

FRANCHISE DISCLOSURE DOCUMENT



OLO Builders, Inc.

A Utah corporation
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Washington Terrace, UT 84405

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Website: <https://franchising.olobuilders.com>

OLO Builders® offers franchises to qualified individuals and entities to own and operate a franchise under our OLO Builders® service marks, trade names, programs, and systems. Our franchisees deliver residential new home construction management services to the public under the service marks and the OLO Builders programs and systems.

The total investment necessary to begin operation of an **OLO Builders®** franchise is **\$166,100 to \$291,000**. This includes the initial investment of **\$84,000** that must be paid to us. Your initial investment and initial fees are more fully described in Items 5, 6, and 7 of this Disclosure Document.

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 do so, please contact Dwight Hansen at 5748 S. Adams Avenue Parkway, Washington Terrace, UT 84405, [dwight@olobuilders.com](mailto:dwright@olobuilders.com), or (385) 240-3970.

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

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

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

ISSUANCE DATE: April 29, 2022

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.
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 OLO Builders 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 OLO Builders franchisee?	Item 20 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 F.

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

- 1. Out-of-State Dispute Resolution.** THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, AND LITIGATION ONLY IN UTAH. OUT-OF-STATE ARBITRATION, LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE, OR MEDIATE WITH US IN UTAH THAN IN YOUR OWN STATE.
- 2. Renewal May Be Conditional.** MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.
- 3. Minimum Payments May Apply.** YOU MUST MAKE MINIMUM ROYALTY OR ADVERTISING 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” to see whether your state requires other risks to be highlighted.

**NOTICE REQUIRED BY THE STATE OF MICHIGAN
(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY MICHIGAN
FRANCHISE INVESTMENT LAW)**

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:

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

A prohibition of the right of a Franchisee to join an association of Franchisees.

A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel that deprives a franchisee of rights and protections provided in this act. This does not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.

A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall 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.

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 that 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: (a) the term of the franchise is less than five years, and (b) 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 symbols in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.

A provision that permits the franchisor 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.

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 or litigation, to conduct arbitration or litigation at a location outside this state.

A provision that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a franchisor 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 the franchisor's then-current reasonable qualifications or standards.

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

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

The franchisee's failure 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.

A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision 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 subdivision prohibit a provision that grants the franchisor 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 subdivision (c).

A provision that 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of the initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, Department of the Attorney General, G. Mennen Williams Building, 7th Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48909, and telephone (517) 335-7622.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN

Though the State of Michigan intends to enforce the above, we reserve the right to challenge such enforcement.

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

The franchisor is OLO Builders®, Inc. This Franchise Disclosure Document (“FDD”) refers to OLO Builders®, Inc. as the “Company”, “we”, “us”, “our”, “Franchisor”, or “National”. “You”, “your”, and “Franchisee” means the person, and its owners if the Franchisee is a business entity, that purchases an OLO Builders® franchise.

We license Franchisees in specified territories to own and to operate franchises under the name “OLO Builders”. We authorize Franchisees to promote, advertise, and provide residential new home construction services to the public and to use our service marks, programs, and systems in the operation of the Franchisee’s business.

The Company was incorporated in Utah on February 28, 2020. Our principal office address is 5748 S. Adams Avenue Parkway, Washington Terrace, UT 84405. We have no parent or predecessors. We have offered OLO Builders® franchises since 2020. We do not have any other business activities, have never offered franchises in any other line of business, and we do not operate any businesses of the type being franchised. We produce and sell innovative advertising and sales promotion materials. We may negotiate group rates for the benefit of Franchisees for products, services, supplies, and equipment.

Our affiliate, OLO Capital LLC ...

Our registered agents for service of process are outlined in Exhibit E to this FDD.

We retain the right to own or operate additional OLO Builders® offices and franchises.

You must comply with federal and state licensing and regulatory requirements relating to the construction of dwellings or other structures, the purchase and sale of real property and the offer and placement of financing including, without limitation, real estate brokerage, credit and insurance laws, consumer credit laws, mortgage licensing laws, usury laws, Real Estate Settlement Procedures Act and Regulation Z, fair housing and non-discrimination, advertising, the licensing or registration of contractors and subcontractors, zoning, safety, the furnishing and installation of certain types of products and services and government programs. Additionally, wage and hour, occupational health and safety, equal employment opportunity, hazardous materials communication to employees, hazardous waste and environmental regulations, and the Americans with Disabilities Act may apply. There may be other local or state laws or regulations that apply to the OLO Builders® business and you must investigate these laws or regulations. You may need to obtain a contractor’s license, a real estate broker’s license, or mortgage broker’s license, and/or determine state usury interest limits and satisfy other laws or regulations and licensing requirements, including, without limitation, in your state and municipality. You should review your state’s laws and comply with all licensing requirements and other laws and regulations affecting your business. A Federal Trade Commission rule, which provides for a “cooling off” period for

home sales, may apply. The rule requires the seller to inform the buyer of his right to cancel the transaction at any time before midnight of the third business day after the execution of the contract.

Many states have similar laws or regulations. You should consult with your attorney concerning these and other laws, regulations, and ordinances that may affect the operation of your OLO Builders® business. You may also need to complete a certain amount of continuing education and/or training credits to maintain certain licenses. You must determine if this requirement is applicable to you and the extent of the continuing education and/or training that you will need to do. Other legal regulations may apply to all businesses and generally may include: federal, state, and city, county, parish, borough, municipality or other local laws.

Federal. Examples of federal laws are wage and hour, occupational health and safety, equal employment opportunity, hazardous materials communication to employees, hazardous waste and environmental, and the Americans With Disabilities Act.

State. State laws may cover the same topics as federal laws. Examples of state laws include environmental, occupational health and safety, fire, health, and building and construction laws.

Local. Local laws may cover the same topics as federal and state laws. Examples of local laws include health and sanitation, building codes, fire codes, and waste disposal.

This FDD contains a summary of some material provisions of the Franchise Agreement. However, the Franchise Agreement expresses and governs the actual legal relationship between us and you.

The Franchise Agreement does not make you our agent, legal representative, joint venturer, partner, employee, or servant for any purpose. You will be an independent contractor and will not be authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, for us.

ITEM 2: BUSINESS EXPERIENCE

Trent Cragun (Founder and Chairman of the Board): Trent is the owner and pioneer of the first franchise located in Cache Valley, Utah, and due to his success, continues to expand this territory. Prior to his role with the Company, Trent has worked since 2009 in new residential home construction as founder and President of Lifestyle Homes in Logan, Utah. Trent has been on the national board of the National Home Builders Association and served as a past president of the Utah Home Builders Association. He holds a bachelor's degree in Accounting from Weber State University.

Dean Anderson (Chief Executive Officer): Dean joined the Company as Chief Financial Officer

in 2021 and was appointed Chief Executive Officer in early 2022. He has over 25 years of experience in finance, accounting and executive management across multiple real estate disciplines including land development, residential, multifamily, commercial, mountain resort and master planned communities, and natural resources. He has extensive experience in both corporate and entrepreneurial businesses. Dean graduated with his bachelor's and master's degrees from Brigham Young University.

Dwight Hansen (Chief Growth Officer): For more than two decades Dwight served as an organizational development and culture change consultant, and during that time he served as a practice leader overseeing consulting operations covering the Western U.S., Western Canada, and Australia. Dwight has also served as vice president of an investor education firm where he managed start-up logistics, created growth strategies, and managed hundreds of salespersons. Early in Dwight's career he had ownership in two construction trade partner businesses.

Beth Larchar (Chief Operating Officer): Since becoming the COO in 2021, Beth has been the primary architect of the franchise knowledge transfer process including training and one-on-one coaching for new employees. She develops processes that are critical for new franchisees to be successful, and helps the Company establish an impressive presence with vendors and clients in each franchise territory. She initially joined Lifestyle Homes to implement new homebuilding software and oversaw several multi-family and single-family land development projects for Lifestyle Homes. Beth holds bachelor's and master's degrees from Utah State University and the University of Utah.

Dave Karlsven (Chief Marketing Officer): Dave joined the Company in 2020. Previously, he was the Vice President of Marketing for the fastest growing and largest home builder in Northern Utah. Dave's marketing strategies and plans have helped many businesses across a variety of industries achieve multi-million-dollar returns and propelled several start-up companies from no revenue to multi-million-dollar businesses. Dave has also managed the rebranding and marketing activities for several construction companies.

Natalie Nesbit (Controller): Natalie has been with the Company since its inception. Previously, she served as Chief Financial Officer for Lifestyle Homes, one of the leading homebuilders and development companies in Cache County, Utah. She has been in the construction industry since 2007. She obtained a bachelor's degree in Finance from Utah State University and a Certified Graduate Associate with the National Association of Home Builders.

Matthew Bishop (President, OLO Capital): Matthew was appointed President of OLO Capital in 2021. OLO Capital provides funding to secure land/lots for Franchisees. Previously, Matthew ran an international real estate development and sales company under the Prudential real estate brand. Additionally, he was the COO of a multi-location metal fabrication production company where he developed lean manufacturing expertise.

David Jenkins (Board Member): Mr. Jenkins has been a member of our board since 2021. He is employed as CEO of Conservice, located in Logan, Utah, and has worked there since 2000.

Rial Chew (Board Member): Mr. Chew has been a member of our board since 2021. He is employed as Vice President of Sales for Ariat, in Logan Utah, and has worked there since 1997.

Steve Starks (Board Member): Mr. Starks has been a member of our board since 2021. He is employed as CEO of the Larry H. Miller group, in Sandy Utah, and has worked in that role since 2019. His prior role was as President of the Utah Jazz, in Sale Lake City, Utah, from 2015 to 2019.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

The Initial Franchise Fee of **\$65,000** is payment for all the pre-opening assistance we provide, offsets our franchise recruitment expenses and is consideration for our lost or deferred opportunity to sell franchises in the franchise territory to others. The Initial Franchise Fee for your Franchise is payable in full when you sign the Franchise Agreement.

Additionally, upon execution of the Franchise Agreement, you will pay an Initial Training Fee of **\$19,000**. The Initial Training Fee is paid in consideration for our training you and your franchise team members as described in Item 11. The Initial Training Fee includes our personnel's time devoted to pre-training preparation, training delivery, preparation of materials relevant to your training, coaching sessions, and the use of facilities and technology to achieve effective learning.

The training agenda includes orientation for each team member and the team, access to our video learning platform courses, a coach's evaluation, Even Flow Process training, and contract training.

If you have an existing business with annual gross sales from construction of at least \$3,000,000, and that business is like the franchise, and you agree to merge it with the Franchise, we will discount the Initial Franchise Fee by 20%. The following table shows the scaling discount to the Initial Franchise Fee:

Percentage Discount	Annual Gross Sales of Existing Business*
20%	\$3,000,000 to \$5,999,999.99
40%	\$6,000,000 to \$8,999,999.99
60%	\$9,000,000 to \$11,999,999.99
80%	\$12,000,000 and above

* Annual Gross Sales should be documented in your most recent two calendar years of financial statements, bank statements and filed tax returns, as delivered to us for eligibility for the discount.

We offer veteran and first responders discounts to qualified Franchisees who have completed military service or who have been employed for a significant period of time as a first responder, under which you may qualify for a **10%** discount to your Initial Franchise Fee. Contact us for more information about this program. Existing National Association of Home Builders members who have held such membership for the preceding 5-year period prior to becoming a franchisee may be eligible for a 3-5% discount. Discounts are not cumulative and may not be combined with any other offers.

If you are a current Franchisee, you may be eligible for a discount to acquire an additional territory. For information about the current franchisee discount and to determine if you are eligible, contact us.

We may raise the initial franchise fee after certain future growth levels have been attained. The increased franchise fee and timing have not been determined as of this date.

We may offer franchises at a reduced rate to prospective franchisees who, in our opinion, possess the knowledge and experience to conduct business with minimal assistance from us or who are purchasing multiple franchises. Occasionally, we may grant new franchises to our owners and employees and their family members with reduced or no initial fees.

The initial fees are uniform except as described in this Item 5. The Initial Franchise Fee and the Initial Training Fee are not refundable in whole or in part under any circumstances.

**ITEM 6:
OTHER FEES**

Type of Fee	Amount	Date Due	Remarks
Royalty	3.5% of Gross Revenues	Payable upon home construction start, with true up upon completed home closing	The “Royalty” is based on “Gross Revenues” attributed to each home construction. After your first year as a Franchisee, an annual minimum Royalty will apply (Note 3). Your Royalty is an ongoing payment that allows you to use the service marks, processes and systems, and pays for our ongoing support and assistance (Item 11).
National Advertising	1.5% of Gross Revenues	Payable upon home construction start, with true up upon completed home closing	This fee funds the National Advertising Program and may increase up to 2.5% of your Gross Revenues. Commencing the earlier of you initiating the National Advertising Program for your store or your fourth month as a Franchisee, this fee will have a monthly minimum (Note 4).
Software Bundle	\$2,200 to \$3,000 per month for team software bundle	Monthly after setup	Amounts are payable to us or third parties that we designate, will vary based on number of users and are subject to change. The monthly Software Bundle is currently \$2,200 for a 5-person team.
Turnover Training	\$3,800 per person	Prior to delivery of training	This fee is only due if you experience staff turnover after your team members have received their initial training. All team members must receive initial training or Turnover Training from us.
Supplemental Training	\$1,500 per day plus out-of-pocket expenses	Prior to delivery of training	We may charge you this fee for providing additional training you need or request beyond the standard training agenda provided in Item 11.

Type of Fee	Amount	Date Due	Remarks
New Home Floor Plan	\$8,000 to \$10,000 per plan	As incurred	This fee is only due if you request to add a plan to the Dynamic Plan Library (Note 6). Any New Floor Plan Fees paid with respect to a given new floor plan will be credited against the Royalty of the submitting Franchisee's third build of that new floor plan. All Franchisees receive access to the Dynamic Plan Library as part of their Franchise.
Revised Home Floor Plan	\$100 to \$2,500	As incurred	This fee is only due if you request to revise or redline a stock plan in the Dynamic Plan Library. All Franchisees receive access to the Dynamic Plan Library as part of their Franchise.
Additional Home Elevations	\$1,500	As incurred	This fee is only due if you request to add a new home elevation to an existing floor plan in the Dynamic Plan Library. All Franchisees receive access to the Dynamic Plan Library as part of their Franchise.
Annual Convention	\$500 per person	Upon registration or as otherwise invoiced	Franchisees are required to attend the Annual Convention. This fee is assessed per registered attendee and is subject to change.
Late Charges	Lesser of 1.5% per month or highest rate of interest allowed by law	As incurred	Interest accrues from the original due date until payment is received in full.
Audit	Cost of audit and inspection, any understated amounts, and any related accounting	On demand	You will be required to pay this if an audit reveals that you understated monthly Gross Revenues by more than 2%, if you fail to submit required reports when due, or if you fail to produce

Type of Fee	Amount	Date Due	Remarks
	and legal expenses		records or otherwise cooperate with an audit.
Addendum	\$2,500 plus out-of- pocket costs	As Incurred	This fee is only due if you request to modify your franchise agreement after the effective date (Note 7).
Transfer	Greater of \$5,000 or 5% of proposed purchase price for the business, not to exceed 50% (fifty percent) of the then-current initial franchise fee.	\$1,000 non-refundable deposit upon written request for transfer approval with balance due on the closing date of the transfer	This fee is payable in connection with the transfer of the Franchise Agreement, the Franchise Premises, substantial assets of the Franchise business, or a transfer of ownership or control of your legal entity.
Franchise Renewal	\$0-\$2,500	When you sign the then-current Franchise Agreement	This fee is only payable if you qualify to renew your Franchise Agreement and enter into a successor franchise agreement.

*Unless otherwise indicated above, all fees are payable to us and are non-refundable once paid.

NOTES

1. **Fees:** All fees paid to us are uniform, but we may in unique situations modify certain fees. Fees paid to us are not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us via electronic funds transfer (“EFT”) or other similar means provided for in the Operations Manual. All fees are current as of the issuance date of this FDD. Certain fees that we have indicated may increase over the term of the Franchise Agreement.
2. **Gross Revenues:** Gross Revenues include all value received from your franchise business and is defined in more detail in the Franchise Agreement. Note that our Operations Manual may offer a credit or rebate for portions of Royalty Fees or National Marketing Fees tied to Gross Revenues.
3. **Royalty:** Royalty payments of 3.5% of Gross Revenues are due upon home construction start with a true-up of the Royalty upon home closing with the home buyer. Home construc-

tion start means the date excavation for the home's foundation begins. Commencing the thirteenth (13th) month from the effective date of your Franchise Agreement, an annual minimum Royalty ("Minimum Royalty") of \$120,000 will apply and is payable in monthly installments of \$10,000. Minimum Royalty payments made will be applied towards Royalty payments for the year. If you have not met the annual Minimum Royalty at the conclusion of a calendar year, an adjusting payment for the difference must be made by January 31 of the following year.

