner 1 Title***

Date: _____

Name: ***Principal Owner 2***, ***Principal Owner2 Title***

Date: _____

Name: ***Principal Owner 3***, ***Principal Owner 3 Title***

Date: _____

ATTACHMENT 2
TO THE FRANCHISE AGREEMENT
BETWEEN HONEST ABE ROOFING FRANCHISE, INC.

AND *FRANCHISEE*****

DATED: *Franchise Agreement Date*****

Franchisee and its Principal Owners

This form must be completed by you, if you have multiple owners or if you or your Franchised Business is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on its truth and accuracy in awarding the franchise to you.

1. Form of Owner.

Type of Business Organization

You are formed under the laws of ***Franchisee State Name***

2. Business Entity. You were incorporated or formed on _____, 20____ under the laws of the State of ***Franchisee State Name***. You have not conducted business under any name other than your corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held
Corporate Officer 1	***Corporate Officer1 Position Held***
Corporate Officer 2	***Corporate Officer 2 Position Held***
Corporate Officer 3	***Corporate Officer 3 Position Held***
Corporate Officer 4	***Corporate Officer 4 Position Held***

3. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Name	Address	Description and Quantity of Ownership Interest	Office Held
Principal Owner 1	***Principal Owner 1 Address***	***Principal Owner 1 Ownership Interest***	***Principal Owner 1 Title***
Principal Owner 2	***Principal Owner 2 Address***	***Principal Owner 2 Ownership Interest***	***Principal Owner2 Title***
Principal Owner 3	***Principal Owner 3 Address***	***Principal Owner 3 Ownership Interest***	***Principal Owner 3 Title***
Principal Owner 4	***Principal Owner 4 Address***	***Principal Owner 4 Ownership Interest***	***Principal Owner 4 Title***
Principal Owner 5	***Principal Owner 5 Address***	***Principal Owner 5 Ownership Interest***	***Principal Owner 5 Title***
Principal Owner 6	***Principal Owner 6 Address***	***Principal Owner 6 Ownership Interest***	***Principal Owner 6 Title***

4. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of ***FRANCHISEE***.

5. Assumed Name Authorization. You are authorized to operate the Franchised Business and your Business Entity under the following assumed name, and you are authorized to file the appropriate business forms with the state or local governmental body consistent with this authorization.

Authorized Assumed Name

6. Counterparts. This Attachment 2 may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Attachment 2 may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Attachment 2.

This Attachment 2 is current and complete as of ***Franchise Agreement Date***.

Signature Page to Follow

FRANCHISEE (For a business entity)

FRANCHISEE

By: _____

Name: ***Principal Owner 1***

Title: ***Principal Owner 1 Title***

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***

Date: _____

Name: ***Principal Owner 2***

Date: _____

Name: ***Principal Owner 3***

Date: _____

ATTACHMENT 3
TO THE FRANCHISE AGREEMENT BETWEEN
HONEST ABE ROOFING FRANCHISE, INC.
AND
*****FRANCHISEE*****

DATED: *Franchise Agreement Date*****

FRANCHISEE ACKNOWLEDGEMENTS

Franchisee understands and agrees that it is unlawful and a criminal offense to duplicate or reproduce any copyrighted materials.

_____ Initials

Franchisee acknowledges that it has conducted an independent investigation of the business licensed by this Agreement, that it has had an adequate opportunity to be advised by advisors of its own choosing regarding all pertinent aspects of this Agreement and the franchise relation created by it, that the business venture contemplated by this Agreement involves business risks, and that the success of the business will be largely dependent upon the abilities and efforts of Franchisee as an independent businessperson or upon the abilities of the Principal Owners, if the Franchisee is a business entity. Franchisee understands that Franchisor makes no express or implied warranties or representations, guarantees or assurances that Franchisee will achieve any degree of success in operation of the Franchised Business and, while Franchisor will provide Franchisee with training, advice, and consultation as provided in this Agreement, success in the operation depends ultimately on Franchisee and on other factors including, but not limited to, location, marketing, regional tastes and preferences, economic conditions, financial considerations and competition.

_____ Initials

FRANCHISEE RECOGNIZES THAT FRANCHISOR HAS ENTERED INTO THIS AGREEMENT IN RELIANCE UPON AND IN RECOGNITION OF THE FACT THAT FRANCHISEE AND ITS CONTROL PERSON AND FRANCHISEE DESIGNATE SHALL HAVE FULL RESPONSIBILITY FOR THE MANAGEMENT AND OPERATION OF THE BUSINESS LICENSED BY THIS AGREEMENT, AND THAT THE AMOUNT OF PROFIT OR LOSS RESULTING FROM THE OPERATION OF THE BUSINESS WILL BE DIRECTLY ATTRIBUTABLE TO THE PERFORMANCE OF FRANCHISEE.

_____ Initials

All information provided Franchisor in connection with the approval of Franchisee as a Franchisee and the Franchised Business Location is truthful and accurate.

_____ Initials

Franchisee acknowledges that it received Franchisor's Franchise Disclosure Document and a standard form Franchise Agreement at least fourteen (14) days before the date of its execution by Franchisee and the payment of any fees to Franchisor. Franchisee further acknowledges that it received this Agreement in the form actually executed at least seven (7) days before the date of its execution by Franchisee.

_____ Initials

Franchisee acknowledges that this Agreement requires arbitration of disputes in the city in which Franchisor is headquartered at the time of initiation of the arbitration; that an exception to this requirement is Franchisor's right to bring a court Action for injunctive relief for specified matters; that the exclusive venue and jurisdiction for any court Action is the city in which Franchisor is headquartered at the time litigation is initiated; and that Franchisor and Franchisee waive the right to a jury, to punitive damages, to collateral estoppel, and to bring multi-plaintiff, consolidated, collective or class-wide Actions; and that a one-year statute of limitations applies to claims between the parties subject to specified exceptions.

_____ Initials

This Attachment 3 may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Attachment 3 may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Attachment 3.

Signature Page to Follow

FRANCHISEE (For a business entity)

FRANCHISEE

By: _____

Name: ***Principal Owner 1***

Title: ***Principal Owner 1 Title***

Date: _____

FRANCHISEE (For an individual)

Name: ***Principal Owner 1***

Date: _____

Name: ***Principal Owner 2***

Date: _____

Name: ***Principal Owner 3***

Date: _____

**ATTACHMENT 4
TO THE FRANCHISE AGREEMENT BETWEEN
HONEST ABE ROOFING FRANCHISE, INC.
AND
FRANCHISEE**

DATED: *Franchise Agreement Date*****

METROPOLITAN STATISTICAL AREA RANKINGS

Geographic Area	2020 Population Estimates
United States	328,239,523
In Metropolitan Statistical Area	282,828,515
MEGA MARKET TERRITORIES	
New York-Newark-Jersey City, NY-NJ-PA Metro Area	19,216,182
Los Angeles-Long Beach-Anaheim, CA Metro Area	13,214,799
Chicago-Naperville-Elgin, IL-IN-WI Metro Area	9,458,539
Dallas-Fort Worth-Arlington, TX Metro Area	7,573,136
Houston-The Woodlands-Sugar Land, TX Metro Area	7,066,141
Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area	6,280,487
Miami-Fort Lauderdale-Pompano Beach, FL Metro Area	6,166,488
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area	6,102,434
Atlanta-Sandy Springs-Alpharetta, GA Metro Area	6,020,364
Phoenix-Mesa-Chandler, AZ Metro Area	4,948,203
Boston-Cambridge-Newton, MA-NH Metro Area	4,873,019
San Francisco-Oakland-Berkeley, CA Metro Area	4,731,803
Riverside-San Bernardino-Ontario, CA Metro Area	4,650,631
Detroit-Warren-Dearborn, MI Metro Area	4,319,629
Seattle-Tacoma-Bellevue, WA Metro Area	3,979,845
Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	3,640,043
San Diego-Chula Vista-Carlsbad, CA Metro Area	3,338,330
Tampa-St. Petersburg-Clearwater, FL Metro Area	3,194,831
Denver-Aurora-Lakewood, CO Metro Area	2,967,239
St. Louis, MO-IL Metro Area	2,803,228
PRIMARY MARKET TERRITORIES	
Baltimore-Columbia-Towson, MD Metro Area	2,800,053
Charlotte-Concord-Gastonia, NC-SC Metro Area	2,636,883
Orlando-Kissimmee-Sanford, FL Metro Area	2,608,147
San Antonio-New Braunfels, TX Metro Area	2,550,960
Portland-Vancouver-Hillsboro, OR-WA Metro Area	2,492,412
Sacramento-Roseville-Folsom, CA Metro Area	2,363,730
Pittsburgh, PA Metro Area	2,317,600
Las Vegas-Henderson-Paradise, NV Metro Area	2,266,715
Austin-Round Rock-Georgetown, TX Metro Area	2,227,083
Cincinnati, OH-KY-IN Metro Area	2,221,208
Kansas City, MO-KS Metro Area	2,157,990
Columbus, OH Metro Area	2,122,271