4. National Advertising: National Advertising fees of 1.5% of Gross Revenues are due upon home construction start with a true-up of this fee upon home closing with the home buyer. Home construction start means the date excavation for the home's foundation begins. These fees fund the National Advertising Program and may increase up to 2.5% of your Gross Revenues. Commencing the earlier of your initiating the National Advertising Program for your store or the fourth (4th) month from the effective date of your Franchise Agreement, a minimum monthly National Advertising Fee of \$3,500 will apply.
5. Territory Advertising: In addition to the National Advertising Fee, we highly recommend you spend one percent (1%) of your monthly Gross Revenue on territory advertising that has been pre-approved by us to advertise and promote your Franchise ("Territory Advertising"). This is not a fee payable to us. You must purchase Territory Advertising separately through local marketing and media sources within a geographical area. Territory Advertising is your responsibility.
6. New Home Floor Plan: Upon your request, we will integrate a home floor plan that you supply into our Dynamic Plan Library. The cost for us to perform this integration is \$8,000-\$10,000 per plan. The submitting Franchisee must hold all ownership and copyright intellectual property rights to any submitted plan, which rights are surrendered to us upon our approval of the plan. Franchisee's must work with their third-party designer to develop base plans and options and submit .dwg files for all plans and options. These .dwg files need to include floor plans, elevations, framing plans, electrical plans, and any specific details or supporting items. Any New Floor Plan Fees paid with respect to a given new floor plan will be credited against the Royalty of the submitting Franchisee's third build of that new floor plan.
7. Addendum: If you request to modify your Franchise Agreement after the effective date, you will be required to pay a fee of \$2,500 and reimburse us our out-of-pocket costs to formalize the addendum in writing. This fee is assessed per addendum and not per clause or change requested, and is only payable if the addendum is approved by us and executed by us and you. Changes or addenda requested by us are not subject to this fee.

**ITEM 7:
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (Note 1)	Estimated Amount		Payment Method	When Due	To Whom
	Low	High			
Initial Franchise Fee	\$65,000	\$65,000	Lump sum cash	Signing of the Franchise Agreement	Us
Initial Training Fee	\$19,000	\$19,000	Lump sum cash	Signing of the Franchise Agreement	Us
Grand Opening Event	\$1,500	\$3,000	As arranged	As incurred	Third party approved suppliers
Licensure	\$500	\$1,000	As arranged	As incurred	Issuing government agency
Lease and Utility Payments (Note 2)	\$2,000	\$12,000	As arranged	As incurred	Landlord, utility companies and suppliers
Supplies, Inventory, Equipment	\$1,200	\$1,600	As arranged	As incurred	Third party approved suppliers
Computer Equipment	\$4,000	\$8,000	As arranged	As incurred	Third party approved suppliers
Travel & Lodging	\$2,000	\$4,000	As arranged	As incurred	Third party approved suppliers
Clothing & Uniforms	\$600	\$1,000	As arranged	As incurred	Third party approved suppliers
Car Signs/Decals	\$500	\$1,500	As arranged	As incurred	Third party approved suppliers
Vehicles	\$800	\$2,400	As arranged	As incurred	Third party approved suppliers
Insurance	\$2,500	\$3,500	As arranged	As incurred	Third party approved suppliers
Professional Services	\$1,500	\$3,000	As arranged	As incurred	Third party approved suppliers

Type of Expenditure (Note 1)	Estimated Amount		Payment Method	When Due	To Whom
	Low	High			
Furnishings	\$4,000	\$6,000	As arranged	As incurred	Third party approved suppliers
Signage	\$3,500	\$9,000	As arranged	As incurred	Third party approved suppliers
Software	\$1,500	\$7,000	As arranged	As incurred	Third party approved suppliers
Wages (Note 3)	\$35,000	\$55,000	As arranged	As incurred	Employees and contractors
Other Operating Funds	\$3,000	\$5,000	As arranged	As incurred	Third party approved suppliers
Leasehold/Build-out (Note 4)	\$0	\$60,000	As arranged	As incurred	Third party approved suppliers
Additional Funds (Note 5)	\$18,000	\$24,000	As arranged	As incurred	Variable, as needed.
TOTAL	\$166,100	\$291,000			

NOTES

These estimated initial expenses are our best estimate of the costs you may incur in connection with the establishment of an OLO Builders Franchise. No allowance has been made for the acquisition of land or residential lots on which to build homes. No allowance has been made in this table for interest or other financing expenses related to opening the franchise. The need for this type of expense will vary with the terms of any financing you get in connection with your franchise. Financing sources may reduce your initial cash requirements, and the availability and terms of financing to any individual franchisee will depend upon factors including the availability of financing in general, your credit worthiness, the collateral security that you may have and policies of lending institutions concerning the type of business to be operated by you. The investment and expenditures required of actual franchisees may vary considerably from the projections outlined above, depending on many factors, including geographical area, the amount of space leased by you and the capabilities of any particular management and service team. If you are purchasing multiple franchises, you will incur the estimated initial expenditures for each franchise you operate.

1. General: The low and high range estimates are based on actual experience establishing and operating a new residential home construction business. The predominant factors in the chart are Wages and Leasehold/Build-out. The estimated initial investment period is three (3) months.
2. Lease and utility payments: The Franchise Premises will be called your “Store” and will operate from a suitable location zoned as retail/commercial (non-industrial). The Store

will not include a model home but will include office space and spaces for customers to review sample materials and make their selections. The typical franchise will need minimal square footage, with approved build-out design templates ranging from approximately 1,200 to 1,500 square feet. The Store must be located within the Franchise Territory at your own discretion and with our approval. The cost of purchasing or leasing Store space varies with the location, class, age, and size of the premises. You are required to have access to telephone, high speed internet services and reliable transportation.

3. Wages: Wages include estimated payroll costs for your team. No provision has been made for a draw or salary for the Franchisee. Wages will vary by geographic location, experience, and expertise of those hired and labor force demand.
4. Leasehold/Build-out: It is customary for retail landlords to provide a tenant allowance for improvements to a tenant's retail space as part of the market rate rent. Tenants may be able to negotiate increased allowances or a free rent period (that is then offset by higher rents later in the lease term). The cost of build outs will vary based on specific lease terms, geographic location, market demand, and creditworthiness of the Franchisee tenant.
5. Additional Funds: Your costs will be affected by variables such as your business acumen, experience in home building, creditworthiness, use of professional service providers such as attorneys and accountants, and your contract negotiation skills. We have no obligation to assist you with your negotiations.

You must pay all taxes required by local, state or federal laws related to the services furnished or used in connection with the operation of your franchise. You must obtain all permits, certificates or licenses necessary for the full and proper conduct of the franchise.

Your costs are likely to be different than those listed on this item 7 chart and notes. It is important that you consult with an attorney and an accountant to assure that you have an understanding of the processes, costs and risks involved in operating a home building business.

Note to Franchise Transferees

It is up to you and the selling franchisee to negotiate and determine the purchase price for the Franchised Business, which may include some or all of the items listed in the chart above. We will not necessarily review or comment on the sufficiency or appropriateness of the purchase price to be paid by you. To the extent that any of the items listed above are not included in the purchase price, you may need to incur these costs in addition to the purchase price.

Note to Renewal Franchisees

Upon renewal you will have already established the Franchised Business, and therefore will not incur all of the above estimated amounts. However, we may require you to renovate and replace equipment, signage, and the Franchise Premises to reflect and to comply with our then-current standards and image. The cost of such renovation and replacement of the Franchised Business will vary depending on the condition of your Franchised Business and our assessment of the renovations which need to be made to bring the Franchised Business up-to-date with our then-current standards and image.

Except as provided in Item 5, any fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you. We do not finance any of these initial expenses. We require no other payments other than those already disclosed in Items 5, 6, and 7 of this Disclosure Document.

These tables estimate your initial start-up expenses. These figures represent our estimates based upon our experience and the experience of our licensees. We do not guarantee that you will not have additional and different expenses than those we have identified in this table. Your actual costs will depend upon many factors, including, how well you follow our directions and suggestions, your business skill and experience, local economic conditions, the local market for your products and services, the location and condition of your franchise premises, the prevailing wage rates, competition, and your sales levels during the initial period.

You should review these estimates with your business advisors before you decide to purchase the franchise or to make any expenditure.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

We will lend to you a copy of our OLO Builders Operations Manual (the “Operations Manual”) during training for new Franchisees described in Item 11. The Operations Manual is confidential and our exclusive property. We may amend the Operations Manual, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Operations Manual as we amend it. You will carry out immediately all changes at your cost, unless we otherwise specify. We reasonably may designate minimum standards for operations and designate guidelines, as specified in the Operations Manual.

The Operations Manual contains The OLO Way™ and related specifications, standards, operating procedures, accounting and bookkeeping methods, marketing programs and ideas, advertising layouts, advertising guidelines, operation requirements, service guidelines, and other rules that we may prescribe.

You must purchase all advertising materials from us or our approved suppliers to ensure uniformity and quality of the advertising. Any equipment, products, inventory, or other items that bear the OLO Builders® logo or have the words “OLO Builders” in them must be bought from us or an approved supplier.

You must purchase all equipment, inventory, and all other items used in your franchised business from us or from approved suppliers to ensure the quality and uniformity of services in the OLO Builders® franchise system. We may attempt to negotiate group discount rates for the benefit of our franchisees for products, supplies, and equipment.

All specifications that we require of you and lists of any approved suppliers will be included in the Operations Manual. We will upon request provide specifications to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system and its brand. From time to time, we may issue specifications and standards for goods and services to our franchisees and/or approved suppliers. If and when we do this, these specifications and standards will be issued in writing and will be provided to our franchisees and approved suppliers by regular mail and/or email communication, and updates to the Operations Manual. Specifications include standards for quality, performance, durability, safety, appearance, material composition and other characteristics incident to maintaining The OLO Way™.

With advance written notice, you may request our approval to obtain products, equipment, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality, durability, value, cleanliness, composition, strength, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 60 days of receiving written notice from you of your request for approval.

We or our agents may inspect any approved manufacturer, supplier or distributor facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

We or our present or future affiliates may derive revenue from products and services that you are required to purchase. This revenue results from sales by us to our franchisees of products bearing our names and services marks, certain marketing and brand development services, and rebates from third-party suppliers. In 2021, we received no revenues from the sale of such products to our franchisees and from supplier rebates. We estimate that purchases from us or approved suppliers (excluding Initial Franchise Fees and Initial Training Fees) will be from 2 to 4 percent of the total purchases you make to commence operations of your franchise. We estimate that purchases from us, our parent, and approved suppliers will be from 4 to 7 percent of the total purchases you make to operate your franchise on an ongoing basis. As bulk buying programs and other products or services are implemented and expand, these estimates may change.

We may, in the future, receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers.

Suppliers may in the future pay us, our parent company or an affiliate a rebate on all franchisee purchases based on a percentage of sales such suppliers make to our franchisees.

We have established a software system based upon our accounting computer software and customer relationship management needs. You are required to use this software together with your accounting systems. Upon request, you will give us access to any software approved by us.

There are no other obligations for you to purchase or lease according to specifications or from approved suppliers. Except as explained above, we have no required specifications, designated suppliers or approved suppliers for goods, services, or real estate related to your franchise business. Except as explained above, we will not derive revenue from your purchases or leases.

We may negotiate purchase arrangements with suppliers, including price terms for the benefit of franchisees. In the future, we hope to create and augment the effectiveness of cooperatives for the purchase of products and materials and the provision of advertising, for the benefit of the OLO Builders® franchise system.

You may not sell any products, materials, services, or activities other than those specifically recognized and approved by us as part of our franchise system without our prior written approval.

Insurance

The Franchisee is to secure, pay for, and maintain current on file with the Franchisor, certificates of insurance, in a form satisfactory to the Franchisor, for the types of insurance and in the amounts listed below. All such insurance, unless otherwise required by law, shall be issued on an "Occurrence" and not on a "Claims Made" policy form, and shall be maintained without interruption throughout the entire term of this agreement. Any insurance policies secured shall be written through reputable insurance carriers who are authorized to do business in the states in which the Franchisee entity operates. Insurance carriers used must carry a minimum rating by AM Best of A- (Excellent) and this shall be shown on the certificate of insurance.

Types of Insurance/Limits:

- General Liability including Personal Injury, Advertising Injury, Premises Liability and Products & Completed Operations coverage with limits no less than \$1,000,000 Occurrence and \$2,000,000 Aggregate
- Commercial Auto including Hired & Non-Owned liability coverage with limits no less than \$1,000,000 Combined Single Limit.
- Worker's Compensation and Employer's Liability
- Umbrella coverage with limits no less than \$1,000,000. The Umbrella shall extend to all coverages and limits listed above.

Indemnification and Endorsements:

- Franchisee shall name Franchisor as Additional Insured for both ongoing and completed operations on General Liability and Auto Liability policies. Additional Insured status will also include any contractual liability assumed under this agreement. This language is

to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.

- Franchisee shall provide a waiver of subrogation in favor of the Franchisor on the General Liability and Commercial Auto Liability policies. This language is to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.
- All liability insurance coverage provided by Franchisee is to be Primary & Non-Contributory. This language is to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.
- Franchisee agrees to provide 30 Days Notice of Cancellation of any policies set forth in this agreement to Franchisor.
- Upon expiration of any policies Franchisee will provide new certificates of insurance to Franchisor as evidence of continued coverage and compliance with this agreement.
- Franchisee shall secure and maintain Builder's Risk coverage in appropriate amounts for any new homes throughout the construction process and until sold.

Duty to Defend and Hold Harmless:

To the fullest extent permitted by law, Franchisee shall defend, protect, hold harmless, and indemnify the Franchisor, its owners, agents, employees, etc. against any actual or threatened liability, loss, claim, demand, suit, cost, fine, and expenses whatsoever, arising from out of or in connection with the performance of any work or any errors or omissions related to this franchising agreement.

Use of Trade Partners:

Franchisee agrees to require and maintain current on file certificates of insurance for all sub-contractors and suppliers used in conjunction with their operations. It is agreed that Franchisee will be held solely responsible and agrees to indemnify and hold harmless the Franchisor for the work performed by sub-contractors and suppliers in conjunction with Franchisee's operations. It is further agreed that Franchisee will require and maintain current evidence of insurance from sub-contractors for its own protections under this agreement.

Not All-Inclusive:

The insurance provisions in this contract are not all-inclusive. Franchisee should seek out and maintain at its discretion and in consultation with insurance providers any additional coverage as deemed necessary. Franchisor will not be held responsible for the Franchisee's failure to secure proper insurance coverage to protect their financial interests. Franchisor is not responsible for payment of any premiums associated with Franchisee's insurance program or any of the insurance requirements as set forth in this agreement. Failure on behalf of the Franchisee to maintain insurance or properly insure financial interests does not diminish, reduce, or negate any of the financial responsibility owed by the Franchisee to the Franchisor as part of this agreement.

Franchisee shall secure other insurance as may be required by the state or locality in which your Franchise is located and operated.

The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and, unless prohibited by applicable law, punitive damages assessed against you.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death, or property damage that may accrue due to your operation of the Franchise. Your policies of insurance will contain a separate endorsement naming us as an additional named insured.

Computer Equipment & Software

In addition to the computer equipment we require you to purchase as disclosed in Item 7 above, we may require you to install and use accounting and business control computer systems approved by us. You must lease, purchase or otherwise acquire, from sources of your choice and at your expense, software and hardware (including but not limited to programs, computer terminals and Internet) which strictly conform to our specifications as outlined in Item 11, below, and compatible with the software and applications we identify in our Operations Manual as necessary for the operation of your business. We do not currently require you to purchase computer equipment or software not already disclosed in Item 7.

Home Warranty

You must use an approved limited home warranty program, which will be outlined in our Operations Manual, and which you will be obligated to offer to customers and to provide the warranty services outlined in that program as it may be updated from time to time.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition or lease	Section 1.1 & 1.2	Items 6 & 12
b. Pre-opening purchases and leases	Sections 4, 5.1 & 8.2	Items 7 & 8
c. Site development and other pre-opening requirements	Sections 1.3, 3.1, 4 & 5.1	Items 7, 8 & 12
d. Initial and ongoing training	Section 3	Items 6 & 11
e. Opening	Sections 4 and 5.1	Item 11
f. Fees	Sections 2.1, 2.2, 2.3, 2.4, 2.5, 2.11, 2.14, 6.1, & 7.1	Items 5, 6 & 17
g. Compliance with standards & policies/ OLO Builders Operating Manual	Sections 5 & 6.3	Items 11 & 17
h. Trademarks and proprietary information	Sections 1.1, 5.1, 5.3, 5.4, 5.5, 5.8, 5.9, 6.5, 9.2 & 9.10	Items 13, 14 & 17
i. Restrictions on products and services offered	Sections 1.2, 1.5, 5.1, 5.2, 5.5, 5.6, 5.7, 5.9, 5.10, 6.3, 6.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	Sections 5.1, 5.2 & 5.5	Item 11
k. Territorial development and sales quotas	Section 1.1	Items 7 & 12
l. Ongoing product & service purchases	Sections 2.9, 5.1, 5.2, 5.5, 5.9, 5.10 & 8.2	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	Sections 1.4, 5.1, 5.2, 5.5 & 6.5	Items 7, 11 & 17
n. Insurance	Section 8.2	Item 8
o. Advertising	Sections 1.5, 2.3, 2.4, 2.6, 5.1, 5.2, 5.3, 5.4, 5.5 & 6.5	Items 9 & 11
p. Indemnification	Sections 6.7 & 8.1	Item 6
q. Owner's participation/ management/ staffing	Sections 2.9, 3, 4.1, 5, 6.5, 6.8, 7, 9.3, 9.10, 9.12 & 9.14	Items 11, 15 & 17
r. Records and reports	Sections 2.8, 5.1, 5.2 & 5.5	Items 6, 11 & 17
s. Inspections and audits	Sections 2.9, 5.1, 5.2 & 5.5	Items 6, 11 & 17
t. Transfer	Section 7	Item 17
u. Renewal	Section 6.1	Item 17

v. Post-termination obligations	Sections 5.8, 5.9, 6.5, 6.6, 6.8, 9.9, 9.10	Item 17
w. Non-competition covenants	Sections 5.8, 5.9, 6.5, 6.6, 6.8, 9.9, 9.10	Item 17
x. Dispute resolution	Sections 9.7 & 9.8	Item 17
y. Liquidated Damages	Section 6.5	Item 6

ITEM 10: FINANCING

We do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations you may incur in setting up and operating your franchise.

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

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

1. Pre-Store Opening Obligations

Before you open your franchise store, we (or our designee, which may be an affiliate), will provide the following assistance and services to you:

- 1) Provide you with our standards and specifications for your franchised business store (the “Franchised Premises”), which may include interior and exterior design, layout, floor plan, parking, signage, and equipment. (Franchise Agreement, Sections 1.2 & 1.3)
- 2) Assist you in your site selection process by reviewing a site you identify for the Franchise Premises. Locating a site for the Franchise Premises is your sole responsibility. We will review and approve the Franchise Premises based on the established standards and specifications. Our approval of the Franchise Premises is not a guarantee of the success you will have. You may not relocate the Franchise Premises without our prior written approval. (Franchise Agreement, Section 1.4)
- 3) Provide Franchisee orientation and provide the Business Setup Checklist which includes guidance on compliance with local laws and regulations to enable you to operate your franchised business.. (Franchise Agreement, Section 3.1).

- 4) Provide orientation, training, and Software & Swimlane Coaching to you and your required managers. (Franchise Agreement 3.1)
- 5) Provide initial marketing services. (Franchise Agreement 2.3)
- 6) Loan you a copy of the Operations Manual. (Franchise Agreement, Section 5.1). For manuals and other written materials, we may, in our discretion, provide those items to you in hard copy or electronic form. The table of contents for our Operations Manual as of the date of this Disclosure Document is found in this Item. Other materials may include such items as:

Virtual Knowledge Base

You will have access to all information located in the Knowledge Base which includes protocols, instructions, and guidelines for running an OLO Builders franchise and for building homes The OLO Way™

First Year Blueprint

A roadmap with timing, scheduling of events, resources, and milestones to achieve for the franchise's first year in business.

Plans and Specifications – Dynamic Plan Library

Unstamped architectural plans and specifications for residential dwellings, based on OLO Builders most recently updated house plans, including foundation plan, floor plan, roof plan with truss drawings, wall sections, exterior elevations, drawings or schedules for windows, doors, cabinets, shelving and floor coverings.

Additional Job Aids and Construction Aids

Sample Construction Scopes of Work
Construction Schedule Sample
Construction To-do's and Quality Assurance Samples
Sample Homeowner's Manual
Limited Warranty Agreement
Selection, purchasing, stocking and display of product and supplies

Marketing

OLO Builders Style Guide and Graphics Manual
Marketing materials, including renderings and floor plans and sample brochures

- 7) Allow you to use our technology, proprietary information, and trade secrets.

Pre-Store Opening Timeline

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchise for business is about 90 days. You are required to complete the Pre-Store Opening

Training & Coaching and open your store within 180 days after you sign the Franchise Agreement. Factors that may affect this time are finding and negotiating for the Franchise Premises, site renovations and improvements, arranging for the training sessions, equipping the Franchise, obtaining selections samples, delivery and installation of signage, financing, and business permit requirements. Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages, or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances.

If the commencement of operation obligation is not fulfilled, we may terminate the Franchise Agreement in our sole discretion. Upon termination, you then are required to return all materials you have obtained from us. (Franchise Agreement, Section 4.1).

OLO Builders Operations Manual Table of Contents & Knowledge Base

The Operations Manual is hosted online and is available through our intranet. It is confidential and remains our property. It contains mandatory and suggested specifications, standards, and procedures. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in supplies, products, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the Franchise. As of the date of this disclosure document, the Table of Contents of the current version of the Operations Manual consists of approximately 100 separate pages on the following subjects:

- Chapter 1: Mission, Vision, Values, and Key Results
- Chapter 2: The OLO Way™
- Chapter 3: Performance Culture
- Chapter 4: Precision Team Strategy Tools
- Chapter 5: Software Suite and Project Tools
- Chapter 6: Business Setup
- Chapter 7: The People of OLO Builders
- Chapter 8: Accounting and Payroll
- Chapter 9: Epic Partnering
- Chapter 10: Marketing
- Chapter 11: Summary and Contacts

In addition to the Operations Manual, we provide franchisees access to our Knowledge Base (the “KB”) which provides additional mandatory and suggested specifications, standards, tools, templates, and other practical aids for operating the Franchise. Similar to the Operations Manual, its contents are confidential, remain our property, and must be returned upon expiration or termination of the Franchise Agreement.

The KB currently consists of 345 articles organized by category as follows:

Category	# of Articles	Description
Performance Culture	6	Videos, poster prints, forms, supplies
Even Flow	5	Tools, interactive templates, business management

Marketing	67	Logo files, flyers, photos for print, social media help, signage templates, style guide, ad templates
Dynamic Plan Library	8	Example construction sets, renderings, request forms
Software	30	Instructional videos, setup instructions
Trade Partners	4	Paperwork, programs, instructions for trades
Team Manager / General Manager / Franchisee Tools	55	Protocols, HR templates, hiring tools, policies, personnel management, leadership, financial tools and templates
Sales Manager Tools	36	Instructions, templates, samples, videos
Project Manager Tools	33	Instructions, templates, samples, videos
Contract Manager Tools	50	Instructions, templates, samples, videos
Field Manager Tools	44	Instructions, templates, samples, videos, technical resources
Other	7	Miscellaneous resources

The KB is continually updated and growing and includes embedded content links and videos to further enhance the operating expertise of our Franchisees and their teams.

Training

The training fee includes training services provided through our OLO Academy, including a combination of in-person and virtual live training events for teams, personal coaching sessions for Franchisees and team members that covers The OLO Way Home Building System, otherwise known as The OLO Way™.

The OLO Way™ is a system comprised of prescriptive processes, tools and resources that enable Franchisees to do two things:

1. Run an effective home building business, and
2. Build homes efficiently.

The objective of all training and coaching is to transfer knowledge needed for Franchisees and team members to succeed in The OLO Way™. Franchisees and team members are individually and collectively accountable to apply the learning from training and coaching so that the knowledge transfer process can be effective. All training must be completed by all Franchisees, their designated Operator (see Item 15), and all team members in a prescribed, sequential timeline, unless, at our reasonable discretion, based upon a Franchisee's experience, it is deemed unnecessary.

Training: Franchisees and each team member goes through an orientation, followed by additional in-person or virtual individual and team trainings scheduled during your first year. Unless otherwise agreed by Franchisor, all training will be held at the national office in Washington Terrace, UT (Franchise Agreement, Section 3.1).

Software & Swimlane Coaching: Franchisees and each team member experiences a series of coaching sessions designed to build skill specific to software tools and their respective roles in

the Swimlane process. Additional coaching will be ongoing, some of which may be at your office location once your team is fully staffed. All job shadowing (observation) is part of training and will occur in Utah. All accommodations, travel, room, board, and wage expenses during this period are borne exclusively by you.

As of the date of this Disclosure Document, the current subject matter and allotted time for the training and coaching is as follows:

Training Agenda

Pre-Store Opening Franchisee & Operator Training & Coaching			
Event	Topics	Time Commitment	Location
Strategy Plan & Orientation	Mission/Vision/Values; National Team roles; 4 Core Processes; OLOeQ; Review Financial Model; Introduce First Year Blueprint; Business Setup Checklist; Marketing overview – focus on lots; Strategy for store opening; Network with Trades and realtors.	1 day	Washington Terrace, UT
First Year Blueprint Coaching: Knowledge Transfer (Approximately Months 1-4)	Focus on Knowledge Transfer Phase: focus on Business Setup Checklist, Initial Team Hiring and setup, Go Live (marketing begins and Sales Manager takes appointments).	1-hour weekly calls	Virtual
Second Franchisee & Operator Training	Confirm land/lot spreadsheet; Confirm pricing in estimating and planning software; Train on Team Engagement Process, including Correlation Meetings and Performance Culture Process; Review Pre-Sales Checklist.	1 day	Washington Terrace, UT and/or northern Utah

Franchise Office Shadowing #1	Shadow an office operation: <ul style="list-style-type: none"> Observe team interaction, Weekly Correlation Meetings, Morning Kickoff meetings, etc. Work with Team Managers to gain insight into hiring criteria. Observe a franchise owner to learn how to engage and focus the team. 	2-3 days	Northern Utah
Reporting and Financial Coaching	Details for reporting to OLO National	4 hours	Virtual or on-site
Franchisee Shadowing #2	Shadow team member's Software & Swimlane Coaching	2-3 days	Virtual

Pre-Store Opening Individual Team Member & Team Training & Coaching			
Event	Topics	Time Commitment	Location
Orientation for Sales Manager, Contract Manager, Portfolio Manager	Mission/Vision/Values; 4 Core Processes; OLOeQ; next steps.	4 hours each role	Washington Terrace, UT
Software & Swimlane Coaching	Individual to each role: Franchisee; Sales Manager; Contract Manager; Portfolio Manager. Will involve a combination of our video learning platform and one-on-one coaching sessions so each role can learn their software tools and their Swimlane responsibilities in building homes.	Depending on role, 15 to 30 hours each	Virtual
Sales Manager, Contract Manager, Portfolio Manager Job Shadowing	Individuals job shadow another person in their role.	2-3 days	Northern Utah

“Getting Started” The OLO Way™ Team Training	Current intact team in-person training. Review each role; OLOeQ; 4 Core Processes; Correlation Meetings; OLO Contracts; Introduce Green Start Checklists; Home build product expectations/observations & protecting the brand.	1 day	Washington Terrace, UT or at Franchisee location – TBD by OLO National.
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Additional monthly role-specific meetings are available for team members to address needs within their specific roles.

OLO Academy’s trainers and coaches include Dwight Hansen, Beth Larchar, Dave Karlsven, Natalie Nesbit, Todd Gamboa, Chris Anderson, Andy Tippetts, and Nanci Brown:

Dwight Hansen (Chief Growth Officer): For more than two decades Dwight served as an organizational development and culture change consultant, and during that time he served as a practice leader overseeing consulting operations covering the Western U.S., Western Canada, and Australia. Dwight has also served as vice president of an investor education firm where he managed start-up logistics, created growth strategies, and managed hundreds of salespersons. Early in Dwight’s career he had ownership in two construction trade partner businesses.

Beth Larchar (Chief Operating Officer): Since becoming the COO in 2021, Beth has been the primary architect of the franchise knowledge transfer process including training and one-on-one coaching for new employees. She develops processes that are critical for new franchisees to be successful, and helps the Company establish an impressive presence with vendors and clients in each franchise territory. She initially joined Lifestyle Homes to implement new homebuilding software and oversaw several multi-family and single-family land development projects for Lifestyle Homes. Beth holds bachelor’s and master’s degrees from Utah State University and the University of Utah.

Dave Karlsven (Chief Marketing Officer): Dave joined the Company in 2020. Previously, he was the Vice President of Marketing for the fastest growing and largest home builder in Northern Utah. Dave’s marketing strategies and plans have helped many businesses across a variety of industries achieve multi-million-dollar returns and propelled several start-up companies from no revenue to multi-million-dollar businesses. Dave has also managed the rebranding and marketing activities for several construction companies.

Natalie Nesbit (Controller): Natalie has been with the Company since its inception. Previously, she served as Chief Financial Officer for Lifestyle Homes, one of the leading homebuilders and development companies in Cache County, Utah. She has been in the construction industry since 2007. She obtained a bachelor’s degree in Finance from Utah State University and a Certified Graduate Associate with the National Association of Home Builders.

Todd Gamboa (Director of Construction): Todd joined the Company in 2021 and provides Field

Manager training and coaching. He has been in the building industry for more than 35 years, managing private and public homebuilding companies. As a building science expert, sales trainer and public speaker, he has educated thousands of builders, architects, trade contractors, code officials, appraisers, and REALTORS® across the country. He has worked with organizations such as EPA-ENERGY STAR, DOE, International Code Council, NAHB, National Association of Realtors, RESNET, EEBA, US Green Building Council, Colorado Energy Office and US Dept of Defense.

Chris Anderson (Vice President of Design): Chris has been with the Company since its inception. He has been involved in the construction and design industry since 1995. He is responsible for the creation of our Dynamic Plan Library. Currently, very few homebuilders in the industry are using advanced programming for designing options within plans, and he is one of them. Chris strives for efficient & value engineered home designs and this knowledge & experience will aid Precision Teams in achieving their key results. He has a degree in computer aided design & drafting from Utah State University.

Andy Tippetts (Vice President of Software): Andy has been with the Company since its inception. He has been involved in construction from an early age and previously held roles in Lifestyle Homes prior to joining the Company. Leaning on his estimating experience, he orchestrated our software integration from sales through construction management. He graduated with a Bachelor's degree in Business from Utah State University.

Nanci Brown (Account Manager/Contract Manager Trainer): Nanci joined the Company in 2021. She has over 25 years experience as an accounting manager and specialist in forensics auditing, including 20 years in the construction industry managing and operating a contractor painting business. She is a Nationally Certified Bookkeeper as well as a Pro Advisor and Certified Instructor of QuickBooks Desktop Enterprise.

Our trainers use the Operations Manual, the Knowledge Base and various other source material for instructional purposes.

You will work with your Franchisor contact to plan and schedule training sessions for you and your team at least 35 days before the session is to start. Training is scheduled and held on an “as needed” basis depending on the number of Franchisees requesting training in a particular time frame and the Franchisor’s training personnel’s availability. All training events are planned to optimize the onboarding schedule and must be completed as scheduled.

New Franchisee Orientation

The Franchisee and/or their designated Operator (see Item 15) must complete the mandatory Strategy Plan & Orientation Meeting to our satisfaction. This training session will be scheduled as soon as possible after executing the Franchise Agreement. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because you and/or the Operator fails to complete the mandatory training to our satisfaction.

You are responsible for all expenses you and your team members incur to attend any training, including transportation, meals, accommodations, and entertainment.

If you desire to have more than two individuals receive the Strategy Plan & Orientation training, these additional individuals will be accommodated at our convenience. We reserve the right to charge a reasonable fee for the provision of the training regardless of when and where the individuals participate in this training.

Initial Employee Orientation and Coaching

We may at any time during any training inform you that an individual attending training on your team is not suitable as a result of, but not limited to, criminal activities, disruptive behavior, or poor attendance. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

All of your team will receive job specific training, whether onsite or at the National office. You will pay all out of pocket expenses we incur related to this training, including transportation, meals, and accommodations.

If you make a new hire replacement due to turnover, you will pay a Turnover Training Fee of \$3,800. Any Supplemental Training required beyond the standard training and coaching will be billed at the then current rate for those services (See Item 6).