Geographic Area	2020 Population Estimates
Cleveland-Elyria, OH Metro Area	2,048,449
San Jose-Sunnyvale-Santa Clara, CA Metro Area	1,990,660
Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	1,934,317
Virginia Beach-Norfolk-Newport News, VA-NC Metro Area	1,768,901
Providence-Warwick, RI-MA Metro Area	1,624,578
Milwaukee-Waukesha, WI Metro Area	1,575,179
Jacksonville, FL Metro Area	1,559,514
Oklahoma City, OK Metro Area	1,408,950
Raleigh-Cary, NC Metro Area	1,390,785
Memphis, TN-MS-AR Metro Area	1,346,045
Richmond, VA Metro Area	1,291,900
New Orleans-Metairie, LA Metro Area	1,270,530
Louisville/Jefferson County, KY-IN Metro Area	1,265,108
Salt Lake City, UT Metro Area	1,232,696
Hartford-East Hartford-Middletown, CT Metro Area	1,204,877
Buffalo-Cheektowaga, NY Metro Area	1,127,983
Birmingham-Hoover, AL Metro Area	1,090,435
Grand Rapids-Kentwood, MI Metro Area	1,077,370
SECONDARY MARKET TERRITORIES	
Rochester, NY Metro Area	1,069,644
Tucson, AZ Metro Area	1,047,279
Fresno, CA Metro Area	999,101
Tulsa, OK Metro Area	998,626
Urban Honolulu, HI Metro Area	974,563
Omaha-Council Bluffs, NE-IA Metro Area	949,442
Worcester, MA-CT Metro Area	947,404
Bridgeport-Stamford-Norwalk, CT Metro Area	943,332
Greenville-Anderson, SC Metro Area	920,477
Albuquerque, NM Metro Area	918,018
Bakersfield, CA Metro Area	900,202
Albany-Schenectady-Troy, NY Metro Area	880,381
Knoxville, TN Metro Area	869,046
McAllen-Edinburg-Mission, TX Metro Area	868,707
Baton Rouge, LA Metro Area	854,884
New Haven-Milford, CT Metro Area	854,757
Oxnard-Thousand Oaks-Ventura, CA Metro Area	846,006
El Paso, TX Metro Area	844,124
Allentown-Bethlehem-Easton, PA-NJ Metro Area	844,052
Columbia, SC Metro Area	838,433
North Port-Sarasota-Bradenton, FL Metro Area	836,995

Geographic Area	2020 Population Estimates
Dayton-Kettering, OH Metro Area	807,611
Charleston-North Charleston, SC Metro Area	802,122
Greensboro-High Point, NC Metro Area	771,851
Cape Coral-Fort Myers, FL Metro Area	770,577
Stockton, CA Metro Area	762,148
Boise City, ID Metro Area	749,202
Colorado Springs, CO Metro Area	745,791
Little Rock-North Little Rock-Conway, AR Metro Area	742,384
Lakeland-Winter Haven, FL Metro Area	724,777
Akron, OH Metro Area	703,479
Des Moines-West Des Moines, IA Metro Area	699,292
Springfield, MA Metro Area	697,382
Ogden-Clearfield, UT Metro Area	683,864
Poughkeepsie-Newburgh-Middletown, NY Metro Area	679,158
Winston-Salem, NC Metro Area	676,008
Deltona-Daytona Beach-Ormond Beach, FL Metro Area	668,365
Madison, WI Metro Area	664,865
Syracuse, NY Metro Area	648,593
Provo-Orem, UT Metro Area	648,252
Durham-Chapel Hill, NC Metro Area	644,367
Toledo, OH Metro Area	641,816
Wichita, KS Metro Area	640,218
Augusta-Richmond County, GA-SC Metro Area	608,980
Palm Bay-Melbourne-Titusville, FL Metro Area	601,942
Jackson, MS Metro Area	594,806
Harrisburg-Carlisle, PA Metro Area	577,941
Spokane-Spokane Valley, WA Metro Area	568,521
Chattanooga, TN-GA Metro Area	565,194
Scranton--Wilkes-Barre, PA Metro Area	553,885
TERTIARY MARKET TERRITORIES	
Modesto, CA Metro Area	550,660
Lansing-East Lansing, MI Metro Area	550,391
Lancaster, PA Metro Area	545,724
Portland-South Portland, ME Metro Area	538,500
Youngstown-Warren-Boardman, OH-PA Metro Area	536,081
Fayetteville-Springdale-Rogers, AR Metro Area	534,904
Fayetteville, NC Metro Area	526,719
Lexington-Fayette, KY Metro Area	517,056
Pensacola-Ferry Pass-Brent, FL Metro Area	502,629
Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metro Area	496,901

Geographic Area	2020 Population Estimates
Santa Rosa-Petaluma, CA Metro Area	494,336
Port St. Lucie, FL Metro Area	489,297
Lafayette, LA Metro Area	489,207
Reno, NV Metro Area	475,642
Huntsville, AL Metro Area	471,824
Springfield, MO Metro Area	470,300
Visalia, CA Metro Area	466,195
Asheville, NC Metro Area	462,680
Killeen-Temple, TX Metro Area	460,303
York-Hanover, PA Metro Area	449,058
Vallejo, CA Metro Area	447,643
Santa Maria-Santa Barbara, CA Metro Area	446,499
Salinas, CA Metro Area	434,061
Salem, OR Metro Area	433,903
Mobile, AL Metro Area	429,536
Corpus Christi, TX Metro Area	429,024
Brownsville-Harlingen, TX Metro Area	423,163
Reading, PA Metro Area	421,164
Gulfport-Biloxi, MS Metro Area	417,665
Manchester-Nashua, NH Metro Area	417,025
Salisbury, MD-DE Metro Area	415,726
Fort Wayne, IN Metro Area	413,263
Flint, MI Metro Area	405,813
Peoria, IL Metro Area	400,561
Canton-Massillon, OH Metro Area	397,520
Anchorage, AK Metro Area	396,317
Shreveport-Bossier City, LA Metro Area	394,706
Savannah, GA Metro Area	393,353
Beaumont-Port Arthur, TX Metro Area	392,563
Tallahassee, FL Metro Area	387,227
Naples-Marco Island, FL Metro Area	384,902
Eugene-Springfield, OR Metro Area	382,067
Davenport-Moline-Rock Island, IA-IL Metro Area	379,172
Montgomery, AL Metro Area	373,290
Hickory-Lenoir-Morganton, NC Metro Area	369,711
Ann Arbor, MI Metro Area	367,601
Trenton-Princeton, NJ Metro Area	367,430
Ocala, FL Metro Area	365,579
Fort Collins, CO Metro Area	356,899
Huntington-Ashland, WV-KY-OH Metro Area	355,873
Lincoln, NE Metro Area	336,374

Geographic Area	2020 Population Estimates
Rockford, IL Metro Area	336,116
Gainesville, FL Metro Area	329,128
Boulder, CO Metro Area	326,196
Greeley, CO Metro Area	324,492
South Bend-Mishawaka, IN-MI Metro Area	323,613
Green Bay, WI Metro Area	322,906
Lubbock, TX Metro Area	322,257
Columbus, GA-AL Metro Area	321,048
Spartanburg, SC Metro Area	319,785
Evansville, IN-KY Metro Area	315,086
Roanoke, VA Metro Area	313,222
Clarksville, TN-KY Metro Area	307,820
Kingsport-Bristol, TN-VA Metro Area	307,202
Kennewick-Richland, WA Metro Area	299,612
Wilmington, NC Metro Area	297,533
Olympia-Lacey-Tumwater, WA Metro Area	290,536
Utica-Rome, NY Metro Area	289,990
Aguadilla-Isabela, PR Metro Area	289,289
Duluth, MN-WI Metro Area	288,732
Hagerstown-Martinsburg, MD-WV Metro Area	288,104
Longview, TX Metro Area	286,657
Crestview-Fort Walton Beach-Destin, FL Metro Area	284,809
San Luis Obispo-Paso Robles, CA Metro Area	283,111
Merced, CA Metro Area	277,680
Laredo, TX Metro Area	276,652
Waco, TX Metro Area	273,920
Santa Cruz-Watsonville, CA Metro Area	273,213
Cedar Rapids, IA Metro Area	273,032
Bremerton-Silverdale-Port Orchard, WA Metro Area	271,473
Erie, PA Metro Area	269,728
Sioux Falls, SD Metro Area	268,232
Norwich-New London, CT Metro Area	265,206
Kalamazoo-Portage, MI Metro Area	265,066
Amarillo, TX Metro Area	265,053
College Station-Bryan, TX Metro Area	264,728
Atlantic City-Hammonton, NJ Metro Area	263,670
Lynchburg, VA Metro Area	263,566
Charleston, WV Metro Area	257,074
Tuscaloosa, AL Metro Area	252,047
Yakima, WA Metro Area	250,873
Fort Smith, AR-OK Metro Area	250,368

Geographic Area	2020 Population Estimates
Fargo, ND-MN Metro Area	246,145
Binghamton, NY Metro Area	238,691
Appleton, WI Metro Area	237,974
Prescott Valley-Prescott, AZ Metro Area	235,099
Lafayette-West Lafayette, IN Metro Area	233,002
Tyler, TX Metro Area	232,751
Topeka, KS Metro Area	231,969
Macon-Bibb County, GA Metro Area	229,996
Bellingham, WA Metro Area	229,247
Champaign-Urbana, IL Metro Area	226,033
Daphne-Fairhope-Foley, AL Metro Area	223,234
Hilton Head Island-Bluffton, SC Metro Area	222,195
Rochester, MN Metro Area	221,921
Medford, OR Metro Area	220,944
Burlington-South Burlington, VT Metro Area	220,411
Chico, CA Metro Area	219,186
Charlottesville, VA Metro Area	218,615
Las Cruces, NM Metro Area	218,195
Ponce, PR Metro Area	215,295
Yuma, AZ Metro Area	213,787
Athens-Clarke County, GA Metro Area	213,750
Barnstable Town, MA Metro Area	212,990
Lake Havasu City-Kingman, AZ Metro Area	212,181
Lake Charles, LA Metro Area	210,409
Columbia, MO Metro Area	208,173
Houma-Thibodaux, LA Metro Area	208,075
Springfield, IL Metro Area	206,868
Elkhart-Goshen, IN Metro Area	206,341
Florence, SC Metro Area	204,911
Gainesville, GA Metro Area	204,441
Johnson City, TN Metro Area	203,649
St. Cloud, MN Metro Area	201,964
Monroe, LA Metro Area	200,261
Jacksonville, NC Metro Area	197,938
Bend, OR Metro Area	197,692
Racine, WI Metro Area	196,311
Saginaw, MI Metro Area	190,539
Punta Gorda, FL Metro Area	188,910
Terre Haute, IN Metro Area	186,367
Warner Robins, GA Metro Area	185,409
Midland, TX Metro Area	182,603