Although not required by agreement, we may, at our discretion or upon your request, provide other supervision, assistance, and services before the opening of your business such as literature, advertising materials, displays, flyers, additional training assistance and a selection of inventory and supplies.

B. Our Post-Store Opening Obligations

After you open your franchise store, we, an affiliate or designee, will provide the following assistance and services to you:

- 1) Provide you and your team the Post-Store Opening Training and Coaching curriculum (outlined below)
- 2) Provide you with such continuing advice and guidance as we reasonably determine as necessary:
 - Continued access to the OLO Builder's Knowledge Base
 - Continued access to the OLO Builder's Dynamic Plan Library
 - Role specific coaching
 - Observation and quality coaching from our director of construction
 - Hiring and training of employees, specifically we provide suggested job posting and interview questions
 - Frequent communication regarding formulation and implementation of advertising and promotional programs

- Establishment and maintenance of administrative, and general operating procedures.
 - Ongoing improvements to the system, including new products and services development
 - Financial guidance and consultation, and
 - The way products and services are offered
- 3) We may provide you Supplemental Training that you need or request beyond the standard Initial Training agenda upon not less than thirty-five days' prior written notice between us. You may receive Supplemental Training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a Supplemental Training Fee at our then current rates. Supplemental Training may consist of visits to our franchises, hands-on work experience, and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 3.2).
- 4) Administer our advertising/marketing program and formulate and conduct national and regional promotion programs, as we may designate.
- 5) We may provide other supervision, assistance, or services although we are not bound by the Franchise Agreement or any related agreement to do so. These may include among other things: advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services, and new sales and marketing techniques or developments.

Post-Store Opening Training

Post-Store Opening Franchisee Training & Coaching for Franchisee & Team			
Event	Topics	Time Commitment	Location
First Year Blueprint Coaching (Franchisee & Operator): Traction Phase (Approximately Months 5-8)	Focus on Traction Phase: <ul style="list-style-type: none"> • Contracts being signed • Creating 'Green Starts' • Begin construction process • Hire the Field Manager • Hire Team Manager (if different from Franchisee/Operator) 	1-hour weekly calls	Virtual

Orientation for Field Manager & Team Manager	Mission/Vision/Values; 4 Core Processes; OLOeQ; next steps.	4 hours each role	Washington Terrace, UT
Software & Swimlane Coaching	Individual to each role: Field Manager; Team Manager. Will involve a combination of our video learning platform and one-on-one coaching sessions so each role can learn their software tools and their Swimlane responsibilities in building homes.	Depending on role, 25 to 30 hours each	Virtual
Role Shadowing	Team Manager observes other team managers; Field Manager observes other field managers	2-3 days, each role	Northern Utah
Even Flow Process Training	Train Team on principles of the Even Flow Process in homebuilding production	½ day	Washington Terrace, UT or virtual
OLO Business Coaching (Franchisee & Operator)	Modeling and coaching for managing the business operations	3 sessions of 3 hours each	Washington Terrace, UT or virtual
First Year Blueprint Coaching (Franchisee & Operator): Proficiency Phase (Approximately Months 9-12)	Focus on Proficiency Phase: <ul style="list-style-type: none"> • Team Manager guides team members and team through Precision Certification • Monthly Dashboard Meetings with Team Manager continues with National • Quarterly Territory Meetings continue with Franchisee 	Monthly and Quarterly meetings with National.	Virtual

Additional monthly role-specific meetings are available for team members to address needs within their specific roles. OLO Academy's trainers and coaches during the Post-Store Opening period are the same as those listed above for the Pre-Store Opening period.

Advertising

National Advertising Fund

We have established a National Advertising Fund (the “NAF”) for driving leads, setting appointments, and marketing the Brand, Website, the Marks, local stores, communities, and homes. You are required to pay to us up to 2.5% of your monthly Gross Revenues each month as a “National Advertising Fee”. Commencing the earlier of your initiating national advertising activities for your store or the fourth (4th) month from the effective date of your Franchise Agreement, a minimum monthly National Advertising Fee of \$3,500 will apply. As of the issuance date of this FDD, the National Advertising Fee is 1.5% of your monthly Gross Revenues.

Your contribution to the NAF will be in addition to any other advertising you decide to run on your own. Locations owned by us will contribute to the NAF on the same basis as franchisees.

The NAF will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us.

We have complete discretion on how the NAF will be utilized. We may use the NAF for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for The OLO Way™, and any other purpose to drive leads and promote the brand. We may use any media for disseminating NAF advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives, or our affiliates from the NAF for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the NAF. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the National Advertising Fees for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating “Franchises Available” or similar phrasing.

We assume no fiduciary duty to you or other direct, or indirect liability or obligation to collect amounts due to the NAF or to maintain, direct or administer the NAF. Any unused funds that were collected in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the NAF on any terms we deem reasonable.

The NAF is not audited. Upon your written request, we will provide to you an annual accounting for the NAF that shows how proceeds have been spent for the previous year. A summary table of recent activity is presented below.

National Advertising Fund Activity		
	For the years ended December 31,	
	2021	2020
National Advertising Fees collected	\$ 471,481	\$ 220,372

Fund Administration charges	0	0
Advertising & Brand Development charges	431,543	233,176
Net Activity*	39,938	(12,804)
Franchisor Subsidy*	0	12,804
Fund Balance at year end	\$ 39,938	\$ 0

*Note: Spending in excess of collections during 2020 was funded through a Franchisor subsidy.

Territory Advertising

In addition to the NAF, you are encouraged to spend at least one percent (1%) of your Gross Revenues on territory advertising that has been pre-approved by us to advertise and promote your Franchise “Territory Advertising”. We, an affiliate, or designee, may in our sole discretion, solicit input on advertising from all or a group of franchisees. You must purchase Territory Advertising separately through local marketing and media sources within a geographical area. Territory Advertising is your responsibility. You will report the nature, extent and amount of these expenditures in the form and at the times required in the Operations Manual.

All marketing and promotion of the brand and your store, including electronic, social media, or Internet advertising, must conform to our standards and specifications, including any social media policies we establish. You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us. You may not use any advertising or promotional plans or materials, including electronic or Internet advertising, unless and until you have received written approval. If you wish to advertise online, you must follow our online policy which is contained in our Style Guide and Operations Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and cobranding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our main website.

Preferred Partner Co-Marketing Program

We, an affiliate, or designee, may create a regional advertising association (“Preferred Partner Co-Marketing Program” or “PPCMP”) in the market area where you are located, at which time you must become a member of the PPCMP and be willing to refer clients to the preferred partners identified, such as lenders and realtors, who are contributing to the co-marketing campaigns. You will have the right to choose who you want to be your preferred partners in the PPCMP so that you will feel comfortable referring clients to your preferred partners for their services. Other stores in the market area will also become members of the PPCMP and contribute to it on the same basis as other members. Contributions from preferred partners to the PPCMP will not be paid to you or into the NAF but instead will be paid directly from the preferred partners to the third-party providers of the co-marketing and advertising programs. Upon your written request, we will provide to you an annual accounting for the PPCMP that shows how funds have been spent for the previous year.

Computer Systems

We will require you to have a computer system with accounting and business control capacities. You must lease, purchase, or otherwise acquire, from sources of your choice and at your expense, software and hardware which strictly conform to our specifications. We will give you at least 90 days' written notice, describing the hardware, software, and upgrading requirements of the system before you are obligated to initially install the computer systems. Required computer systems, hardware, and software generally cost between \$4,000 to \$8,000.

You must use the designated proprietary software and reporting systems, as such are designated in our Operations Manual. To ensure consistency throughout the franchise system, you will be required to use the designated software for all processes and functions specified. Administrative support for the software is included in the Software Bundle Fee which ranges from \$2,200 to \$3,000 per month for a team of five (5) people (Franchise Agreement, Section 5.10).

You must have a laptop computer or tablet device and mobile phone. You must also have an ability for your laptop computer or tablet device to remotely connect to the internet. We require that your laptop computer or tablet device and communications systems meet the following minimum requirements: reliable high-speed internet access, compatible internet browser to run our online software and approved accounting software, Chrome browser compatibility, mobile printing functionality, and adequate hard drive, cloud storage, or removable memory to save and back up Company files.

We may require you to use an information processing and communication system that is fully compatible with any program or system which we, in our sole discretion, may employ. If we require, you must record and transmit all financial information using this system and our designated ISP or other communication vendors. We may at our discretion change standards for reporting to provide effective technology for the entire system. We will have full ability to poll your data, system, and related information by means of direct access whether in person or by telephone/modem. We will have independent access to the information that will be generated and stored in your information processing and communication system. We will have access to all of your data and there will be no contractual limitation on our right to access your information or data. We will not implement any electronic system that will disrupt or damage your electronic system, and our access will be read-only.

Other than the proprietary software referenced above, none of the hardware or software you are required to obtain is proprietary to us. Any hardware and software that is functionally equivalent and fully compatible to that listed may be used, except for the designated software as set forth in the Operations Manual.

You must pay us for upgrades to the proprietary software. The cost of those upgrades will not exceed \$500 during any calendar year. Other than the required upgrades to the proprietary software, you may, but are not obligated, to update or upgrade hardware and software during the term of the agreement. We estimate that these optional updates or upgrades will be approximately \$0 to \$250 per year. This hardware and software is used for communications, accounting and record keeping.

We may require independent access to and use of the information and data on your computer systems. There are no contractual limits on such access and use.

We will provide you software support for so long as we deem necessary for you to sufficiently understand our software. However, you must provide your own technical support for anything outside of the administration of the software we require.

ITEM 12: TERRITORY

Franchise Territory

We will grant you a specific geographical territory within which you will operate your franchised business (the “Franchise Territory” or “Territory”). The exact location of the Franchise Territory offered to you will depend upon our market analysis, market penetration plans, and franchise placement strategies, as well as available designated territories or areas. Your approval will also be considered in designating the Franchise Territory. Among the factors we consider to determine the feasibility of possible franchise territory locations are population demographics, internet searches of homes for sale, and other businesses in the area according to census and chamber of commerce information. We have created a tiered category system to determine the feasibility of a territory that is based on various economic and socio-economic factors. Our goal when defining a Franchise Territory is to provide a platform for success. Our defined and recommended territories do not guarantee that you will be successful. Further, due to the size of certain counties, we reserve the right to sell multiple franchises in more populated counties with unmet demand.

The Franchise Territory is identified in Section 1.1 of the Franchise Agreement. Before you sign the Franchise Agreement, the geographical boundaries of your Franchise Territory will be described in the Franchise Agreement, with the related authorized operational volume defined in the Operations Manual. The Franchise Territory will be identified using geographical or political boundaries, and as further detailed by the Operations Manual with its guidelines setting forth authorized volume of operations.

The Franchise Territory is non-exclusive, with protective rights to the Franchisee provided that you meet the performance standards and exercise the first right to acquire additional authorized operational volume as set forth in the Operations Manual. Territory guidelines for the Franchise are predicated upon the amount of active work-in-process that any single franchise team is allowed at any given time as part of the Franchise Agreement and the license granted in that agreement. We have the right, if the market can support the growth, to instruct a Franchisee to start another team within their Franchise Territory. If the Franchisee does not want to start another team, or if the Franchisee has not met the performance standards, we reserve the right to offer either existing franchisees or new franchisees to open a new franchise, including a physical store location, within your Franchise Territory.

Geographical locations and territories will be evaluated and categorized by the Franchisor to establish market viability and potential growth. At the time of this FDD, the territory boundaries will be determined by local county boundaries. Such boundaries may be drawn in the future, for future territories, at the judgment and discretion of the Franchisor and may be redrawn without further notice. Categorizations may not meet all the “rules” and may take into account new infrastructure, land development or other factors that affect an area. No store can be within a five-mile radius from another OLO Builders franchised business’ store without our prior written consent.

You may not establish or operate any other OLO Builders establishment outside your Territory without executing a separate franchise agreement for that geographical boundary. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Franchisees in another territory may be given temporary rights to advertise in your Territory and participate in any Advertising Council in your Territory at our sole discretion. To establish additional franchise outlets, you must meet the performance standards defined in the Operations Manual, you must not be in default in any material provision of any and all agreements between you and us; your proposed location must meet our franchise placement, market penetration criteria, standards and specifications. Franchise outlets are physical store locations, not model homes.

You agree not to conduct the business outside the Franchise Territory without our prior written consent.

We reserve the right to acquire the assets or ownership interests of one or more businesses providing services similar to those provided by the Franchised Business, 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 within the Territory).

You may not, without our prior written consent, market or solicit the Products and Services outside the Territory. You may not advertise or solicit for the purchase of properties outside the Territory and you may not use other channels of distribution, such as the Internet, telemarketing, or other direct marketing, to market or solicit the Products and Services outside of the Territory without our prior written consent. You may not do research or “dig” leads outside the Territory. We may have granted, or may in the future grant, franchises for the operation of other OLO Builders Businesses within the Territory on terms we, in our sole discretion, deem appropriate. We have the right to sell any of the Products and Services in the Territory.

We, on our own behalf and on behalf of our affiliates, retain all rights with respect to OLO Builders businesses, the Licensed Marks, the sale and/or distribution or provision of the Products and Services or any other products and services, anywhere in the world, including: (1) the right to develop, distribute, sell and/or provide Products and Services through any channel of distribution under or in association with the Licensed Marks or any other trademark including, without limitation, by electronic means such as the Internet and websites we establish; (2) the right to develop, distribute, sell and/or provide any other product or service or own or operate

any other business under the Licensed Marks or any other trademark; and (3) the right to advertise the System over the Internet and to create, operate, maintain and modify, or discontinue the use of websites using the Licensed Marks.

We do not currently offer franchises for the operation of similar businesses under a different trade name or trademark. We do not currently intend to use the Licensed Marks or other trademarks in other channels of distribution for similar products or services although we have reserved our right to do so.

Factors we utilize in determining the number of offices and franchises in a territory include, without limitation, population, the amount of advertising currently being placed, number of internet searches in the territory, number of transactions generated in the territory, and number of housing units in the territory.

There are no restrictions on us or any other franchisee granted a franchise in the Territory from marketing or soliciting the Products and Services inside the Territory. We may use other channels of distribution, such as the Internet, telemarketing, or other direct marketing sales, to make sales within the Territory using the Marks. Although we have not done so, we also may use other channels of distribution, such as the Internet, telemarketing, or other direct marketing sales, to make sales within the Territory of products or services under trademarks different from the ones you will use under the Franchise Agreement. We are not required to pay you any compensation for soliciting or accepting orders from inside the Territory.

Neither we nor any of our affiliates operates, franchises, operates or has plans to operate or franchise a business under a different trademark, which business sells or will sell goods or services similar to those you will offer.

Relocation

If you wish to relocate the Franchise Premises, you may do so only with our prior written consent and your relocated store must be within your Territory. You must satisfy our then current franchise placement and demographics criteria, standards and specifications as expressed in the Operations Manual, which may differ from those in place when evaluating your initial store location. Any relocation will be at your sole expense, as well as reimbursing us any costs we incur for your relocation.

Continuation of Your Franchise

Your continuation of your franchise is dependent upon achievement of certain performance standards as set forth in the Operations Manual which may include metrics related to sales volume, market penetration, key indicators, and compliance with agreements. There are no other circumstances that permit us to modify or alter your territorial rights during the term of your Franchise Agreement.

Limits of Territory Rights

You do not receive the right to acquire additional franchises or grant sub-franchises within the Franchise Territory or in contiguous territories. Other than the first right to acquire additional volume outlined above, you have not been extended options, rights of first refusal, or similar rights to acquire additional franchises or grant sub-franchises within the Franchise Territory or anywhere else.

Our Use of the Service Marks and *OLO Builders* Products and Services

We retain all rights not specifically granted to you in the Franchise Agreement. This includes our right to use or license the use of our service marks and trademarks to others. Neither we nor our affiliates are restricted from participating in other distribution methods, whether or not within the Franchise Territory, including Internet, other forms of media now or in the future developed, wholesale and mail order channels, whether under our principal marks or under marks and product configurations different than those offered through your franchise.

We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, meta-tags, advertising, auction sites, third party platforms, e-commerce, and co-branding arrangements. You will provide us content for our Internet marketing and follow our Intranet and Internet usage requirements. We also retain the sole right to use the Service Marks on the Internet, including on websites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our website. You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent. We intend that any franchisee website be accessed only through our home page. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you.

We have not established and do not intend to establish other franchises or company-owned outlets selling similar products or services under a different method of operation, trade name, or trademark.

We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

Your Use of the Service Marks and *OLO Builders* Products and Services

Except with our prior written permission, you will not place under any circumstances, advertisements using the Service Marks in or originating from any area other than the Franchise Territory.

Except as otherwise provided in the Franchise Agreement or the Operations Manual, you may not directly market to, solicit or service customers whose principal home address or place of business is outside the Franchise Territory. You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media. All Internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise


Agreement and must be coordinated through us and approved by us. Except as provided in the Operations Manual or with prior written approval, you may not market independently on the Internet or acquire an independent Internet domain name or website. You may not solicit or accept orders outside your Franchise Territory under other channels of distribution (such as the Internet, other forms of media now or in the future developed, wholesale and mail order channels) without our prior written approval.


Only we may place National or Regional Advertising.

ITEM 13: TRADEMARKS

We own and have registered (or are in the process of registering) the following marks on the Principal Register of the U.S. Patent and Trademark Office:

Mark: OLO Builders
Serial Number: 88857290
Application Date: April 2, 2020
Registration Number: 6175003
Registration Date: October 13, 2020

Mark: 
Serial Number: 88857351
Application Date: April 2, 2020
Registration Number: 6175006
Registration Date: October 13, 2020

Mark: 
Serial Number: 88857381
Application Date: April 2, 2020
Registration Number: 6175007
Registration Date: October 13, 2020

Mark: OLO
Serial Number: 90749855
Application Date: June 2, 2021
Registration Number: Pending
Registration Date: Pending

We also use and own other trademarks, including without limitation THE OLO WAY. As long as you are in good standing, we will allow you to use these and all other trade names, trademarks, service marks, and logos we now own or may in the future develop for our franchise system. We refer to all these commercial symbols as the "trademarks."

The trademarks are our exclusive property. You will immediately notify us of any infringement of, or challenge to, your use of the trademarks. We will have sole discretion to take or not to take action, as we deem appropriate. We are not required to protect your rights to use the trademarks or to protect you against claims for infringement or unfair competition arising out of your use of the trademarks. We have sole discretion as to whether to defend you against or indemnify you for expenses or damages incurred due to claims of infringement or unfair competition arising out of your use of the trademarks. The franchise agreement does not require us to take affirmative action when notified of such uses or claims or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the trademarks, or if the proceeding is resolved unfavorably to you. We have the sole right to control any administrative proceedings or litigation involving the trademarks.

You must follow our rules when you use the trademarks. You may not use the trademarks in any manner we have not authorized in writing. Your use will be in accordance with our Style Guide.

All goodwill associated with the trademarks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit.

You may not use or give others permission to use the trademarks, or any colorable imitation of them, combined with any other words or phrases.

We may change or modify any part of the trademarks at our sole discretion. You will accept, use and protect, for the purposes of the franchise, all changes and modifications as if they were a part of the trademarks at the time the franchise agreement is executed. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

There are no presently effective determinations of the U.S. Patent and Trademark Office, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceeding and any pending material litigation involving the trademarks in any state.

There are no agreements that concern our rights to use or license the use of the trademarks. We know of no infringing uses that could materially affect your use of the trademarks.

We are not aware of other companies that use “OLO Builders” in their name.

ITEM 14:
PATENTS, COPYRIGHT, AND PROPRIETARY INFORMATION

We have or intend to affix a statutory notice of copyright to our OLO Builders Operations Manual (the “Operations Manual”), to most of our advertising products, and to our paper and service products, and to all modifications and additions to them. There are no determinations, agreements, infringements or obligations currently affecting these notices or copyrights. You have no rights to the copyrighted material. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your Franchise Agreement.

The Operations Manual is described in Item 11. All copyrighted materials are our property, and we have filed the applicable application for copyright registration. Item 11 describes limits on use of the copyrighted materials by you and your employees. You are only permitted to use our proprietary systems in accordance with the Franchise Agreement and only as long as you are a franchisee. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to and interest in our copyrights and other proprietary information.

We have no patents and no pending patent applications material to your franchise.

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

We require you to designate an individual who has been approved by us to personally direct the day-to-day operations of the Franchise (the “Operator”). We recommend that you or, if Franchisee is not an individual, your managing shareholder or partner (the “Principal Owner”), be designated as the Operator. However, you or the Principal Owner are not required to participate in the day-to-day operations of your franchise by the Franchise Agreement, unless you designate yourself the Operator.

A qualified Operator must:

1. Be engaged full-time in the operation of the Franchise, have no other outside employment and reside in proximity to the Franchise Territory.
2. Be authorized and empowered to execute and deliver all documents and instruments necessary to comply with the Franchise Agreement and Operations Manual.

3. Be authorized to expend funds of the Franchisee as required under terms of the Franchise Agreement as and when due.
4. Be authorized to hire and terminate team members without further approvals.
5. Possess sufficient business acumen to effectively manage people and processes.

A written copy of the Operator authorizations by the Franchisee must be provided to Franchisor upon signing of the Franchise Agreement. If an Operator is terminated or exits the business for any reason, the Franchisee shall designate a replacement Operator within 60 days from termination or exit. Failure to do so may result in termination of the Franchise Agreement by Franchisor.

The Franchisee, Principal Owner and/or Operator, and all team members you employ to help operate the franchise must successfully complete the training requirements described in Item 11.

Franchisee, including all owners, the Operator, and all team members must agree to be bound by the confidentiality and non-competition provisions of the Franchise Agreement in writing.

Each of your owners must assume and agree to discharge all of your obligations under the Franchise Agreement.

Our Step-In Rights. As outlined in Section 6.7 of the Franchise Agreement, to prevent any interruption of the franchised business that would cause harm to the franchise and to our franchise system and lessen their value, we may step in to operate the franchise when we deem necessary. Reasons may include our determination that: you are incapable of operating the franchise; you are absent or incapacitated because of illness or death; you fail to operate in accordance with material provisions of the Operations Manual; you have failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise; you have failed to pay when due any liens or encumbrances of any kind placed upon or against your business property; and or we decide that operational problems require us to operate the franchise for a time.

All Revenue derived from our operation of the franchise will be for your account. We will pay from that Revenue all expenses, debts, and liabilities we incur during our operation of the franchise. We will keep in a separate account all Revenue generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for us and our representatives.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you use, offer, and sell only those homes and services that we approve in writing. (See Item 9.) You must offer all products and services that we designate as required by our franchisees. We reserve the right, without limitation, to modify, delete, and add to the authorized products and services.

WE DO NOT RESTRICT THE TYPES OF GOODS OR SERVICES THAT YOU MAY OFFER, EXCEPT THAT, YOU ARE PROHIBITED FROM MODIFYING THE OLO BUILDERS SYSTEMS.

EXCEPT WITH PRIOR WRITTEN APPROVAL, YOU MAY NOT DURING THE TERM OF THE FRANCHISE AGREEMENT, OWN, CONSTRUCT, DEVELOP, OR HAVE ANY INTEREST IN ANY REAL ESTATE PROJECT THAT INCLUDES RESIDENTIAL HOMES (EXCEPT FOR USE WITHIN THE OLO BUILDERS FRANCHISE SYSTEM).

WE HAVE THE RIGHT TO ADD TO, DISCONTINUE OR MODIFY AUTHORIZED GOODS, SERVICES, SPECIFICATIONS AND PROCEDURES AT OUR DISCRETION. THERE ARE NO LIMITS ON THIS RIGHT TO MAKE CHANGES TO THE OLO BUILDERS FRANCHISE SYSTEM.

**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 agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1.1	5 years
b. Renewal or extension of term	Section 6.1	If you are in good standing, you may renew for periods of 5 years under the terms of our then current franchise agreement forms that may have materially different terms and conditions than your original contract.
	Section 6.1	

c. Requirements for franchisee to renew or extend		<p>“Renewal” means that you, upon the expiration of the original term of the franchise agreement, have the right to enter into a new agreement according to our then-current franchise agreement forms that may have materially different terms and conditions than your original contract. You must give notice at least three (3) and not more than six (6) months before expiration of the initial term; faithfully perform under the initial agreement including compliance with the Operations Manual and no defaults within the prior six (6) months; refurbish the Franchise and replace obsolete equipment; sign general release; submit a new application for a franchise; sign a new agreement; pay up to \$2,500 Renewal Fee; and go through retraining as determined by us.</p>
d. Termination by franchisee	Section 6.2	<p>You may terminate the Franchise Agreement if you comply with the terms of the Franchise Agreement and if we substantially breach any material provision of the Franchise Agreement and fail to cure or reasonably to begin to cure that breach within 30 days after receipt of written notice specifying the breach. Termination will be effective 10 days after you deliver to us written notice of termination for our failure to</p>

		cure within the allowed period.
e. Termination by franchisor without cause	Not applicable	We cannot terminate unless you are in default.
f. Termination by franchisor with cause	Section 6.3	We can terminate only if you default.
g. "Cause" defined – curable defaults	Section 6.3(A)	You have 30 days to cure any default not listed in Section 6.3.
h. "Cause" defined – non-curable defaults	Section 6.3(B)	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of information.
i. Franchisee's obligations on termination/non-renewal	Section 6.5 & 6.8	De-identification, return of manuals, release of phone numbers and listings, de-identification of your franchise equipment and premises, payment of sums owed, confidentiality, and non-competition.
j. Assignment of contract by franchisor	Section 7.1	There are no restrictions on our right to assign the Franchise Agreement.

k. "Transfer" by franchisee - defined	Section 7.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of: the Franchise Agreement, substantial assets of the franchise, or ownership or control of you.
l. Franchisor approval of transfer by franchisee	Section 7.1	All transfers require our prior written approval.
m. Conditions for franchisor approval of transfer	Section 7.1	<p>The transferee must qualify as a franchisee and must assume your obligations, you may not be in default, you must release us, the transferee must successfully complete the mandatory training and pay all related training fees, and the transferee must sign a new franchise agreement on our then current terms.</p> <p>The current assignment fee is the greater of \$5,000 or five percent (5%) of the proposed purchase price for the Business (capped at 50% of the then-current franchise fee), plus applicable taxes.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7.3	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 30-day notice and right to decide.

o. Franchisor's option to purchase franchisee's business	Section 7.3	If you choose to sell your franchise business, you may give us an option to purchase before soliciting offers from a third party. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. We will elect to exercise our option to purchase within 60 business days after our receipt of your written notification. If we offer you an amount that you do not agree to, you may try to sell to a third party. You are obligated before any transfer to a third party to comply with all criteria outlined in the paragraphs related to First Right of Refusal.
p. Death or disability of franchisee	Section 7.2	Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer Franchise interest.
q. Non-competition covenants during the term of the franchise	Sections 5.8 & 5.9	You may not disclose confidential information or compete.
r. Non-competition covenants after the franchise is terminated or expires	Sections 5.9 & 6.8	After termination of the Franchise Agreement, no competition is allowed for 720 days within the Territory, within a 100-mile radius of the Territory, within a 100-mile radius of any location

		where we operate or have granted the franchise to operate an OLO Builders business, and within the United States of America.
s. Modification of the agreement	Sections 5.5 and 9.7	We may modify the Operations Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.
t. Integration/Merger clause	Sections 5.1, 5.5, & 9.7	Subject to relevant state law, only the terms of the Franchise Agreement and Operations Manual are binding. Any other promises may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we make in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 9.8	Except for certain claims, all disputes must be arbitrated in accordance with the provisions of the <i>Arbitration Act</i> of the State of Utah in Utah, except as stated in State Addenda to this Disclosure Document. The Franchise Agreement prohibits disputes from being arbitrated on a class or consolidated basis.
v. Choice of forum	Section 9.8	Litigation must be in Weber County, Utah, except as

		stated in State Addenda to this disclosure document.
x. Choice of law	Section 9.8	Utah law applies except as otherwise provided in the Franchise Agreement and subject to state laws in those states whose laws require exclusive application and except to the extent governed by the United States Trademark Act.

See State Law Addendum for additional, state-specific disclosures.

ITEM 18: PUBLIC FIGURES

No public figures are involved in our franchise program.

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 this Item 19 may only be given 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.

Financial Performance Representation

We do not estimate the revenue or income you might realize through your operation of the Franchise, but to assist you in your own evaluation, this Item 19 includes historical information regarding operations of OLO Builders franchise outlets in 2021. These performance representations include data reported to us by each franchisee. As there were no Company owned outlets in 2021, all outlets are Franchised. No franchisee data was reported that is not included in this representation. **Key Metrics – Reports of Historical Performance Averages**

Outlets Open for Greater Than One Year (2021 Performance)

Per Outlet	Average	Median	Min	Max
Home Sales	20	21	16	24
Home Starts	15	14	13	20
Home Closings	14	13	9	22
Appointments	119	129	51	168

Per Home	Average	Median	Min	Max
Contract Price	\$ 396,524	\$ 381,307	\$ 256,735	\$ 688,794
Gross Profit	\$ 57,472	\$ 51,852	\$ 22,091	\$ 117,133
Gross Margin	17%	17%	8%	26%
WIP at Year End	9	9	7	11

Outlets Open for Less Than One Year (2021 Performance)

Per Outlet	Average	Median	Min	Max
Home Sales	7	7	1	12
Home Starts	2	2	0	4
Home Closings	1	1	0	1
Appointments	77	77	32	122

Per Home	Average	Median	Min	Max
Contract Price	\$ 448,148	\$ 448,148	\$ 448,148	\$ 448,148
Gross Profit	\$ 38,329	\$ 38,329	\$ 38,329	\$ 38,329
Gross Margin	9%	9%	9%	9%
WIP at Year End	2	2	0	3

All Outlets Combined (2021 Performance)

Per Outlet	Average	Median	Min	Max
Home Sales	16	18	1	24
Home Starts	13	13	4	20
Home Closings	11	12	1	22
Appointments	105	107	32	168

Per Home	Average	Median	Min	Max
Contract Price	\$ 397,724	\$ 382,709	\$ 256,735	\$ 688,794
Gross Profit	\$ 57,026	\$ 48,951	\$ 22,091	\$ 117,133
Gross Margin	17%	17%	8%	26%
WIP at Year End	7	8	0	11

Table Notes:

1. **Outlets:** Each franchise team represents an ‘Outlet’ for purposes of this table. Generally, each team operates from its own store. A franchisee may have more than one franchise team operating within a given territory.
2. **Appointments:** These are meetings held with prospective home buyers with interest in purchasing an OLO Builders home.

REVENUES AND PROFITS

2021 Gross Profit: Outlets Open for Greater Than One Year

2021	Box Elder	Harrisville	Logan	North Logan
Revenue	\$ 4,247,269	\$ 5,343,512	\$ 5,136,789	\$ 6,356,001
COGS	3,730,414	4,448,916	4,138,900	5,371,477
Gross Profit	516,855	894,596	997,889	984,524
Appointments	92	168	166	51
New Contracts	20	16	24	21

2021 Gross Profit: Outlets Open for Less Than One Year

	Idaho	Idaho Falls	Pocatello
Gross Profit	\$ 205,042	na	na
Appointments	na	122	32
New Contracts	na	12	1

Table Notes:

1. **Idaho:** In 2021, the Idaho Falls and Pocatello outlets were accounted for on a combined basis and are reflected under the category of “Idaho”.
2. **Reporting not audited:** Amounts shown are as reported by each franchisee and are unaudited.

Some outlets have generated these amounts. There is no assurance you will do as well. If you rely upon these figures, you must accept the risk of not doing as well.

If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Dwight Hansen, 5748 S. Adams Avenue Parkway, Ogden UT 84405, (833) 742-5656, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20:
OUTLETS AND FRANCHISEE INFORMATION

For purposes of this Item 20, an Outlet refers to a franchise team. Generally, each team operates from its own store. A franchisee may have more than one franchise team operating within a given territory.

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
As of December 31 for Years 2021, 2020 & 2019

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	na	na	na
	2020	0	5	5
	2021	5	6	1
Company Owned	2019	na	na	na
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	na	na	na
	2020	0	5	5
	2021	5	6	1

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(other than the Franchisor)
As of December 31 for Years 2021, 2020 & 2019

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
State	Year	Number of Transfers
Utah	2019	na
	2020	0
	2021	0
Idaho	2019	na
	2020	0
	2021	0
Total	2019	na
	2020	0
	2021	0

Table No. 3
STATUS OF FRANCHISED OUTLETS
As of December 31st for Years 2021, 2020 & 2019

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>
State	Year	Outlets at Start of Year	Outlets Opened	Term- inations	Non- Renewals	Re- acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Utah	2019	na	na	na	na	na	na	na
	2020	0	4	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Idaho	2019	na	na	na	na	na	na	na
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Total	2019	na	na	na	na	na	na	na
	2020	0	5	0	0	0	0	5
	2021	5	1	0	0	0	0	6

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
As of December 31 for Years 2021, 2020 & 2019

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Utah	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Idaho	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
PROJECTED OPENINGS
As of December 31, 2021 through December 31, 2022

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Utah	0	5	0
Idaho	0	1	0
Total	0	6	0

* NOTE: These are projections of the number of new franchises and outlets we expect will open during the next year. It is, however, only a projection. We continue to look for new franchisees throughout the United States and will open locations in any state in which we find qualified purchasers. Therefore, the actual number of new franchisees in any state that open in the next year may vary from the above projections.