Geographic Area	2020 Population Estimates
Billings, MT Metro Area	181,667
El Centro, CA Metro Area	181,215
Dover, DE Metro Area	180,786
Greenville, NC Metro Area	180,742
Redding, CA Metro Area	180,080
Joplin, MO Metro Area	179,564
Bowling Green, KY Metro Area	179,240
Jackson, TN Metro Area	178,644
Kingston, NY Metro Area	177,573
St. George, UT Metro Area	177,556
Yuba City, CA Metro Area	175,639
Panama City, FL Metro Area	174,705
Arecibo, PR Metro Area	174,606
Muskegon, MI Metro Area	173,566
Iowa City, IA Metro Area	173,105
Abilene, TX Metro Area	172,060
Oshkosh-Neenah, WI Metro Area	171,907
Bloomington, IL Metro Area	171,517
East Stroudsburg, PA Metro Area	170,271
Burlington, NC Metro Area	169,509
Eau Claire, WI Metro Area	169,304
Bloomington, IN Metro Area	169,230
Hattiesburg, MS Metro Area	168,849
Waterloo-Cedar Falls, IA Metro Area	168,522
Pueblo, CO Metro Area	168,424
Blacksburg-Christiansburg, VA Metro Area	167,531
Kahului-Wailuku-Lahaina, HI Metro Area	167,417
Odessa, TX Metro Area	166,223
Coeur d'Alene, ID Metro Area	165,697
Auburn-Opelika, AL Metro Area	164,542
Janesville-Beloit, WI Metro Area	163,354
Wausau-Weston, WI Metro Area	163,285
State College, PA Metro Area	162,385
Sebastian-Vero Beach, FL Metro Area	159,923
Jackson, MI Metro Area	158,510
Madera, CA Metro Area	157,327
Chambersburg-Waynesboro, PA Metro Area	155,027
Grand Junction, CO Metro Area	154,210
Elizabethtown-Fort Knox, KY Metro Area	153,928
Niles, MI Metro Area	153,401
Hanford-Corcoran, CA Metro Area	152,940

Geographic Area	2020 Population Estimates
Decatur, AL Metro Area	152,603
Bangor, ME Metro Area	152,148
Alexandria, LA Metro Area	152,037
Idaho Falls, ID Metro Area	151,530
Wichita Falls, TX Metro Area	151,254
Jefferson City, MO Metro Area	151,235
Monroe, MI Metro Area	150,500
Santa Fe, NM Metro Area	150,358
Homosassa Springs, FL Metro Area	149,657
Vineland-Bridgeton, NJ Metro Area	149,527
Dothan, AL Metro Area	149,358
Texarkana, TX-AR Metro Area	148,761
Florence-Muscle Shoals, AL Metro Area	147,970
Valdosta, GA Metro Area	147,292
Albany, GA Metro Area	146,726
Rocky Mount, NC Metro Area	145,770
Dalton, GA Metro Area	144,724
Sioux City, IA-NE-SD Metro Area	144,701
Flagstaff, AZ Metro Area	143,476
Morristown, TN Metro Area	142,749
Logan, UT-ID Metro Area	142,165
Rapid City, SD Metro Area	142,107
Lebanon, PA Metro Area	141,793
Winchester, VA-WV Metro Area	140,566
Sumter, SC Metro Area	140,466
Morgantown, WV Metro Area	139,044
Wheeling, WV-OH Metro Area	138,948
Napa, CA Metro Area	137,744
La Crosse-Onalaska, WI-MN Metro Area	136,616
Sherman-Denison, TX Metro Area	136,212
Carbondale-Marion, IL Metro Area	135,764
Harrisonburg, VA Metro Area	134,964
Hammond, LA Metro Area	134,758
Battle Creek, MI Metro Area	134,159
Springfield, OH Metro Area	134,083
Jonesboro, AR Metro Area	133,860
The Villages, FL Metro Area	132,420
Manhattan, KS Metro Area	130,285
Johnstown, PA Metro Area	130,192
Albany-Lebanon, OR Metro Area	129,749
Mount Vernon-Anacortes, WA Metro Area	129,205

Geographic Area	2020 Population Estimates
Bismarck, ND Metro Area	128,949
Lawton, OK Metro Area	126,415
Sierra Vista-Douglas, AZ Metro Area	125,922
St. Joseph, MO-KS Metro Area	125,223
Glens Falls, NY Metro Area	125,148
Pittsfield, MA Metro Area	124,944
Cleveland, TN Metro Area	124,942
New Bern, NC Metro Area	124,284
Farmington, NM Metro Area	123,958
Ames, IA Metro Area	123,351
Goldsboro, NC Metro Area	123,131
Staunton, VA Metro Area	123,120
Lawrence, KS Metro Area	122,259
San Angelo, TX Metro Area	122,027
Altoona, PA Metro Area	121,829
San Germán, PR Metro Area	121,464
Mansfield, OH Metro Area	121,154
Wenatchee, WA Metro Area	120,629
Missoula, MT Metro Area	119,600
Owensboro, KY Metro Area	119,440
Brunswick, GA Metro Area	118,779
Weirton-Steubenville, WV-OH Metro Area	116,074
Beckley, WV Metro Area	115,767
Sheboygan, WI Metro Area	115,340
Muncie, IN Metro Area	114,135
Anniston-Oxford, AL Metro Area	113,605
California-Lexington Park, MD Metro Area	113,510
Williamsport, PA Metro Area	113,299
Twin Falls, ID Metro Area	111,290
Longview, WA Metro Area	110,593
Michigan City-La Porte, IN Metro Area	109,888
Kankakee, IL Metro Area	109,862
Watertown-Fort Drum, NY Metro Area	109,834
Lewiston-Auburn, ME Metro Area	108,277
Sebring-Avon Park, FL Metro Area	106,221
Decatur, IL Metro Area	104,009
Fond du Lac, WI Metro Area	103,403
Bay City, MI Metro Area	103,126
Gettysburg, PA Metro Area	103,009
Lima, OH Metro Area	102,351
Gadsden, AL Metro Area	102,268

Geographic Area	2020 Population Estimates
Ithaca, NY Metro Area	102,180
Mankato, MN Metro Area	101,927
Grand Forks, ND-MN Metro Area	100,815
Victoria, TX Metro Area	99,742
Cheyenne, WY Metro Area	99,500
Hot Springs, AR Metro Area	99,386
Rome, GA Metro Area	98,498
Dubuque, IA Metro Area	97,311
Cumberland, MD-WV Metro Area	97,284
Fairbanks, AK Metro Area	96,849
Cape Girardeau, MO-IL Metro Area	96,765
Pocatello, ID Metro Area	95,489
Mayagüez, PR Metro Area	94,975
Corvallis, OR Metro Area	93,053
Ocean City, NJ Metro Area	92,039
Parkersburg-Vienna, WV Metro Area	89,339
Pine Bluff, AR Metro Area	87,804
Grants Pass, OR Metro Area	87,487
Yauco, PR Metro Area	85,830
Columbus, IN Metro Area	83,779
Elmira, NY Metro Area	83,456
Bloomsburg-Berwick, PA Metro Area	83,194
Midland, MI Metro Area	83,156
Kokomo, IN Metro Area	82,544
Great Falls, MT Metro Area	81,366
Hinesville, GA Metro Area	80,994
Casper, WY Metro Area	79,858
Danville, IL Metro Area	75,758
Grand Island, NE Metro Area	75,553
Lewiston, ID-WA Metro Area	62,990
Enid, OK Metro Area	61,056
Walla Walla, WA Metro Area	60,760
Carson City, NV Metro Area	55,916
population due to the Count Question Resolution program and geographic program revisions. All geographic boundaries for the 2019 population estimates series except statistical area delineations are as of January 1, 2019. The Office of Management and Budget's statistical area	
Suggested Citation:	
States and Puerto Rico: April 1, 2010 to July 1, 2019 (CBSA-MET-EST2019-ANNRES)	
Source: U.S. Census Bureau, Population Division	
Release Date: March 2020	

**ATTACHMENT 5
TO THE FRANCHISE AGREEMENT BETWEEN
HONEST ABE ROOFING FRANCHISE, INC.
AND
FRANCHISEE**

DATED: *Franchise Agreement Date*****

STATE ADDENDA

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF CALIFORNIA

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-31516 and the California Franchise Relations Act, Cal Bus And Prof Code §§20000-20043, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:
 - The California Franchise Relations Act provides you rights concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 13 and 16.
 - Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq*).
 - Section 16.05 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
 - The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of Action arising under California law.
 - The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
 - Section 23 requires binding arbitration. The arbitration will occur at the forum indicated in Section 23.02, with the costs being borne by the non-prevailing party. Prospective Franchise Owners are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.
2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF HAWAII

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et. seq.*, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:

- The Hawaii Franchise Investment Law provides you rights concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 13, 15 and 16 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC. _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF ILLINOIS

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 et. seq. (West 2016). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

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

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under Illinois law. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

d. Illinois law will govern this Agreement.

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

f. Section 23.10 shall be amended as follows: “No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that the Franchisee may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.”

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

2.. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

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

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its officers, directors, owners, agents and assigns acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound thereby. The parties have duly executed and delivered this Addendum to the Agreement on _____, 20__.

HONEST ABE ROOFING FRANCHISE, YOU
INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF INDIANA

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and HONEST ABE ROOFING FRANCHISE, INC., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:

- Sections 13.02 and 16.09 provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- Section 15 is amended to prohibit unlawful unilateral termination of a Franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
- Section 17 is amended to provide that you will not be required to indemnify us for any liability imposed upon us as a result of your reliance upon or use of procedures or products which were required by us, if such procedures or products were utilized by you in the manner required by us.
- Section 23.02 is amended to provide that you may commence litigation in Indiana for any cause of Action under Indiana law.
- Section 23.02 is amended to provide that arbitration between us and you, shall be conducted at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF MARYLAND

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Ann, Bus Reg §§14-201-14-233, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal or transfer of the Franchise. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq*).
- Section 23.02 require litigation or arbitration to be conducted in the State of our principal place of business; the requirement shall not limit any rights you may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any Section of the Franchise Agreement requiring you to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise are not intended to, nor shall they act as a, release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Franchisee’s obligations to pay the initial franchise fee under section 2.01 are deferred until Franchisor has performed all of its pre-opening obligations to the franchisee.