The following is a complete listing of all of our current franchisees and the addresses and telephone numbers of all of their operations as of December 31, 2021:

Franchise Territory	State	Name	Business Address	City	Zip Code	Phone
Weber County	Utah	OLO Builders Harrisville (Trent Cragun)	498 N 325 E	Harrisville	84401	801-734-6340
Cache County	Utah	OLO Builders Cache Valley (Trent Cragun)	957 South Highway 89, #130	Logan	84321	435-265-1380
Box Elder County	Utah	OLO Builders Box Elder (Troy Astle)	1128 450 W Suite 104	Brigham City	84302	385-334-4010
Bonneville County	Idaho	OLO Builders Idaho Falls (Dan Pond)	1797 West Broadway	Idaho Falls	83402	208-656-2967
Bannock County	Idaho	OLO Builders Pocatello (Tai Wesley)	506 Yellowstone Ave, Suite B	Pocatello	83201	208-216-1160

The following is a list of the name, city and state, and the current telephone number or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us or our affiliate within 10 weeks of the date of this Disclosure Document.

Franchise Territory	State	Name	Business Address	City	Zip Code	Phone
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None.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Our standard franchise agreement, all renewal and transfer agreements, and all agreements to settle disputes with franchisees, generally contain confidentiality clauses. Thus, all our franchisees have signed a confidentiality clause with us. In some instances, current and former franchisees sign

provisions restricting their ability to speak openly about their experience with OLO Builders. 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.

The following is a list, to the extent known to us, of the names, addresses, telephone numbers, email addresses, and web addresses of each trademark-specific franchise organization associated with the franchise system being offered which we have created, sponsored, or endorsed: None.

The following is a list of any independent franchisee organizations that have asked to be included in this disclosure document: None.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit D to this Disclosure Document are our audited financial statements for the years ended December 31, 2021 and 2020. We have not been in business for the prior years, and thus the only statements enclosed are those in existence at the time of preparation of this FDD.

ITEM 22: CONTRACTS

Attached are copies of the Franchise Agreement (Exhibit A), the State Law Addendum (Exhibit A, Schedule F), and all other related agreements you may have to sign when you purchase your franchise. The standard form release agreement that you will be required to sign in certain instances, such as for a transfer or renewal, is found in section 9.9 of the Franchise Agreement.

ITEM 23: RECEIPTS

Attached to this Disclosure Document are two Receipt pages. They are duplicates pages that evidence your receipt of this Disclosure Document – the first is to be retained by you, the other by us (Exhibit D).

EXHIBIT A

TO

OLO BUILDERS, LLC

DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OLO Builders, Inc.

Financial Statements and Report

As of December 31, 2020
and for the period of Inception (February 28, 2020)
to December 31, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Stockholder and Management
OLO Builders, Inc.
Washington Terrace, UT

Report on the Audit of the Financial Statements

Opinion on the Financial Statements

I have audited the accompanying balance sheet of OLO Builders, Inc. ("the Company") as of December 31, 2020, and the related statements of operations, changes in stockholder's equity, and cash flows for the period of inception (February 28, 2020) to December 31, 2020.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and cash flows for the period of inception (February 28, 2020) to December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Emphasis of a Matter

As discussed in Note 3 to the financial statements, the Company is considered a variable interest entity of Solid Homes, Inc. ("Solid Homes") with Solid Homes as the primary beneficiary. The Company and Solid Homes are related through common ownership and common control. The audited financials only include the financial position and operations of the Company. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP), 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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

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

In performing an audit in accordance with GAAS, I:

- 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.



Brian E. Van Camp, CPA
Linked Accounting, LLP
Kaysville, UT
March 31, 2021

OLO Builders, Inc.
Balance Sheet
As of December 31, 2020

	December 31, 2020
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 55,726
Accounts receivable, net	18,784
Accounts receivable, related parties	81,279
Total Current Assets	155,789
Noncurrent Assets	
Equipment, net	17,602
Intangible assets, net	27,524
Deferred tax asset	61,650
Total Noncurrent Assets	106,776
Total Assets	\$ 262,565
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current Liabilities	
Accounts payable	\$ 40,550
Advances to related parties	10,559
Total Current Liabilities	51,109
Total Liabilities	51,109
Stockholder's Equity	
Retained earnings	211,456
Total Stockholder's Equity	211,456
Total Liabilities and Stockholder's Equity	\$ 262,565

See independent auditor's report and accompanying notes to financial statements.

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OLO Builders, Inc.
Statement of Operations
Period of Inception (February 28, 2020) to December 31, 2020

	December 31, 2020
Revenues	\$ 1,130,224
Cost of Sales	(254,884)
Gross Profit	875,340
Operating Expenses	
Salaries, benefits and payroll expenses	627,119
Professional fees	236,463
Rent expense	70,722
Office expenses	60,573
Travel	22,167
Utilities	13,837
Advertising	6,056
Depreciation and amortization	1,722
Other expenses	21,828
Total Operating Expenses	1,060,487
Other Income (Expense)	
Interest expense	(3,786)
Total Other Expense	(3,786)
Income tax benefit (expense)	61,650
Net Income	\$ (127,283)

See independent auditor's report and accompanying notes to financial statements.

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OLO Builders, Inc.
Statement of Changes in Stockholder's Equity
Period of inception (February 28, 2020) to December 31, 2020

	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
Inception, February 28, 2020	<u>\$ -</u>	<u>\$ -</u>
Contributions	338,739	338,739
Net income	<u>(127,283)</u>	<u>(127,283)</u>
Balance, December 31, 2019	<u>\$ 211,456</u>	<u>\$ 211,456</u>

See independent auditor's report and accompanying notes to financial statements.

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OLO Builders, Inc.
Statement of Cash Flows
December 31, 2020

	<u>December 31,</u> <u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (127,283)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization expense	1,722
Changes in operating assets and liabilities:	
Accounts receivable	(18,784)
Accounts receivable, related parties	(81,279)
Deferred tax asset	(61,650)
Accounts payable	40,550
Advances to/from related parties	10,559
Net cash from operating activities	<u>(236,165)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of home plans	(17,773)
Purchase of equipment	(29,075)
Net cash from investing activities	<u>(46,848)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions from stockholder	338,739
Net cash provided from financing activities	<u>338,739</u>
Net change in cash and cash equivalents	55,726
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 55,726</u>
 Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ 3,786</u>

See independent auditor's report and accompanying notes to financial statements.

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OLO Builders, Inc.
Notes to Financial Statements
December 31, 2020

Note 1. Description of Business and Summary of Significant Accounting Policies

OLO Builders, Inc. ("the Company") was organized on February 28, 2020 in the State of Utah in the home construction industry as a franchisor. The Company is headquartered in Washington Terrace, Utah and provides services throughout Utah.

a. Accounting Principles

The Company conforms to accounting practices aligned with the accounting principles generally accepted in the United States of America ("U.S. GAAP") and general practices in the construction industries.

b. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

c. Financial Instruments

Financial instruments include amounts due from customers, trade accounts payable and notes payable. Management estimates the carrying amount of these financial instruments represent their fair values, which were determined by their near-term nature of comparable financial instrument's market value. The amounts due from customers are uncollateralized.

d. Use of Estimates

The preparation of these financial statements in accordance with U.S. GAAP requires management to make estimates, primarily related to costs to complete uncompleted contracts, and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Concentration of Credit Risk

The Company maintains its cash and cash equivalents in federally insured banks. The Company's deposits may at times exceed federal insurance limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash held in such institutions.

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of contracts receivable. In the normal course of business, the Company provides credit terms to its customers. Accordingly, the Company performs ongoing credit evaluations of its customers and maintains allowances for possible losses which, when realized, have been within the range of management's expectations.

f. Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade accounts are written off when deemed uncollectible. Recovery of receivables previously written-off are recorded when received.

Allowance for doubtful accounts at December 31, 2020 was \$0.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2020

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

g. Equipment

Equipment is recorded at cost and depreciated using straight-line over the useful life of 5 years. Total depreciation expense for equipment for the period ended December 31, 2020 and accumulated depreciation at December 31, 2020 totaled \$171.

h. Intangible Assets

Intangible assets are recorded at cost and include house plans purchased by the Company. House plans are to be amortized over their useful lives of 5 years. Total amortization expense for intangible assets for the period ended December 31, 2020 and accumulated amortization at December 31, 2020 totaled \$1,151.

i. Income Tax

The Company provides for income taxes based on the asset and liability method required by FASB Accounting Standards Codification 740-10. Under the asset and liability method, deferred tax assets and deferred tax liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and deferred tax liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized subject to management's judgment that realization is more-likely-than-not. The effect of deferred tax assets and deferred tax liabilities or a change in tax rates is recognized in operations in the period that includes the enactment date.

The Company applies the measurement and disclosure provisions for uncertain tax positions as required by FASB Accounting Standards Codification 740-10. This subtopic requires that computations and deferred income tax provisions only consider tax positions that are more-likely-than-not to be sustained if the taxing authority examines the positions. Management believes that all tax positions considered for this purpose meet this more-likely-than-not threshold.

The Company will file income tax returns in the United States federal jurisdiction, and various state jurisdictions. The Company will recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. They incurred \$0 in tax related penalties in the period of inception (February 28, 2020) through December 31, 2020.

j. Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The Company uses an estimate of future non-discounted net cash flows from the related asset or group of assets over their remaining life in measuring whether the assets are recoverable. The Company did not consider any of its long-lived assets to be impaired at December 31, 2020.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2020

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

k. Revenue Recognition

Each franchisee is expected to pay a nonrefundable initial franchise and training fee. These fees are recognized when received as the performance obligation of using the franchise has been satisfied upon execution of the franchise agreement and receipt of the initial franchise fees.

Under the terms of each franchise agreement, franchisees are to incur an annual minimum royalty fee (paid monthly) along with a royalty and marketing fee based on monthly gross revenues. These fees are recorded in the month earned as the performance obligations have been satisfied.

l. Advertising Costs

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. Advertising expense totaled \$6,056 for the year ended December 31, 2020.

Note 2. Related Party Transactions

The Company advances funds to entities under common control (see Note 3). Total advances to related entities for the period ended December 31, 2020 totaled \$10,559.

The Company has franchise agreements with entities under common control (see Note 3). Total revenues recognized under related party agreements totaled \$659,406. Total accounts receivable to the related parties at December 31, 2020 was \$81,279.

The Company has a month to month operating lease agreement for office space with a related company. Total monthly rent expense is \$10,000. Total rent expense to related parties for the period ended December 31, 2020 totaled \$70,722.

Note 3. Variable Interest Entity

The Company is considered a variable interest entity of Solid Homes, Inc. with Solid Homes, Inc. as the primary beneficiary. These entities are related through common ownership and common control. These financial statements only include the financial position and operations of the Company.

Note 4. Income Taxes

As of December 31, 2020, the Company had net operating loss carryforward of \$293,572 (which have an unlimited carryforward period). Deferred tax asset as of December 31, 2020 consists of the net tax benefit of the operating losses of \$61,650 (at an effective tax rate of 21%). The valuation allowance for deferred tax assets as of December 31, 2020 was zero. In assessing the recovery of the deferred tax asset, management considers whether it is more likely than not that some or all of the deferred tax asset will not be realized. The realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. As a result, management determined that it was more likely than not that our deferred tax asset will be realized and did not record any valuation allowance for the year ended December 31, 2020.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2020

Note 4. Subsequent Events

The Company has evaluated subsequent events through the report date, which is the date the financial statements were available to be issued, and have determined no events require disclosure.



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CONSENT OF INDEPENDENT AUDITORS

To the Board of
OLO Builders, Inc.

Linked Accounting, LLP consents to the use in the Franchise Disclosure Document issued by OLO Builders Inc. ("Franchisor") on March 23, 2020, as it may be amended, of our report dated March 23, 2020, relating to the financial statements of Franchisor as an inception audit related to the Franchisor's financial position as of February 29, 2020.

Brian E. Van Camp, CPA
Partner
Linked Accounting, LLP

OLO Builders, Inc.
Audited Financial Statements and Report
February 29, 2020

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Independent Accountant's Review Report

To the Shareholder:
OLO Builders, Inc
Washington Terrace, Utah

I have audited the accompanying balance sheet of OLO Builders, Inc, Inc. as of February 29, 2020, and the related statements of income, retained earnings, and cash flows for the month then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of OLO Builders, Inc. as of February 29, 2020, and the results of its operations and its cash flows for the month then ended in conformity with accounting principles generally accepted in the United States of America.

Brian Van Camp:

Linked Accounting, LLP
Kaysville, UT

March 23, 2020

OLO Builders, Inc
Audited Balance Sheet
As of February 29, 2020

	2020
	\$
Assets	
Cash and Cash Equivalents	100
Total Assets	100
Liabilities and Equity	
Liabilities	
Equity	
Contributions	100
Total Liabilities and Equity	100

[See independent accountant's audit report. The accompanying notes are an integral part of these financial statements.]

OLO Builders, Inc
Audited Income Statement
For the Month Ended February 29, 2020

	2020
	\$
Revenues	-
Total Revenues	-
Operating Expenses	-
Total Operating Expenses	-
Nonoperating Expense	-
Net Income	-

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[See independent accountant's audit report. The accompanying notes are an integral part of these financial statements.]

OLO Builders, Inc.
Audited Statement of Retained Earnings
For the Month Ended February 29, 2020

Description	2020
	\$
Net Loss	-
Contributions	100
Retained Earnings, February 29, 2020	100

See independent accountant's audit report. The accompanying notes are an integral part of these financial statements.

OLO Builders, Inc.
Audited Statement of Cash Flows
For the Month Ended February 29, 2020

	2020
	\$
Operating activities	
Net income (loss)	-
Non-cash adjustments:	-
Cash flows provided by (used in) operating activities	-
Investing Activities	-
Cash flows provided by (used in) investing activities	-
Financing Activities	
Proceeds from contributions from affiliates	100
Cash flows provided by (used in) financing activities	100
Net cash increase (decrease) in cash and cash equivalents	100
Cash and cash equivalents, end of year	100
Supplemental disclosures:	
Interest paid (net of amount capitalized)	-

See independent accountant's audit report. The accompanying notes are an integral part of these financial statements.

OLO Builders, Inc
Notes to the Financial Statements
For the Month Ended February 29, 2020

1. Description of Business and Summary of Significant Accounting Policies

OLO Builders, Inc was organized on February 28, 2020 in the State of Utah to operate with the franchising in the home construction industry. OLO Builders, Inc is headquartered in Washington Terrace, Utah. OLO Builders, Inc primarily provides services throughout Utah. As of February 29, 2020, the stock of OLO Builders, Inc is owned by one individual shareholder.

a. Accounting Principles

The Company conforms to accounting practices aligned with the accounting principles generally accepted in the United States of America (U.S. GAAP) and general practices in the franchising in the home construction industries.

b. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

c. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Concentration of Credit Risk

The Company maintains its cash and cash equivalents in federally insured banks. The Company's deposits may at times exceed federal insurance limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash held in such institutions.

The Company grants credit to substantially all customers without requiring collateral. The credit risk is mitigated by the financial stability of its major customers. The Company periodically reviews its receivable balances and determines appropriate write-offs on a case-by-case basis. The Company establishes reserves for estimated losses when considered necessary.

e. Income Tax

OLO Builders, Inc provides for income taxes based on the asset and liability method required by FASB Accounting Standards Codification 740-10. Under the asset and liability method, deferred tax assets and deferred tax liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and deferred tax liabilities are measured using enacted tax rates expected to apply to taxable income in

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[See independent accountant's audit report. The accompanying notes are an integral part of these financial statements.]

OLO Builders, Inc
Notes to the Financial Statements
For the Month Ended February 29, 2020

the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized subject to management's judgment that realization is more-likely-than-not. The effect of deferred tax assets and deferred tax liabilities or a change in tax rates is recognized in operations in the period that includes the enactment date.