3. Any portion of the Franchise Agreement which requires prospective Franchise Owners to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be

deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC.

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF MINNESOTA

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the Minnesota Franchise Law, Minn Stat, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, *et. seq*, the parties to the attached Franchise Agreement agree as follows:

- Section 15 is amended to comply with the Minnesota Franchise Law that requires, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Sections 13.02 and 16.09 provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring you to assent to a general release.
- Section 17 is amended to add that as required by Minnesota Franchise Act, we will reimburse you for any costs incurred by you in the defense of your right to use the Trademarks, so long as you were using the Trademarks in the manner authorized by us, and so long as we are timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Minn Stat §80C.21 and Minn Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn Rule Part 2860.4400J prohibits you from waiving its rights to a jury trial or waiving its rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Franchise Agreement requires us to waive these rights, the Franchise Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.
- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state

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

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC.

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF NEW YORK

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal, transfer. Such release shall exclude claims arising under the General Business Laws.
- Under Section 13.01, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 17 is amended to provide that you will not be required to indemnify us for any liability imposed upon us as a result of your reliance upon or use of procedures or products that were required by us, if such procedures or products were utilized by you in the manner required by us.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, YOU
INC. _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF NORTH DAKOTA

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et. seq.* Such provisions in the Agreement are hereby amended as follows:

- Sections 13.02 and 16.09 require the execution of a general release upon renewal or transfer. Such requirement shall be inapplicable to Franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 15.06 is amended to delete references to the franchisee’s waiver of exemplary and punitive damages.
- Section 16.05 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 23.02 is amended to add that any Action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.
- Section 23.02 is amended to state that arbitration involving a Franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.
- Section 23.06 is amended to delete the franchisee’s consent to a waiver of trial by jury.
- Section 23.10 is amended to add that the statute of limitations under North Dakota law will apply.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, INC. YOU

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF RHODE ISLAND

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for Honest Abe Roofing Franchise, Inc. is amended as follows:

- Sections 13.02 and 16.09 require you to sign a general release as a condition of renewal, or transfer. Such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 23.02 and 23.09 are amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, INC. YOU

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE COMMONWEALTH OF VIRGINIA

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

- Section 15.01, which terminates the Franchise Agreement upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 USC Section 101, *et. seq*).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, INC. YOU

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF WASHINGTON

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington. The undersigned does hereby acknowledge receipt of this addendum

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, INC. YOU

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
HONEST ABE ROOFING FRANCHISE, INC.**

FOR THE STATE OF WISCONSIN

The Honest Abe Roofing Franchise, Inc. Franchise Agreement between _____ (“Franchisee” or “You”) and Honest Abe Roofing Franchise, Inc., an Indiana corporation (“Franchisor,” “we” or “us”) dated ***Franchise Agreement Date*** (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. The Wisconsin Fair Dealership Law Title XIV-A Ch 135, Sec 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.
2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

HONEST ABE ROOFING FRANCHISE, INC. YOU

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C

EXHIBIT C

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

FRANCHISEE

Automatic Debit of Amount Due to Franchisor

Franchised Business: ***FRANCHISEE*** d/b/a ***Authorized Assumed Name***

I, the authorized representative and agent for the Franchised Business for the account identified below referenced, authorize Honest Abe Roofing Franchise, Inc. (referred to as "Franchisor") to debit on every fifteenth (15th) day of each month or such other date that we determine in our discretion from Franchisee's bank account, the amount of Royalty and Brand Development Fund Fee due to the Franchisor based on Gross Sales of the above referenced Honest Abe Roofing Franchised Business, and any Late Fees, Administrative Fees, or Interest, for each and every preceding month, and any other fee, including Liquidated Damages, that may be due and owing to Franchisor. I also authorize Honest Abe Roofing Franchise, Inc. to debit any other fees associated with the Franchised Business including but not limited to the required local advertising expenditures not incurred, as well as any other fees that may become due to Franchisor. I authorize Franchisor to assign part or all of the rights to debit the account identified to a successor or assign. This EFT Authorization may be executed in any number of counterparts, each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This EFT Authorization may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this EFT Authorization.

Franchisee Bank Information: Attach blank copy of check.

Bank Name	***Bank Name***
Bank Address	***Bank Address***
Account Name	***Account Name***
Account Number	***Account Number***
ABA Routing Number	***ABA Routing Number***

FRANCHISEE:

By: _____

Principal Owner 1

Its: Authorized Representative

Date: _____

By: _____

Principal Owner 2

Its: Authorized Representative

Date: _____

EXHIBIT D

EXHIBIT D

PRINCIPAL OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

This Guaranty must be signed by the principal owners (referred to as "Guarantor") of _____ (the "Franchisee") under the Franchise Agreement dated _____ (the "Franchise Agreement") with **Honest Abe Roofing Franchise, Inc.**

1. **Scope of Guaranty.** The shareholders, partners, or members ("Principal Owners") of any entity that signs a Franchise Agreement must personally jointly and severally guarantee the franchisee's performance under the Franchise Agreement. In consideration of and as an inducement to Honest Abe Roofing Franchise, Inc. signing and delivering the Franchise Agreement, each Guarantor signing this Guaranty personally and unconditionally: (a) guarantees to Honest Abe Roofing Franchise, Inc. and its successors and assigns that the Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of each and every provision in the Franchise Agreement.

2. **Waivers.** Each Guarantor waives: (a) acceptance and notice of acceptance by Honest Abe Roofing Franchise, Inc. of Guarantor's obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor; (d) any right Guarantor may have to require that an action be brought against the Franchisee or any other person as a condition of Guarantor's liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against the Franchisee arising as a result of Guarantor's execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor may be entitled in Guarantor's capacity as guarantor.

3. **Consents and Agreements.** Each Guarantor consents and agrees that (a) Guarantor's direct and immediate liability under this Guaranty are joint and several; (b) Guarantor must render any payment or performance required under the Franchise Agreement upon demand if the Franchisee fails or refuses punctually to do so; (c) Guarantor's liability will not be contingent or conditioned upon Honest Abe Roofing Franchise, Inc.'s pursuit of any remedies against the Franchisee or any other person; (d) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Honest Abe Roofing Franchise, Inc. may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence shall in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, if required by the Franchise Agreement, after its termination or expiration.

4. **Enforcement Costs.** If Honest Abe Roofing Franchise, Inc. is required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor must reimburse Honest Abe Roofing Franchise, Inc. for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Guarantor's obligations under this Guaranty are effective on the effective date of the Franchise Agreement, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreement. This Guaranty is governed by the laws of the state of Indiana. The parties agree, however, that if the Franchisee's franchised business is not located in Indiana, and if Franchisee and its owners are not residents of Indiana, the provisions of Indiana's franchise laws, including the Indiana Franchises Act and the Indiana Deceptive Franchise Practices Act, and the regulations promulgated thereunder, shall not apply to this Guaranty.

6. **Counterparts.** This Guaranty may be executed in any number of counterparts, each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Guaranty may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Guaranty.

7. **Entire Agreement.** This Guaranty constitutes the entire agreement between us, you, and the Principal Owners concerning the subject matter hereof. All prior agreements, discussions, negotiations, understandings, inducements, representations, warranties, and covenants are merged herein and are superseded by this Guaranty. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS, OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS GUARANTY. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY US HEREUNDER, NO AMENDMENT, CHANGE, OR MODIFICATION VARIANCE FROM THIS GUARANTY SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY US AND YOU AND EXECUTED IN WRITING.

8. **Enforcement.** The parties each agree to submit to the exclusive jurisdiction of the state and federal courts of the state of our principal place of business at the time that the litigation is commenced with respect to any litigation pertaining to this Guaranty, even if additional persons are named as parties to such litigation. No action or proceeding involving this Guaranty

shall be commenced by any party except in the county of our principal place of business at the time that the litigation is commenced, nor shall any such action be transferred to any other venue. Notwithstanding the foregoing, if we are permitted to seek injunctive relief under this Guaranty, we may, at our option, bring such action in the county in which Franchisee's franchised business is located. EACH PARTY WAIVES ITS RIGHT TO A TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS GUARANTY, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION(S), OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN THE PARTIES.

Each Guarantor now sign and deliver this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

GUARANTOR

PRINCIPAL OWNER NAME

PRINCIPAL OWNER ADDRESS

PRINCIPAL OWNER PHONE NUMBER

PRINCIPAL OWNER OWNERSHIP INTEREST PERCENTAGE

DATE: _____

EXHIBIT E

EXHIBIT E

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE (Franchisee and Individual Owner)

This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete (the “Agreement”) is entered into as of the date or dates set forth below by and between ***FRANCHISEE*** located at ***Franchisee Street Number*** ***Franchisee Street Name***, ***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code*** (“Franchisee” or you) and HONEST ABE ROOFING FRANCHISE, INC., located at 1070 Windsor Road, Terre Haute, Indiana 47802 (“HONEST ABE ROOFING” or us), and ***Principal Owner 1***, owner of Franchisee (“Owner”) (collectively, the “Parties”).

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____ (“Franchise Agreement”) by and between Franchisee and HONEST ABE ROOFING;

WHEREAS, HONEST ABE ROOFING is the Franchisor of “Honest Abe Roofing” (hereinafter referred to as “Honest Abe Roofing”) Franchised Businesses and has the authority to disclose and discuss all information relating to the operations of a Franchised Business;

WHEREAS, Confidential Information and Trade Secrets, which are more particularly described below, will be disclosed to Franchisee and Owner in relation to Franchisee’s operation of its Franchised Business (hereinafter referred to as “Business” or “Franchised Business”); and

WHEREAS, Franchisee and Owner understand the necessity of not disclosing any such information to any other party or using such information to compete against HONEST ABE ROOFING, any affiliate(s) or other franchisee(s) of HONEST ABE ROOFING, or in any business (i) that is a Competing Business (as defined below), or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or HONEST ABE ROOFING, any affiliate(s) of HONEST ABE ROOFING, or HONEST ABE ROOFING’s other franchisee(s).