OLO Builders, Inc applies the measurement and disclosure provisions for uncertain tax positions as required by FASB Accounting Standards Codification 740-10. This subtopic requires that computations and deferred income tax provisions only consider tax positions that are more-likely-than-not to be sustained if the taxing authority examines the positions. Management believes that all tax positions considered for this purpose meet this more-likely-than-not threshold.

f. Contingencies

Certain conditions may exist which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgement. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they arise from guarantees, in which case the guarantees would be disclosed.

g. Revenue Recognition

The Company recognizes revenue in accordance with authoritative guidance for revenue recognition. Revenue is recognized at the time it is realized or realizable and earned.

OLO Builders, Inc
Notes to the Financial Statements
For the Month Ended February 29, 2020

2. Income Taxes

The Company will file income tax returns in the United States federal jurisdiction, and various state jurisdictions. The Company will recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. They incurred \$0 in tax related penalties in the month ended February 29, 2020.

3. Subsequent Events

The Company has evaluated subsequent events through March 23, 2020 , which is the date the financial statements were available to be issued, and have determined no events require disclosure.

OLO Builders, Inc.

Financial Statements and Report

As of December 31, 2021 and 2020
and for the Periods Then Ended



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INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Management
OLO Builders, Inc.
Washington Terrace, UT

Report on the Audit of the Financial Statements

Opinion on the Financial Statements

I have audited the accompanying balance sheets of OLO Builders, Inc. ("the Company") as of December 31, 2021 and 2020, and the related statements of operations, changes in stockholders' equity, and cash flows for the year ended December 31, 2021 and period of inception (February 28, 2020) to December 31, 2020.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and cash flows for the periods ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Emphasis of a Matter

As discussed in Note 6 to the financial statements, the Company is considered a variable interest entity of Solid Homes, Inc. ("Solid Homes") with Solid Homes as the primary beneficiary. The Company and Solid Homes are related through common ownership and common control. The audited financials only include the financial position and operations of the Company. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP), 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, I:

- 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.



Brian E. Van Camp, CPA
Linked Accounting, LLP
Kaysville, UT
February 23, 2022

OLO Builders, Inc.
Balance Sheets
As of December 31, 2021 and 2020

	December 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 58,858	\$ 55,726
Accounts receivable, net	103,253	18,784
Accounts receivable, related parties	81,623	81,279
Prepaid expenses	4,637	-
Total Current Assets	<u>248,371</u>	<u>155,789</u>
Noncurrent Assets		
Equipment, net	16,875	17,602
Intangible assets, net	45,920	27,524
Deferred tax asset	141,557	61,650
Total Noncurrent Assets	<u>204,352</u>	<u>106,776</u>
Total Assets	<u>\$ 452,723</u>	<u>\$ 262,565</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 44,636	\$ 40,550
Customer deposits	5,000	-
Advances from related parties	39,592	10,559
Total Current Liabilities	<u>89,228</u>	<u>51,109</u>
Note payable, related party	315,137	-
Total Liabilities	<u>404,365</u>	<u>51,109</u>
Stockholders' Equity (Deficit)		
Common stock, 2,500,000 shares authorized, no par value 2,138,700 and 2,000,000 shares issued and outstanding at December 31, 2021 and 2020, respectively	55,480	-
Retained earnings (deficit)	(7,122)	211,456
Total Stockholders' Equity (Deficit)	<u>48,358</u>	<u>211,456</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 452,723</u>	<u>\$ 262,565</u>

See independent auditor's report and accompanying notes to audited financial statements. 5

OLO Builders, Inc.
Statements of Operations
For the Periods Ended December 31, 2021 and 2020

	December 31, 2021	February 28, 2020 to December 31, 2020
Revenues	\$ 1,843,110	\$ 1,130,224
Cost of Sales	(539,388)	(254,884)
Gross Profit	1,303,722	875,340
Operating Expenses		
Salaries, benefits and payroll expenses	1,110,371	627,119
Rent expense	84,667	70,722
Professional fees	227,392	236,463
Office expenses	57,511	60,573
Stock based compensation	35,480	-
Travel	11,820	22,167
Utilities	10,857	13,837
Advertising	3,187	6,056
Depreciation and amortization	12,605	1,722
Other expenses	33,383	21,828
Total Operating Expenses	1,587,273	1,060,487
Other Income (Expense)		
Interest income	5,451	-
Interest expense	(20,385)	(3,786)
Total Other Expense	(14,934)	(3,786)
Income tax benefit (expense)	79,907	61,650
Net Loss	<u>\$ (218,578)</u>	<u>\$ (127,283)</u>

See independent auditor's report and accompanying notes to audited financial statements. 6

OLO Builders, Inc.
Statements of Changes in Stockholders' Equity
For the Periods Ended December 31, 2021 and 2020

	<u>Common Shares</u>	<u>Common Stock \$</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Stockholders' Equity (Deficit)</u>
Inception, February 28, 2020	-	\$ -	\$ -	\$ -
Stock issued on inception	2,000,000	-	-	-
Contributions	-	-	338,739	338,739
Net loss	-	-	(127,283)	(127,283)
Balance, December 31, 2020	<u>2,000,000</u>	<u>-</u>	<u>211,456</u>	<u>211,456</u>
Stock issued for cash	50,000	20,000	-	20,000
Stock based compensation	88,700	35,480	-	35,480
Net loss	-	-	(218,578)	(218,578)
Balance, December 31, 2021	<u>2,138,700</u>	<u>\$ 55,480</u>	<u>\$ (7,122)</u>	<u>\$ 48,358</u>

See independent auditor's report and accompanying notes to audited financial statements. 7

OLO Builders, Inc.
Statements of Cash Flows
For the Periods Ended December 31, 2021 and 2020

	December 31, 2021	February 28, 2020 to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (218,578)	\$ (127,283)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	12,605	1,722
Stock based compensation	35,480	-
Changes in operating assets and liabilities:		
Accounts receivable	(84,469)	(18,784)
Accounts receivable, related parties	(344)	(81,279)
Prepaid expenses	(4,637)	-
Deferred tax asset	(79,907)	(81,650)
Customer deposits	5,000	-
Accounts payable	4,086	40,550
Advances to/from related parties	29,033	10,559
Net cash from (used in) operating activities	(301,731)	(236,165)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of home plans	(27,132)	(17,773)
Purchase of equipment	(3,142)	(29,075)
Net cash used in investing activities	(30,274)	(46,848)
CASH FLOWS FROM FINANCING ACTIVITIES		
Stock issued for cash	20,000	-
Proceeds from notes payable, related party	315,137	-
Contributions from stockholder	-	338,739
Net cash from (used in) financing activities	335,137	338,739
Net change in cash and cash equivalents	3,132	55,726
Cash and cash equivalents, beginning of year	55,726	-
Cash and cash equivalents, end of year	<u>\$ 58,858</u>	<u>\$ 55,726</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 20,385</u>	<u>\$ 3,786</u>

See independent auditor's report and accompanying notes to audited financial statements. 8

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1. Description of Business and Summary of Significant Accounting Policies

OLO Builders, Inc. ("the Company") was organized on February 28, 2020 in the State of Utah in the home construction industry as a franchisor. The Company is headquartered in Washington Terrace, Utah and provides services throughout Utah and Idaho.

a. Accounting Principles

The Company conforms to accounting practices aligned with the accounting principles generally accepted in the United States of America ("U.S. GAAP") and general practices in the construction and franchise industries.

b. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

c. Financial Instruments

Financial instruments include amounts due from customers, trade accounts payable and notes payable. Management estimates the carrying amount of these financial instruments represent their fair values, which were determined by their near-term nature of comparable financial instrument's market value. The amounts due from customers are uncollateralized.

d. Use of Estimates

The preparation of these financial statements in accordance with U.S. GAAP requires management to make estimates, primarily related to costs to complete uncompleted contracts, and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Concentration of Credit Risk

The Company maintains its cash and cash equivalents in federally insured banks. The Company's deposits may at times exceed federal insurance limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash held in such institutions.

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of amounts receivable. In the normal course of business, the Company provides credit terms to its customers.

f. Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade accounts are written off when deemed uncollectible. Recovery of receivables previously written-off are recorded when received.

Allowance for doubtful accounts at December 31, 2021 and 2020 was \$0 and \$0, respectively.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

g. Equipment

Equipment is recorded at cost and depreciated on a straight-line basis over the useful life of 5 years.

h. Intangible Assets

Intangible assets are recorded at cost and include house plans purchased by the Company. House plans are amortized over their useful lives of 5 years.

i. Income Tax

The Company provides for income taxes based on the asset and liability method required by FASB Accounting Standards Codification 740-10. Under the asset and liability method, deferred tax assets and deferred tax liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and deferred tax liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized subject to management's judgment that realization is more-likely-than-not. The effect of deferred tax assets and deferred tax liabilities or a change in tax rates is recognized in operations in the period that includes the enactment date.

The Company applies the measurement and disclosure provisions for uncertain tax positions as required by FASB Accounting Standards Codification 740-10. This subtopic requires that computations and deferred income tax provisions only consider tax positions that are more-likely-than-not to be sustained if the taxing authority examines the positions. Management believes that all tax positions considered for this purpose meet this more-likely-than-not threshold.

The Company will file income tax returns in the United States federal jurisdiction, and various state jurisdictions. The Company will recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. They incurred \$0 in tax related penalties in the years ended December 31, 2021 and 2020.

j. Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The Company uses an estimate of future non-discounted net cash flows from the related asset or group of assets over their remaining life in measuring whether the assets are recoverable. The Company did not consider any of its long-lived assets to be impaired at December 31, 2021 and 2020.

k. Revenue Recognition

Initial franchise and training fees are recognized upon execution of the franchise agreement and when performance obligations have been satisfied and initial setup services performed.

Under the terms of each franchise agreement, franchisees are to pay a monthly royalty and marketing fee based on franchisee monthly gross revenues. Revenues are recognized in the month earned as the performance obligations have been satisfied.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

I. Advertising Costs

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. Advertising expense totaled \$3,187 and \$6,056, respectively, for the periods ended December 31, 2021 and 2020.

Note 2. Equipment

Equipment consists of the following as of December 31, 2021 and 2020:

	2021	2020
Equipment	\$ 20,915	\$ 17,773
Accumulated depreciation	(4,040)	(171)
Total Equipment, Net	<u>\$ 16,875</u>	<u>\$ 17,602</u>

Total depreciation expense for the periods ended December 31, 2021 and 2020 was \$3,869 and \$171, respectively.

Note 3. Intangible Assets

Intangible assets consist of the following as of December 31, 2021 and 2020:

	2021	2020
House plans	\$ 56,207	\$ 29,075
Accumulated amortization	(10,287)	(1,551)
Intangible Assets, Net	<u>\$ 45,920</u>	<u>\$ 27,524</u>

Total amortization expense for intangible assets for the periods ended December 31, 2021 and 2020 was \$8,736 and \$1,551, respectively.

Note 4. Related Party Transactions

Advances from Related Parties

The Company receives funds from entities under common control (see Note 6). These advances carry an annual interest rate of 6% and have no repayment terms. Total advances to related entities as of December 31, 2021 and 2020 totaled \$39,592 and \$10,559, respectively.

Note Payable, Related Party

In December 2021, the Company entered into a note payable agreement with an entity related under common control (see note 6). The note is set to mature December 31, 2028, annual interest rate of 6%, and no payments due until maturity. Note balance at December 31, 2021 was \$315,137.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 4. Related Party Transactions (Continued)

Related Party Franchise Agreements

The Company has franchise agreements with entities under common control (see Note 6). Total revenues recognized under related party agreements for the periods ended December 31, 2021 and 2020 totaled \$1,019,968 and \$659,406, respectively. Total accounts receivable from related parties at December 31, 2021 and 2020 was \$81,623 and \$81,279, respectively.

Obligations under Operating Lease with Related Parties

In July 2020, the Company entered into an operating lease agreement for office space with a related entity expiring in July 2030. Total monthly base rent expense is \$6,735, escalating annually by approximately 3%. Total rent expense to related parties for the periods ended December 31, 2021 and 2020 totaled \$84,667 and \$70,722, respectively.

In May 2021, the Company entered into an agreement to sublease a portion of the rental space to a related party for 60 months for monthly rents of \$1,034 escalating 3% annually. Lease is set to expire in May 2026. Sublease revenue is recorded against the related rent expense.

Future minimum operating lease payments (net of sublease revenue) are as follows for the years ended December 31:

2022	\$ 74,738
2023	70,495
2024	74,602
2025	77,965
2026	80,181
Thereafter	365,322
Total	<u>\$ 743,301</u>

Note 5. Common Stock

The Company has 2,500,000 shares of common stock authorized at zero par value. The Company had 2,138,700 and 2,000,000 shares of common stock issued and outstanding at December 31, 2021 and 2020, respectively.

During the year ended December 31, 2020, the Company issued 2,000,000 shares to the founder of the Company.

During the year ended December 31, 2021, the Company issued 50,000 shares of common stock for cash totaling \$20,000 (\$0.40 a share) to a non related individual.

OLO Builders, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 5. Common Stock (Continued)

The Company issued 88,700 and 0 shares of common stock for compensation during the years ended December 31, 2021 and 2020, respectively. Total stock based compensation expense for years ended December 31, 2021 and 2020 was \$35,480 and \$0, respectively (at \$.40 a share). The Company had 222,192 and 0 unvested shares of common stock as of December 31, 2021 and 2020, respectively, under certain employment agreements. Fully diluted common shares as of December 31, 2021 and 2020 totaled 2,360,892 and 2,000,000, respectively.

Note 6. Variable Interest Entity

The Company is considered a variable interest entity of Solid Homes, Inc. with Solid Homes, Inc. as the primary beneficiary. These entities are related through common ownership and common control. These financial statements only include the financial position and operations of the Company.

Note 7. Income Taxes

As of December 31, 2021 and 2020, the Company had net operating loss carryforwards of \$600,906 and \$293,572, respectively (which have an unlimited carryforward period). Total deferred tax asset as of December 31, 2021 and 2020 was \$79,907 and \$61,650, respectively (at an effective federal tax rate of 21% and state tax rate of 5%). The valuation allowance for deferred tax assets as of December 31, 2021 and 2020 was zero. In assessing the recovery of the deferred tax asset, management considers whether it is more likely than not that some or all of the deferred tax asset will not be realized. The realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. As a result, management determined that it was more likely than not that our deferred tax asset will be realized and did not record any valuation allowance for the periods ended December 31, 2021 and 2020.

Note 8. Subsequent Events

The Company has evaluated subsequent events through the report date, which is the date the financial statements were available to be issued, and have determined no events require disclosure.



**LINKED
ACCOUNTING** LLP

Linking Knowledge with Power

CONSENT

Linked Accounting, LLP consents to the use in the Franchise Disclosure Document issued by OLO Builders, Inc. ("Franchisor") on April 29, 2022, as it may be amended, of our report dated February 23, 2022, relating to our audit of the the financial statements of Franchisor as of December 31, 2021 and 2020 and for the years then ended.

Brian E. Van Camp, CPA
Linked Accounting, LLP
Kaysville, Utah



OLO BUILDERS, INC.

FRANCHISE AGREEMENT

Territory:	
Operator:	
Franchisee:	
Date:	

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OLO BUILDERS FRANCHISE AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 20____, by and between **OLO BUILDERS, INC.**, a Utah corporation, ("Company", "we", "us", "our", "Franchisor", or "National"), and the Franchisee identified on the signature page of this Agreement ("Franchisee", "you", "your").

For purposes of this Agreement "you" may include an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include but are not limited to "**OLO Builders**" (the "Service Marks"). We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials. These are connected with the operation, promotion, and advertising of businesses that offer residential new home construction services and management services to the public under the Service Marks (collectively "The OLO Way").

You desire us to train you and authorize you to operate a high-caliber franchise to offer and sell The OLO Way™ to the public and to use The OLO Way™ and Service Marks. We are willing to grant you such a franchise on the terms and conditions set forth in this Agreement.

You acknowledge that this Agreement was accompanied by a Franchise Disclosure Document, which you received at the earlier of:

- the first personal meeting with us (in New York and Rhode Island); or
- 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale (10 business days in Michigan, New York, Oregon, Rhode Island, Washington and Wisconsin).

In addition, you acknowledge either:

- receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document; or
- if we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than 7 calendar days before you signed this Agreement.

You have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our

high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of The OLO Way™.

You realize that entering into this Agreement will obligate you to operate your franchised business in strict accordance and conformity with the standards, specifications and procedures as set forth in the Operations Manual that we will loan to you. You furthermore realize that there is a risk in owning any business venture including this one and that running a business can be very hard work. If you operate your OLO Builders Franchise below the standards we require, customers who patronize that OLO Builders franchise location will be less likely to patronize other OLO Builders locations. This would damage the business of others. It will be difficult for us to obtain new franchisees if a prospective purchaser observes that you do not maintain the required standards.