NOW, THEREFORE, in order to induce HONEST ABE ROOFING to transmit the aforesaid information to Franchisee and Owner, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee and Owner (hereinafter, the “Franchisee Parties”) hereby agrees as follows:

1. **Definitions.**

a. The term “Operations Manual” shall mean HONEST ABE ROOFING’s confidential operating manuals, as amended from time to time in our sole discretion, which contain the instructions, requirements, standards, specifications, methods and procedures for the operation of the Franchised Businesses, including without limitation: (i) those relating to the selection, purchase, service and sale of all products and services sold at the Franchised Business; (ii) those

relating to the maintenance and repair of the Franchised Business, buildings, grounds, equipment, signs, interior and exterior décor items, fixtures and furnishings; (iii) those relating to employee apparel and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations and other brand protection standards; and (iv) the purchase, delivery, of products to customers as well as the performance of the services to customers. The Operations Manual may be revised from time to time by us in our sole discretion through the use of supplements to the Operations Manual, all of which will be considered a part of the Operations Manual. All references to the Operations Manual in this Agreement shall include all supplements to the Operations Manual. Supplements to the Operations Manual will become binding upon you as if originally set forth in the Operations Manual, upon being delivered to you. The Operations Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; other electronic media; on-line postings; e-mail and/or other electronic communications; facsimiles; intra-net or secure internet posting; or any other medium capable of conveying the Operations Manual contents.

b. The term “Competing Business” shall mean a business that competes with the Franchised Businesses and/or that offers the same or similar products and services, including roofing, gutters, and other home improvement products and services, as other Franchised Businesses.

c. The term “Confidential Information” shall mean, but shall not be limited to, any and all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all information, knowledge, Trade Secrets or know-how utilized or embraced by the System or otherwise concerns Franchisee’s or HONEST ABE ROOFING’s systems of operations, programs, services, products, customers, practices, books, records, manuals, computer files, databases or software, the System, all Operations Manual, training manuals or other manuals, the Standards and Specifications, written directives, equipment and equipment specifications, all proprietary software, computer and point-of-sale programs (and output from such programs), all pricing paradigms established by Franchisee or HONEST ABE ROOFING, all of Franchisee’s and/or HONEST ABE ROOFING’s sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers), HONEST ABE ROOFING’s specifications, and Franchisee’s final plans for the construction, buildout, design, renovation, décor, the identity of and all information relating to the computer and POS hardware and software utilized by Franchisee and/or HONEST ABE ROOFING, internet protocols, procedures and content, all communications between the Parties (including financial and other reports Franchisee is or was required to submit to HONEST ABE ROOFING under the Franchise Agreement), memoranda, notes, disks, cost analyses, financial statements, trademarks, Trade Dress, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production information and all extracts and copies thereof prepared by any party or its respective officers, agents, employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by any of the Franchisee Parties directly or indirectly from HONEST ABE ROOFING in the course of activities related to the development of a business relationship between

the Parties, or which is obtained by the Franchisee Parties through an inspection or tour of HONEST ABE ROOFING's offices, facilities, or Franchised Business or the Franchised Business of HONEST ABE ROOFING's franchisees, and any other information, know-how, techniques, material and data imparted or made available by HONEST ABE ROOFING which is (a) designated as confidential, (b) known by the Franchisee Parties to be considered confidential by HONEST ABE ROOFING, or (c) by its nature inherently or reasonably considered confidential.

d. The term "Designated Area" shall mean the geographical area described in Attachment 1 to the Franchise Agreement.

e. The term "Franchised Business" shall mean the business operated in accordance with the System under the registered service marks "Honest Abe Roofing."

f. The term "Publicly-Held Entity" shall mean a corporation or other entity whose equity securities are: (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

g. The term "Standards and Specifications" shall mean HONEST ABE ROOFING's standards and specifications, as amended from time to time by HONEST ABE ROOFING, in HONEST ABE ROOFING's sole discretion, contained in, and being a part of, the Confidential Information pursuant to which the Franchisee Parties shall develop and operate the Franchised Business in the Designated Area.

h. The term "System" shall mean a unique, proprietary system developed and owned by HONEST ABE ROOFING (which may be modified or further developed from time to time in HONEST ABE ROOFING's sole discretion) for the establishment and operation of Franchised Business under the Trademarks, which includes, without limitation, a distinctive image consisting of exterior and interior design, decor, color scheme and furnishings; uniform standards, products, services and specifications; procedures with respect to operations, inventory and management control (including accounting procedures and policies); training and assistance; customer service; sales; roofing and gutter installation procedures; and advertising, marketing, brand promotion and promotional programs.

i. The term "Trademarks" shall mean certain trademarks, trade names, trade dress (including without limitation each and every detail of the design, layout, decor, color scheme, supplies utilized, services offered, appearance of the premises, personnel, and other elements of the Franchised Business), service marks, emblems and indicia of origin designated by HONEST ABE ROOFING for use in connection with the operation of the Franchised Business pursuant to the System, including, without limitation, "Honest Abe Roofing."

j. The term "Trade Dress" shall mean, including without limitation, each and every detail of the design, layout, decor, color scheme, supplies utilized, services offered, appearance of the premises, personnel, and other elements of the Franchised Business.

k. The term "Trade Secret" shall mean information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns,

compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product/service plans, passwords, and lists of actual or potential customers or suppliers) related to or used in the Franchised Business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. Confidentiality and Nondisclosure.

a. The Franchisee Parties shall not at any time, during the term of the Franchise Agreement, or after the termination or expiration of the Franchise Agreement, communicate, disclose, or use any Confidential Information or Trade Secrets (collectively, "Information") for their own benefit, or the benefit of any third party, nor will the Franchisee Parties directly or indirectly aid any third party to imitate, duplicate, or "reverse engineer" any of the Information. The Franchisee Parties agree to use and permit the use of Information solely in connection with the operation of the Franchised Business. The Franchisee Parties shall not, without the HONEST ABE ROOFINGS's prior written consent, copy, duplicate, record or otherwise reproduce any Information. The Franchisee Parties shall indemnify HONEST ABE ROOFING and its directors, officers, employees, agents, members, successors and assigns, affiliates and subsidiaries, and the respective directors, officers, employees, agents, shareholders, members, affiliates, and successors and assigns of each, from any damages, costs, or expenses resulting from or related to any disclosure or use of Information by the Franchisee Parties or their respective directors, officers, employees, agents, shareholders, members, affiliates, consultants, and contractors. The Franchisee Parties agree never to copy, duplicate, record or otherwise reproduce any of the Information, in whole or part, share it with any other third-party individual or entity (except as provided herein), store it in a computer or other electronic format, or otherwise make it available to any third party by any other means whatsoever. The Franchisee Parties shall retain all Information in strict confidence and not use the Information except as otherwise provided herein. The Franchisee Parties agree not to claim any right or interest in or to disclose Information to others.

b. During the term of the Franchise Agreement between Franchisee and HONEST ABE ROOFING or in the event the Franchise Agreement terminates or expires without renewal, the Franchisee Parties agree not to use any of the Information to own, operate, or develop any Competing Business.

c. The Franchisee Parties acknowledge HONEST ABE ROOFING's exclusive ownership of the Information and the System and HONEST ABE ROOFING's exclusive ownership and its license with respect to the Trademarks. No Franchisee Party shall, directly or indirectly, contest or impair HONEST ABE ROOFING's exclusive ownership of, and/or license with respect to, the Information, the System, or the Trademarks.

d. In the event that the Franchise Agreement between Franchisee and HONEST ABE ROOFING terminates or expires without renewal, or upon HONEST ABE ROOFING's reasonable request, the Franchisee Parties shall return to HONEST ABE ROOFING all Information supplied to them by HONEST ABE ROOFING pertaining to HONEST ABE

ROOFING's business or the Franchised Business, and shall not retain any copies in whatever form, including without limitation electronically stored information, or other reproductions, or extracts thereof, prepared by HONEST ABE ROOFING or the Franchisee Parties or any of their respective officers, managers, shareholders, directors, agents, employees, representatives, or consultants, in connection with the Franchised Business. The Franchisee Parties shall provide a certificate to HONEST ABE ROOFING, in a form satisfactory to HONEST ABE ROOFING, that all of the foregoing have in fact been returned and/or destroyed.

3. **Non-Competition.**

a. The Franchisee Parties acknowledge that the Information disclosed to the Franchisee Parties and all other aspects of HONEST ABE ROOFING's System are highly valuable assets of HONEST ABE ROOFING, and the Franchisee Parties agree that the Franchisee Parties, including but not limited to Franchisee's officers, directors, members, executives, managers, and Owner's immediate family members or members of Owner's household, shall not, without the prior written consent of HONEST ABE ROOFING: (i) during the term of the Franchise Agreement, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder, or in any other manner whatsoever, carry on, be engaged in, or be concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit their name(s) or any part thereof to be used or employed by any person or entity engaged in, or concerned with or interested in any Competing Business (except that this restriction shall not apply to an interest for investment purposes only in any Publicly-Held Entity, so long as such Franchisee Party is not a director, officer or manager thereof, or consultant thereto); and (ii) for a period of two (2) years from the date of expiration or termination of the Franchise Agreement, regardless of the reason or reasons for termination, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal agent, shareholder, or in any other manner whatsoever, carry on, be engaged in, or be concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit their name(s) or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any Competing Business within:

- i. The Designated Area;
- ii. The geographic area encompassed by the Designated Area of any of HONEST ABE ROOFING's franchisees as of the date of termination or expiration of the Franchise Agreement; or
- iii. A geographic area that is contained in a circle having a radius of fifty (50) miles outward from the borders of the Designated Area, or the designated area or location of any other of HONEST ABE ROOFING's franchisees or corporate or affiliate owned Franchised Businesses as of the date of the termination or expiration of the Franchise Agreement.

b. The Franchisee Parties acknowledge and agree that if any of the Franchisee Parties should violate the provisions of this section 3 of the Agreement with respect to the operation of a Competing Business following expiration or termination of the Franchise Agreement, then the period for which the prohibition stated therein shall be extended until two (2) years following the date such Franchisee Parties ceases all activities that are in violation of this Section.

4. **Effect of Agreement.** HONEST ABE ROOFING's sole obligation under this Agreement is to provide the Confidential Information to the Franchisee Parties at the outset of the Parties' business relationship so that the Franchisee Parties may open and operate the Franchised Business. HONEST ABE ROOFING shall have no further obligations under this Agreement once HONEST ABE ROOFING has provided the Information to the Franchisee Parties. Nothing in this Agreement shall be construed to create any additional or continuing obligation of HONEST ABE ROOFING after HONEST ABE ROOFING initially provides the Confidential Information to the Franchisee Parties. The Franchisee Parties' obligations under this Agreement shall continue in effect after termination of the Franchise Agreement, regardless of the reason or reasons for termination, whether such termination was voluntary or involuntary, and HONEST ABE ROOFING is entitled to communicate the Franchisee Parties' obligations under this Agreement to any third party to the extent deemed necessary by HONEST ABE ROOFING for protection of its rights hereunder and regardless of whether the Franchisee Parties or any of their respective affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor, or the like in a Franchised Business.
5. **Reasonableness of Restrictions.** The Franchisee Parties have carefully considered the nature and extent of the restrictions upon the Franchisee Parties set forth in this Agreement (including without limitation, the covenants not to compete, confidentiality restrictions and the restrictions on assignment) and the rights and remedies conferred upon all of the Parties under this Agreement. Such restrictions, rights, and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to HONEST ABE ROOFING and its franchise system; (c) are fully required to protect HONEST ABE ROOFING's legitimate business interests; and (d) do not confer benefits upon HONEST ABE ROOFING that are disproportionate to the Franchisee Parties' detriment. The covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on the Franchisee Parties, since the Franchisee Parties have other considerable skills, experience, and education which afford the Franchisee Parties the opportunity to derive income from other endeavors. The Franchisee Parties acknowledge that each of the terms set forth herein, including the restrictive covenants, are fair and reasonable and are reasonably required for the protection of the Franchisee Parties, HONEST ABE ROOFING, HONEST ABE ROOFING's Information, HONEST ABE ROOFING's business system, its network of franchises, and HONEST ABE ROOFING's trade and service marks, and the Franchisee Parties waive any right to challenge these restrictions as being overly broad, unreasonable, or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then the Franchisee Parties shall submit to the reduction of any such activity, time period, or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.
6. **Relief for Breaches of Confidentiality and Non-Competition.** The Franchisee Parties acknowledge that it will be difficult to measure accurately the damages to HONEST ABE ROOFING from any breach of a Franchisee Party of the covenants and restrictions set forth

herein, that the injury to HONEST ABE ROOFING from any such breach would be incalculable and irremediable and the damages would not, therefore in and of themselves, be an adequate remedy. The Franchisee Parties therefore agree that in the event any Franchisee Party breaches or attempts to breach any of the terms of this Agreement, HONEST ABE ROOFING shall be entitled as a matter of right to obtain from any court of competent jurisdiction an injunction: (i) prohibiting the breaching party from any further breaches of this Agreement; (ii) rescinding any action taken by the breaching party contrary to the terms of this Agreement; and (iii) authorizing HONEST ABE ROOFING to recover from the breaching party any and all salaries, fees, commissions, income, profits or other remuneration or gain which the breaching party may have received or to which it may have become entitled to receive from or by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. The issuance of such an injunction will not prevent HONEST ABE ROOFING from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

7. **Independent Contractor and Joint Employer Disclaimer.** The Franchisee Parties understand and agree that nothing in this Agreement may be construed to create a partnership, joint venture, agency, or employment relationship of any kind between HONEST ABE ROOFING or any of the Franchisee Parties. No party will represent that the relationship between HONEST ABE ROOFING and the Franchisee Parties is other than that of franchisor and franchisee. HONEST ABE ROOFING does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by the Franchisee Parties unless expressly authorized under this Agreement. HONEST ABE ROOFING will not be obligated for any damages to any person or property that directly or indirectly arises from or is related to the operation of the Franchised Business by the Franchisee Parties. The Franchisee Parties acknowledge and agree, and will never contend otherwise, that the Franchisee Parties alone will exercise day-to-day control over all operations, activities, and elements of the Franchised Business and that under no circumstance will HONEST ABE ROOFING do so or be deemed to do so. The Franchisee Parties further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, and covenants the Franchisee Parties are required to comply with under this Agreement do not directly or indirectly constitute, suggest, infer, or imply that HONEST ABE ROOFING controls any aspect or element of the day-to-day operations of the Franchised Business. None of Franchisee Parties' employees nor the Franchisee Parties will be considered employees of HONEST ABE ROOFING. Neither the Franchisee Parties nor any of Franchisee Parties' employees whose compensation Franchisee may pay in any way, directly or indirectly, expressly or by implication, will be construed to be an employee of HONEST ABE ROOFING for any purpose, including, without limitation, with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any local, state, or federal governmental agency.

8. **Miscellaneous.**

- a. The Parties agree that it is their mutual intention that this Agreement shall not be treated as an executory contract under the federal bankruptcy laws.

b. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations, and discussions between the Parties. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the Parties.

c. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et. seq), as amended, this Agreement shall be governed by the laws of the state of Indiana. The Parties agree, however, that if the Franchised Business is not located in Indiana, and if no Franchisee Party is a resident of Indiana, the provisions of Indiana's franchise laws, including the Indiana Franchises Act and the Indiana Deceptive Franchise Practices Act, and the regulations promulgated thereunder, shall not apply to this Agreement.

d. Any action brought by any party to this Agreement shall only be brought in the appropriate state or federal court located in or serving the county in which HONEST ABE ROOFING's principal place of business is located at the time the litigation is commenced. The Parties waive all questions of personal jurisdiction or venue for purposes of carrying out this provision. Claims for injunctive relief may be brought by HONEST ABE ROOFING where any Franchisee Party is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the Parties to confirm or enforce judgements in any appropriate jurisdiction.

e. If HONEST ABE ROOFING is required to enforce this Agreement in any judicial or arbitration proceeding or any appeals, each Franchisee Party, jointly and severally, must reimburse HONEST ABE ROOFING for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Agreement.

f. This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of the Parties and shall inure to the benefit of the Parties and their respective subsidiaries, successors, and assigns.

g. The failure of any party to insist upon performance in any one (1) or more instances upon performance of any terms, covenants, and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant, or condition of this Agreement, and the obligations of each party with respect thereto shall continue in full force and effect.

h. The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

i. The existence of any claim or cause of action a Franchisee Party might have against HONEST ABE ROOFING will not constitute a defense to the enforcement, by HONEST ABE ROOFING, of this Agreement.

j. In the event any section or portion of any section in this Agreement shall be determined to be invalid or unenforceable for any reason(s), such invalidity or unenforceability shall not affect the validity and enforceability of the remaining valid and enforceable sections hereof, which shall be construed as if such invalid or unenforceable section or sections had not been inserted.

k. Except as otherwise expressly provided in this Agreement, no remedy conferred upon the Parties pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

l. This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Agreement may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Agreement.

THE FRANCHISEE PARTIES CERTIFY THAT THEY HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND AND ACCEPT THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ANY FRANCHISEE PARTY TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written below.

FRANCHISEE:

HONEST ABE ROOFING:

FRANCHISEE

HONEST ABE ROOFING FRANCHISE, INC.

By: _____

By: _____

Principal Owner 1

Kevin Newton

Principal Owner 1 Title

President

Dated: _____

Dated: _____

OWNER:

Principal Owner 1

Dated: _____

EXHIBIT F

EXHIBIT F

TELEPHONE NUMBER AND ELECTRONIC MEDIA ASSIGNMENT

THIS ASSIGNMENT is made and entered into by and between HONEST ABE ROOFING FRANCHISE, INC. ("HONEST ABE ROOFING"), located at 1070 Windsor Road, Terre Haute, Indiana 47802, and ***FRANCHISEE*** located at ***Franchisee Street Number***, ***Franchisee City Name***, ***Franchisee State Name*** ***Franchisee Zip Code***, hereinafter referred to as "Franchisee."

WHEREAS, Franchisee has obtained a franchise from HONEST ABE ROOFING for the operation of a "Honest Abe Roofing" Franchised Business using HONEST ABE ROOFING Trademarks and System as those terms are used in a Franchise Agreement dated the ***Franchise Agreement Date*** (hereinafter referred to as the "Franchise Agreement"); and

WHEREAS, in consideration of HONEST ABE ROOFING granting the franchise to Franchisee, Franchisee agreed in the Franchise Agreement to execute an assignment to HONEST ABE ROOFING of its telephone number and electronic communications assets and media upon the termination or expiration without renewal of the Franchise Agreement, or transfer of the Franchise Agreement.

NOW THEREFORE, it is hereby agreed as follows:

1. Telephone and Electronic Media Information. Franchisee represents and warrants that the telephone number(s) and electronic communications assets and media set forth in the attached Exhibit "A," from time to time, shall constitute all of the telephone numbers and electronic communications assets and media to be used in its advertising and marketing of its "Honest Abe Roofing" Franchised Business licensed by the above referenced Franchise Agreement. It is hereby agreed that this assignment covers not only the telephone numbers and electronic communications assets and media set forth in Exhibit "A," but also any other telephone number or electronic communications assets or media used by Franchisee in its advertising or marketing of its "Honest Abe Roofing" Franchised Business.

2. Assignment. Franchisee hereby assigns to HONEST ABE ROOFING all of its right, title and interest in and to the telephone numbers and electronic communications assets and media described above in Paragraph 1 effective upon the expiration without renewal or termination of the Franchise Agreement.

3. Consent. Franchisee hereby consents and authorizes any and all telephone companies, telephone directory services, and other public or private business containing, using, or authorizing any of the telephone numbers or electronic communications assets or media described above in Paragraph 1 to immediately recognize this assignment upon receipt of written notice from HONEST ABE ROOFING. Such companies and services shall construe this Assignment as Franchisee's immediate cancellation and surrender of the numbers and electronic communications assets or media in Exhibit A, thereby permitting the immediate re-assignment of the numbers and electronic communications assets and media by said companies and services to HONEST ABE

ROOFING. A copy of this Assignment, certified by an officer of HONEST ABE ROOFING, is agreed to be as valid and binding as the original.

4. Notice. HONEST ABE ROOFING shall give notice of its acceptance of the assignment of the telephone numbers and electronic communications assets and media pursuant to this agreement by either delivering them personally, sending them by first class, certified or registered mail with postage fully paid and depositing them in a depository of the United States Postal Service, or sending through a reputable overnight courier. Notices shall be given to Franchisee and to all other telephone companies and other businesses who are to recognize the assignment. All notices to Franchisee shall be addressed to the address indicated in this Agreement, or to any subsequent address of which HONEST ABE ROOFING is notified in writing and shall be effective on the date sent by HONEST ABE ROOFING. Any notice delivered by mail in the manner set forth above shall be deemed delivered and received 2 days after mailing.

5. Cooperation. Franchisee shall cooperate with HONEST ABE ROOFING, including but not limited to, executing any and all documents reasonably necessary to effectuate this Assignment, and to cause the telephone company or other companies to recognize this Assignment. In the event of Franchisee's failure to sign any required documents within 2 business days of Notice, Franchisee hereby appoints HONEST ABE ROOFING as its lawful attorney in fact to sign on Franchisee's behalf any and all documents necessary to effectuate the assignment of the telephone numbers and electronic communications assets and media, including without limitation, the telephone numbers and electronic communications assets and media listed in Exhibit "A" to HONEST ABE ROOFING. This power, coupled with an interest, is given as security for the rights and privileges given to Franchisee under the Franchise Agreement by HONEST ABE ROOFING.

6. Enforcement Costs. If HONEST ABE ROOFING is required to enforce this Assignment in any judicial or arbitration proceeding or any appeals, Franchisee and its Principal Owners, jointly and severally, must reimburse HONEST ABE ROOFING for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Assignment.

7. Effectiveness. Franchisee's obligations under this Assignment are effective on the effective date of the Franchise Agreement, regardless of the actual date of signature. Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement. This Assignment is governed by Indiana law, and HONEST ABE ROOFING may enforce its rights regarding it in the state or federal courts in the county in which its principal place of business is located at the time the litigation commences.

8. Proration. All telephone charges and electronic communications assets and media charges, including charges for classified advertising in the telephone directory, shall be prorated as of the time of Assignment, with Franchisee paying for all charges prior to the

effectiveness of the assignment, and HONEST ABE ROOFING paying for all charges incurred thereafter.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument. This Assignment may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Assignment.

IN WITNESS WHEREOF, the parties have entered into this agreement on the _____ day of _____, 20____.

HONEST ABE ROOFING FRANCHISE, INC.

By: Kevin Newton
Its: President

By: ***Principal Owner 1***
Its: ***Principal Owner 1 Title***

EXHIBIT A

EXHIBIT G

EXHIBIT G

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this _____ day of _____, 20____ by _____, ("RELEASOR") an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by HONEST ABE ROOFING FRANCHISE, INC., an Indiana corporation ("RELEASEE"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement; or

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE. This General Release may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this General Release.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____
(or, if an individual)

Signed: _____

Name printed: _____

ACKNOWLEDGMENT

State of _____)
) ss
County of _____)

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

On this _____ day of _____, 20____ before me personally came _____,
known to me to be the same person whose name is signed to the foregoing General Release, and acknowledged the
execution thereof for the uses and purposes therein set forth, and who did swear and say that he/she is the
_____ (title) of _____ (company name), and he/she has the authority to execute said
General Release.

Notary Public
My Commission expires:

(NOTARIAL SEAL)

EXHIBIT H

EXHIBIT H

Honest Abe Roofing Operations Manual

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EXHIBIT I

EXHIBIT I

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

California Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii

Commissioner of Securities
Department of Commerce and Consumer
Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

New York

New York Secretary of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island

Director of Rhode Island Department of
Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia

Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Tumwater, Washington 98501

Wisconsin

Department of Financial Institutions
Division of Securities 4th Floor
345 W. Washington Avenue
Madison, Wisconsin 53703

EXHIBIT J

EXHIBIT J

ACKNOWLEDGMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Honest Abe Roofing Franchise, Inc. and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, Honest Abe Roofing Franchise, Inc. will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed Honest Abe Roofing Franchise, Inc. Franchise Agreement and each exhibit, addendum and schedule attached to it?

Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes ___ No ___

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?

Yes ___ No ___

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ___ No ___

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ___ No ___

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the Franchised Business that we or our franchisees operate other than is provided in Item 19 of the Franchise Disclosure Document?

Yes ___ No ___

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes ___ No ___

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes ___ No ___

13. Did you receive the Honest Abe Roofing Franchise, Inc. Franchise Disclosure Document at least 14 calendar days before this _____ day of _____, 20____, the day on which this Franchise Agreement was executed.

Yes ___ No ___

14. Do you acknowledge that at the time you received the Honest Abe Roofing Franchise, Inc. Franchise Disclosure Document, it was complete in all material respects, including all exhibits and attachments referenced therein.

Yes ___ No ___

15. Do you acknowledge that you received a completed copy of the Honest Abe Roofing Franchise, Inc. Franchise Agreement to which this Questionnaire is attached at least 7 calendar days before this date, there being no blanks or spaces not completed therein, except for the date and signatures of the parties.

Yes ___ No ___

16. Do you acknowledge that you are an independent contractor and responsible for running your own Franchised Business and that we do not have any authority to hire or fire your employees?

Yes ___ No ___

17. Do you expressly agree and will never contest otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in us the power to hire, fire, or control any such employee?

Yes ___ No ___

18. Do you acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall we do so or be deemed to do so.?

Yes ___ No ___

19. Do you further acknowledge and agree and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business, but rather are to protect the Honest Abe Roofing System and brand?

Yes ___ No ___

20. Do you acknowledge and agree that other present or future franchisees of ours may operate under different forms of agreement(s), including different economic terms, and consequently that our obligations and rights with respect to its various franchisees, including you, may differ materially in certain circumstances?

Yes ___ No ___

You understand that your answers are important to us and that we will rely on them.

This Franchisee Disclosure Questionnaire may be executed on signature pages exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Copies of executed counterparts transmitted by such electronic transmission service shall be considered original executed counterparts for purposes of this Franchisee Disclosure Questionnaire.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Executed on this _____ day of _____, 20_____.

*****FRANCHISEE*****

By: _____

Principal Owner 1

Title: ***Principal Owner 1 Title***

Subscribed and sworn to before me, a Notary Public, this _____ day of _____, 20_____.

_____, Notary Public
_____, County, State of _____
Acting in _____ County
My Commission Expires: _____

EXHIBIT K

EXHIBIT K
LIST OF EXISTING FRANCHISEES

Florida	
Brevard	HAR of Central Florida, LLC 7616 Southland Blvd Unit 110 Orlando, FL 32809 (407) 750-7117 Vee Velagic Vee.velagic@honestaberoofing.com
Broward	Indigo Group Services, LLC 460 NE 28 th Street, Suite 305 Miami, FL 33137 (929) 208-8272 Roberto Alamo Roberto.alamo@honestaberoofing.com
Daytona	HARNEFL, LLC 1452 N. US HWY 1 Suite 111 Ormond Beach, FL 32174 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Jacksonville	HARNEFL, LLC 8936 Western Way Suites 9 & 10 Jacksonville, FL 32256 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Miami	Indigo Group Services, LLC 460 NE 28 th Street, Suite 305 Miami, FL 33137 (929) 208-8272 Roberto Alamo Roberto.alamo@honestaberoofing.com
Orlando	HAR of Central Florida, LLC 7616 Southland Blvd Unit 110 Orlando, FL 32809 (407) 750-7117 Vee Velagic Vee.velagic@honestaberoofing.com

Palm Beach	HARNEFL, LLC 2101 Corporate Drive Boynton Beach, FL 33426 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Tallahassee*	HARNEFL, LLC 113 South Monroe St. 1st Floor Tallahassee, FL 32302 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Georgia	
Atlanta*	ESFAHANI LUXE REALTY, INC. 250 Churchill Court Woodstock, GA 30188 (404) 933-0919 Amir A. Esfahani aaron.esfahani@honestaberoofing.com
Augusta	HARSEGA, LLC 3351 Wrightsboro Road Augusta, GA 30909 (706) 539-7663 Todd King todd.king@honestaberoofing.com
Brunswick	HARSEGA, LLC 2935 Scarlett Street Brunswick, GA 31520 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Macon	HARSEGA, LLC 6004 Hawkinsville Rd. Macon, GA 31216 (904) 716-6843 Todd King todd.king@honestaberoofing.com
Valdosta	HARSEGA, LLC 1420 Gornto Road Suite B Valdosta, GA 31602 (229) 557-7663 Todd King todd.king@honestaberoofing.com

Indiana	
Evansville	D&D Lanier Home Improvement, LLC 108 N. Frederick Street Evansville, IN 47711 (812) 777-8800 Don Lanier don.lanier@honestaberoofing.com
Fort Wayne	3 Rivers Consulting, LLC 15015 Firethorne Path Fort Wayne, IN 46814 (937) 604-3053 Greg Williams greg.williams@honestaberoofing.com
Lafayette	Boilermaker Roofing, Inc. 4315 Commerce Drive Suite 440-168 Lafayette, IN 47905 (812) 239-3307 Clay Cain Clay.cain@honestaberoofing.com
Kentucky	
Louisville	Django, LLC 4707 Pinewood Road Louisville, KY 40218 (812) 480-4812 Don Lanier don.lanier@honestaberoofing.com
Tennessee	
Jackson*	The Solarfields Construction Company, LLC 3021 US-45 BYP Ste 101 Jackson, TN 38305 Garry Nicholas Fields nic.fields@honestaberoofing.com
Texas	
Brownsville/Harlingen*	Southtxroofing, LLC 5001 Logan's Run Suite A Harlingen, TX 78550 Michael Faul michael.faul@honestaberoofing.com

* Franchise Agreements signed but not open as of December 31, 2023.

EXHIBIT L

EXHIBIT L

LIST OF FORMER FRANCHISEES

If you buy this franchise, your contact information may be disclosed in the future to other buyers when you leave the franchise system.

Florida	
Tampa	Carbon Enterprises, Inc. 5502 Tughill Drive Tampa, FL 33624 (813) 833-9304 Cortni Lewis cortni.lewis@honestaberoofing.com
Georgia	
Atlanta	HARSEGA, LLC 3250 Peachtree Corners Circle Suite J Norcross, GA 30092 (706) 539-7663 Todd King todd.king@honestaberoofing.com

EXHIBIT M

EXHIBIT M

SELECT LIST OF STATE ADMINISTRATORS

California (filing required)

Department of Financial Protection and
Innovation
One Sansome Street, Suite 600
San Francisco, California 94104
(916) 445-7205

Hawaii (filing required)

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

Illinois (filing required)

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana (notice filing)

Franchise Division
Office of Secretary of State
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland (filing required)

Franchise Office
Division of Securities
200 St. Paul Place
20th Floor
Baltimore, MD 21202
(410) 576-6360

Michigan (only notice required)

Consumer Protection Division
Franchise Section
PO Box 30213
Lansing, MI 48909

Minnesota (filing required)

Department of Commerce
85 Seventh Street East
Suite 280
St. Paul, MN 55101
(651) 539-1600

New York (filing required)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8285 Phone

North Dakota (filing required)

Franchise Division
Office of Securities Commission
600 East Boulevard - 5th Floor
Bismarck, ND 58505
(701) 328-2910

Oregon (no filing)

Corporate Securities Section
Dept. of Insurance & Finance
Labor & Industries Bldg.
Salem, OR 97310
(503) 378-4387

Rhode Island (filing required)

Franchise Office
Division of Securities
233 Richmond St. - Suite 232
Providence, RI 02903
(401) 222-3048

South Dakota (filing required)

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

Virginia (filing required)

State Corporation Commission
Division of Securities and Retail
Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9276

Washington (filing required)

The Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
Voice: (360) 902-8760

Wisconsin (filing required)

Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, WI 53701
(608) 266-3364

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
600 Pennsylvania Avenue NW
Washington, D.C. 20580-0002
(202) 326-2222

EXHIBIT N

HONEST ABE ROOFING FRANCHISE, INC.

MULT-STATE ADDENDA

EXHIBIT N TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE
HONEST ABE ROOFING FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

Neither the franchisor, any person or franchise broker in ITEM 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

3. ITEM 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
- The following URL address is for the franchisor's website:

www.honestaberoofing.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

FOR THE STATE OF CONNECTICUT

1. ITEM 3 is amended to read as follows:

- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.
- Neither the Franchisor nor any other person identified in ITEMS 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.
- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.
- Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. ITEM 4 is amended to read as follows:

- During the 10 year period immediately before the date of the Disclosure Document neither Company nor Affiliate, or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of Company held this position in the debtor company.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:
 - This proposed registration is on file with or will shortly be on file with the States of Illinois, Indiana and Michigan.
 - There are no states that have refused, by order or otherwise, to register these franchises.
 - There are no states that have revoked or suspended the right to offer these franchises.
2. The Franchise Agreement has been amended as follows:
 - The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 13, 15, and 16, contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
 - Section 16.09 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise. This release shall exclude claims arising under the Hawaii Franchise Investment Law.
 - Section 15.01 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
3. The Receipt Pages are amended to add the following:
 - THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
 - THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
 - THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.
- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
- Any provision in the Franchise Agreement requiring a general release is void if the provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.
- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void.
- No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- ITEM 3 of the Disclosure Document is amended to add the following:

Honest Abe Roofing Franchise, Inc. and the Illinois Attorney General's Office entered into an Assurance of Voluntary Compliance pursuant to Section 705/31(j) of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/31(j).
- ITEM 5 of the Disclosure Document is amended to add the following:

Payment of Initial Franchise Fee will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. Payment of Development Fee will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business in franchisee's first unit. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
- ITEM 17 of the Disclosure Document is amended to add the following:

The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20, including without limitation, a 30 day cure period for termination of the Franchise Agreement for “good cause.”

- The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.
2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:
 - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.
3. ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.
 - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
 - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

1. ITEM 5 of the Disclosure Document is amended to add the following:

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

2. ITEM 17 of the Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
- Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. ITEM 23 is amended to add the following:

- The State of Maryland requires the delivery of the Disclosure Document to be 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.

FOR THE STATE OF MICHIGAN

1. THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- a. A prohibition of your right to join an association of Franchisees.
- b. A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- c. A provision that permits us to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.
- d. A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- e. A provision that permits us to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- f. A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.
- g. A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is our or Subfranchisor's competitor.
 - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

- Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- h. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in ITEM 17 (g).
- i. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

3. Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Bureau
P. O. Box 30213
Lansing, MI 48909
(517) 335-7567

FOR THE STATE OF MINNESOTA

- ITEM 13 of the Disclosure Document is amended as follows:
 - j. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- ITEM 17 of the Disclosure Document is amended as follows:
 - k. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
 - l. ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - m. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

FOR THE STATE OF NEW YORK

1. All references made herein to a “Disclosure Document” shall be replaced with the term “Offering Prospectus” as used under New York Law.
2. The FDD Cover Page is amended as follows:
 - **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT L OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**
3. ITEM 3 is amended by the addition of the following language:
 - Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:
 - A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
 - B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
 - C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
 - D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.
- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

n. ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

o. ITEM 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

p. ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE STATE OF VIRGINIA

- Under 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] [development 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.

FOR THE STATE OF WASHINGTON

ITEM 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act.
- Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, including the right to a jury trial may not be enforceable.
- Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer.
- The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

EXHIBIT O

EXHIBIT O

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 stated below:

<u>State</u>	<u>Effective Date or Status</u>
California	
Hawaii	
Illinois	Pending
Indiana	Pending
Maryland	
Michigan	Pending
Minnesota	
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	
Wisconsin	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 other seller-assisted marketing plans

EXHIBIT P

EXHIBIT P

Item 23 RECEIPT

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

If HONEST ABE ROOFING FRANCHISE, INC. offers you a franchise, HONEST ABE ROOFING FRANCHISE, INC. 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 unless otherwise stated in your state's addendum. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with us or make any payment to us. Michigan, Oregon, and Wisconsin require us to give you this disclosure document at least 10 business days before signing a binding agreement or paying any consideration, whichever is first to occur.

If HONEST ABE ROOFING FRANCHISE, INC. 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, D.C. 20580 and the State Administrator listed in Exhibit L.

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Kevin Newton
1070 Windsor Road
Terre Haute, IN 47802

The issuance date of this Disclosure Document is April 30, 2024.

I have received a Uniform Franchise Disclosure Document including the following exhibits on the date listed below:

EXHIBIT A	FINANCIAL STATEMENTS
EXHIBIT B	FRANCHISE AGREEMENT
EXHIBIT C	ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION
EXHIBIT D	PRINCIPAL OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS
EXHIBIT E	CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENENT NOT TO COMPETE (Individual Owner)
EXHIBIT F	TELEPHONE NUMBER AND ELECTRONIC MEDIA ASSIGNMENT
EXHIBIT G	GENERAL RELEASE
EXHIBIT H	STANDARD OPERATIONS MANUAL TABLE OF CONTENTS
EXHIBIT I	LIST OF STATE AGENTS FOR SERVICE OF PROCESS
EXHIBIT J	ACKNOWLEDGEMENT
EXHIBIT K	LIST OF EXISTING FRANCHISEES AND DEVELOPERS
EXHIBIT L	LIST OF FORMER FRANCHISEES

EXHIBIT M	SELECT LIST OF STATE ADMINISTRATORS
EXHIBIT N	MULTI-STATE ADDENDA
EXHIBIT O	STATE EFFECTIVE DATES
EXHIBIT P	RECEIPTS

Please sign and print your name below, date and return one copy of this receipt to HONEST ABE ROOFING FRANCHISE, INC. and keep the other for your records. This receipt may also be signed by signature exchanged by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and this receipt so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. This receipt transmitted by such electronic transmission service shall be considered original executed counterparts for all purposes.

Date of Receipt

Print Name

Signature

(individually or as an officer, member or partner of)

(Name of corporation, limited liability company or partnership)

a _____ corporation
(State of incorporation)

a _____ limited liability
company
(State of organization)

a _____ partnership
(State where partnership formed)

Return to:

HONEST ABE ROOFING FRANCHISE, INC.
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Terre Haute, IN 47802

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If HONEST ABE ROOFING FRANCHISE, INC. 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, D.C. 20580 and the State Administrator listed in Exhibit L.

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EXHIBIT O STATE EFFECTIVE DATES
EXHIBIT P RECEIPTS

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Date of Receipt

Print Name

Signature

(individually or as an officer, member or partner of)

(Name of corporation, limited liability company or partnership)

a _____ corporation

(State of incorporation)

a _____ limited liability
company

(State of organization)

a _____ partnership

(State where partnership formed)

Keep for your records