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Franchise Agreement, except those representations specifically disclosed in our Franchise Disclosure Document. You acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you have no knowledge of any representations by us, or our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. We do not furnish nor do we authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any OLO Builders operation that is inconsistent with disclosures in our Franchise Disclosure Document. Actual results vary from unit to unit, and we cannot estimate the results of any franchise.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1 GRANT OF FRANCHISE AND FRANCHISE TERRITORY

1.1 Grant of Franchise and Franchise Territory. We grant to you, and you accept from us, the franchise, license, and privilege to use the Service Marks, The OLO Way™, and merchandise bearing the Service Marks, for five (5) years from the date of this Agreement (the “Franchise”). This grant solely is for the operation by you of one OLO Builders franchise in the geographical territory identified in the attached Schedule A (“Franchise Territory” or “Territory”).

You may not establish or operate any other OLO Builders establishment outside your Franchise Territory without executing a separate franchise agreement for that geographical boundary.

1.2 Location for Franchise. You will operate the Franchise only within the Franchise Territory, and unless approved in writing by Franchisor, no new franchise store will be located within a 5-mile radius of an existing franchise store. You may have one or more locations in the Franchise Territory from which the following are performed (collectively the “Franchise Premises”):

- A. The storage of any office supplies or equipment used in association with your Franchise.
- B. Where clients might meet with you to discuss contracts, services, or selections.

- C. Maintenance of telephone, fax, email or postal address for the Franchise.
- D. Advertisement of the address, telephone, fax, email or any other contact information for your location.
- E. Generation of revenues for the Franchise.

If not determined when this Agreement is executed, you are responsible for selecting the site for the Franchise Premises within the area designated in Schedule A, which you will submit for our approval which will not be unreasonably withheld, and in accordance with this Agreement.

1.3 **Franchise Development.** You are responsible to furnish and equip the Franchise.

- A. We will furnish to you a list of office and marketing standards and specifications for the Franchise. Any modifications you propose must be approved in writing by us. All approvals will be solely within our discretion to maintain a uniform image consistent with OLO Builders franchise system concepts.
- B. You will comply with the standards and specifications we establish for supplies, marketing materials, vehicles, and equipment, among other things.
- C. You will comply within a time we deem reasonable with any requirement we impose to modify the list of approved supplies, marketing, materials, vehicles, equipment, etc.

1.4 **Relocation of the Franchise.** You will not relocate the Franchise without our prior written approval. Any relocation will be at your sole expense, and you must reimburse our costs associated with your relocation as well. This Agreement will govern your operations at any replacement Franchise location. You may decide to relocate the Franchise for the following reasons:

- in your and our judgment there is a change in character of the location of the Franchise sufficiently detrimental to your business potential to warrant its relocation, or
- you reasonably decide to relocate the Franchise for cause.

If so, you may relocate the Franchise to another available location, if:

- A. you are not in breach of this Agreement;
- B. you evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;
- C. you develop and equip, at your sole expense, the new location according to our then current specifications and standards;

- D. you pay all reasonable out-of-pocket expenses we incur because of the relocation. The terms "Franchise Territory" and "Franchise Premises" will include the relocated business site; and
- E. you satisfy our then current franchise placement and demographics criteria, as expressed in the Operations Manual.

1.5 **You Will Not Advertise Outside Franchise Territory.** Except with our prior written permission, you will not place advertisements using the Service Marks in or originating from any area other than the Franchise Territory.

1.6 **Existence of Divergent Forms of Franchise Contracts.** You acknowledge that we have offered franchises to others in the past the terms of which may have varied materially from those set forth in this Agreement.

1.7 **Reservation of Rights.** Franchisee acknowledges that its franchise rights as granted are non-exclusive and that Franchisor, for itself and its affiliated companies and successors, retains all rights not specifically granted to you under this Agreement. Except as otherwise provided in this Agreement, we retain the right, in our sole discretion and without granting any right to you:

- A. to use or license the use of the Service Marks or any other trademarks, service marks, logos or commercial symbols in connection with the sale of any services or products other than those directly contemplated being used, offered, or sold by you under this Agreement. We expressly reserve the right to sell, or earn rebates and fees from the sale by others licensed or authorized by us to sell, proprietary products on a wholesale basis for use in preparing products or materials that will not carry a OLO Builders brand.
- B. to operate and grant to others the right to operate OLO Builders businesses inside or outside the Franchise Territory on such terms and conditions as we deem appropriate.
- C. to sell products or services anywhere, including within the Franchise Territory through channels of distribution other than the OLO Builders business currently reserved to you in the Franchise Territory, including Internet, other forms of media now or in the future developed, wholesale and mail order channels. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce except as otherwise allowed by us in the Operations Manual.
- D. to establish, operate, own or franchise any business, excluding competitive businesses, inside or outside of the Franchise Territory.
- E. to market, solicit sales, and sell, lease, rent or otherwise dispose of franchise products to any person or customer we want. These include national accounts, commercial customers, franchisees, end users or any other customer we may select. We may exercise our rights directly or indirectly by or through independent contractors that may include franchisees and dealers.

1.8 **Maximum Pricing**. We will be permitted, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell. Except as so specified by us or as otherwise required in this Agreement and in the Operations Manual, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale.

2 **PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS**

2.1 **Initial Franchise Fee and Initial Purchases**. Franchisee shall pay to Franchisor the Initial Franchise Fee of **\$65,000** upon execution of this Agreement.

The Initial Franchise Fee is payment for all the pre-opening assistance we provide, offsets our franchise recruitment expenses and is consideration for our lost or deferred opportunity to sell franchises in the Franchise Territory to others. None of the Initial Franchise Fee is refundable.

In addition to the Initial Franchise Fee, an Initial Training Fee of **\$19,000** is due upon execution of this Agreement, in consideration of the initial training you and your team will receive to effectively operate your OLO Builders business.

2.2 **Royalty Fees**. You will pay to us **3.5%** of your Gross Revenue as a Royalty Fee. This fee is payable to us upon home construction start with a true-up of the Royalty upon home closing with the home buyer. Home construction start means the date excavation for the home's foundation begins. For purposes of calculating this Royalty Fee, "Gross Revenue" shall be defined to include all amounts to which you are entitled to receive payment, before expenses, in connection with your franchised business and this Agreement. Credit transactions will be included in Gross Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Gross Revenue. Note that the OLO Builders Operations Manual ("Operations Manual") may offer a credit or rebate for portions of Royalty Fees to Gross Revenues.

Commencing in the thirteenth (13th) month from the effective date of this Agreement, an annual minimum Royalty ("Minimum Royalty") of \$120,000 will apply and is payable in monthly installments of \$10,000. Minimum Royalty payments made will be applied towards Royalty payments for the year. If, at the conclusion of a calendar year, you have not paid the annual minimum, an adjusting payment must be made by January 31 of the following year to attain that minimum for the preceding calendar year. The annual Minimum Royalty shall be pro-rated for partial years.

Notwithstanding any of the foregoing, if you fail to report your monthly Gross Revenues through our proprietary software in accordance with the standards of the Operations Manual, the monthly minimum described above will not apply, and you will instead pay to us as a monthly Minimum Royalty the greater of (i) \$30,000 or (ii) 3.5% of your 12-month average for the previous twelve reported months (with the total being annualized if there are less than twelve months).

The Royalty Fee and monthly Minimum Royalty are payable in the manner specified from time to time in the Operations Manual, including but not limited to, automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, such as automatic pre-authorized payment plan, electronic funds transfer or the Internet.

2.3 **Marketing & Advertising.**

National Advertising Fund

We have established a National Advertising Fund (the “NAF”) for driving leads, setting appointments, and marketing the Brand, Website, the Marks, local stores, communities, and homes. You will pay to us up to **2.5%** of your monthly Gross Revenue each month as a “National Advertising Fee”. National Advertising Fees are due upon home construction start with a true-up upon home closing with the home buyer. Home construction start means the date excavation for the home’s foundation begins. Note that the Operations Manual may offer a credit or rebate for portions of National Marketing Fees tied to Gross Revenues.

Commencing the earlier of your initiating national advertising activities for your store or the fourth (4th) month from the effective date of this Agreement, a minimum monthly National Advertising Fee of \$3,500 will apply. We reserve the right to temporarily lower or suspend this monthly fee at any time, upon prior written notice to you and to our other franchisees. The present rate for the National Advertising Fee is 1.5% of your monthly Gross Revenues. Any adjustments will be communicated to you through the Operations Manual.

The National Advertising Fee is payable in the manner specified from time to time in the Operations Manual, including but not limited to, automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, such as automatic pre-authorized payment plan, electronic funds transfer or the Internet.

Your contribution to the NAF will be in addition to any other advertising you decide to run on your own. Locations owned by us will contribute to the NAF on the same basis as franchisees.

The NAF will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us.

We have complete discretion on how the NAF will be utilized. We may use the NAF for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for The OLO WayTM, and any other purpose to drive leads and promote the brand. We may use any media for disseminating NAF advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. Our internal artwork, advertising, promotion, and newsletter production costs and associated administrative costs are paid from the NAF. The NAF may be used to pay for joint marketing programs, including programs with our suppliers, sister corporations and co-branding partners. We may reimburse ourselves, our authorized representatives, or our affiliates from the NAF for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the NAF. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located, or to ensure that expenditures are proportionate to contributions of franchisees or that any franchise benefits directly or proportionately from the development or placement of advertising. We will not use the NAF for advertising that is principally a

solicitation for the sale of franchises, but we may include references to the availability of franchises in materials produced and placed in media by the NAF.

We assume no fiduciary duty to you or other direct, or indirect liability or obligation to collect amounts due to the NAF or to maintain, direct or administer the NAF. We will not be obligated to spend all or any part of the NAF during any specific period of time. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the NAF on any terms we deem reasonable.

The NAF is not audited. Upon your written request, we will provide to you an annual accounting for the NAF that shows how proceeds have been spent for the previous year.

We may create an advertising advisory board comprised of franchisees. These franchisees will make recommendations on your behalf as to types of advertising, promotion, and public relations. We will use these and other recommendations we feel are appropriate uses of the NAF.

Neither you nor any other of our franchisees who are obligated to contribute to the NAF will be deemed a third party beneficiary with respect to the NAF or have any right to enforce any obligation to contribute to the NAF. We will have the sole right to enforce the obligations of you and all our other franchisees who contribute to the NAF.

Territory Advertising

In addition to the NAF, you are encouraged to spend at least one percent (1%) of your Gross Revenues on territory advertising that has been pre-approved by us to advertise and promote your Franchise "Territory Advertising". We, an affiliate, or designee, may in our sole discretion, solicit input on advertising from all or a group of franchisees. You must purchase Territory Advertising separately through local marketing and media sources within a geographical area. Territory Advertising is your responsibility. You will report the nature, extent, and amount of these expenditures in the form and at the times required in the Operations Manual.

All marketing and promotion of the brand and your store, including electronic, social media, or Internet advertising, must conform to our standards and specifications, including any social media policies we establish. You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us. You may not use any advertising or promotional plans or materials, including electronic or Internet advertising, unless and until you have received written approval. If you wish to advertise online, you must follow our online policy which is contained in our Style Guide and Operations Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and cobranding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our main website.

Preferred Partner Co-Marketing Program

We, an affiliate, or designee, may create a regional advertising association (“Preferred Partner Co-Marketing Program” or “PPCMP”) in the market area where you are located, at which time you must become a member of the PPCMP and be willing to refer clients to the preferred partners identified, such as lenders and realtors, who are contributing to the co-marketing campaigns. You will have the right to choose who you want to be your preferred partners in the PPCMP so that you will feel comfortable referring clients to your preferred partners for their services. Other stores in the market area will also become members of the PPCMP and contribute to it on the same basis as other members. Contributions from preferred partners to the PPCMP will not be paid to you or into the NAF but instead will be paid directly from the preferred partners to the third-party providers of the co-marketing and advertising programs. Upon your written request, we will provide to you an annual accounting for the PPCMP that shows how funds have been spent for the previous year.

Sales Leads

We will refer all leads we acquire within your Franchise Territory to you via our proprietary software, email, telephone or other method described in the Operations Manual. In the event additional teams operate within a given Franchise Territory, leads will be communicated based on geography where possible, otherwise based on performance as measured by the performance standards described in the Operations Manual, and lastly based on availability.

Obligation to Deliver Price Lists

You will deliver to us current price lists of all goods and services you sell in, at or through the Franchise. We will have the right to rely upon the accuracy of the price lists, and may use the information to advertise, market and promote the Franchise, and the goods and services you sell. At any time, you may amend, modify or change the price list by notifying us in writing. Price changes will not be effective for a period of 30 days after the notification, to enable us to modify advertising or promotional materials we use to advertise your goods or services. You will adhere to the price lists while they are effective. We may establish the prices at which you sell goods and services.

Telephone, Mobile Phone and Advertising Content

You will not publish, promote or advertise any mobile phone or landline telephone number except for those numbers we own in the areas where you conduct your Franchise. We will furnish you with one or more telephone numbers that may be forwarded to your mobile phone, a call center, or other appropriate device, the use of which is a condition of your franchise license. Franchisor may provide use of a toll-free telephone number for the Franchise. You will not use any other telephone number(s) in advertising or promoting your Franchise. You will advertise your franchise in appropriate online and telephone directories that service your franchise area using the furnished telephone number(s). Any advertisement will be in the form and have the content specified from time to time in the Operations Manual and Style Guide.

You will buy your own cellular phones for use in the Franchise. All costs associated with using and maintaining your cellular phones will be your sole responsibility. Your cellular phone numbers may be printed on your OLO Builders business cards only. You will not print or use your cellular numbers on any type of publication, advertisement, signs, invoices, quotes, or any other printed matter except for your business cards. Upon termination or expiration of this Agreement, we reserve the right to acquire your cellular phones or their associated telephone numbers, and you agree to sell the phones

and transfer the associated telephone numbers to us (the phones shall be valued at the phones' current market value less 20%) if we elect to acquire them. You will pay any costs or penalties due to cancellation of your cellular phones.

Style Guide

We will supply you our Style Guide which contains specifications and standards for advertisements and branding. You will adhere to the Style Guide and may not, without our prior written consent, place any advertisement, in any media, which materially varies from the form and content approved by us.

Approval of Advertising, Website and E-Commerce

You will submit to us all advertising copy and other advertising and promotional materials, public relations programs and press releases, radio and television advertising, specialty and novelty items and signs before you use them in any advertising program, including as part of the Franchise's online presence (e.g. social media). You will not use any advertising copy, public relations program, press release or other promotional material until we approve it or unless we have provided sample materials or other accommodations in our Operations Manual. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

You will at all times during the term or any successor or renewal term of this Agreement confer to us administrator or comparable privileges for your online presence, including web page, social media, marketing affiliate pages, directories, third party telephone or other contact accounts, and related account access and control credentials as may be more fully specified in the Operations Manual.

You specifically acknowledge and agree that any website will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval. (As used in this Agreement, the term "website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchised business, proprietary marks, us or The OLO Way™. The term website includes, but is not limited to, Internet and World Wide Web home pages.) In connection to any website, you agree to the following:

- A. We will establish a web page on your behalf as part of our website.
- B. You will not establish or use any web page without our prior written approval.
- C. In addition to any other applicable requirements, you will comply with our standards and specifications for websites as prescribed by us from time to time in the Operations Manual or otherwise in writing.
- D. If you propose any material revision to the web page or any of the information contained in the website, you will submit the revision to us for our prior written approval.

- E. You will use only approved key words, meta tags and titles pertaining to our industry. We will e-mail or respond via facsimile approved key words, meta tags and titles upon your request by e-mail.
- F. You may only offer approved products or services on your web page. Any website changes made without our approval is a default of this Agreement.
- G. We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, meta-tags, advertising, auction sites, and co-branding arrangements. You will provide us content for our Internet marketing and follow our Intranet and Internet usage requirements. We also retain the sole right to use the Service Marks on the Internet, including on websites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our website. You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent.
- H. If you want to independently advertise or promote in any media (including the Internet), you must obtain our prior written approval, except when using materials and media previously approved by us.
- I. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your clients, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you.
- J. We have established or may establish in the future an intranet or comparable on-line facility. You must use it in the manner we require. You understand and agree that we may elect to provide certain assistance, deliver information and materials or otherwise communicate with you via the Internet or an intranet. At your sole expense, you will maintain and update as needed all computer system requirements and services necessary to access the Internet and the intranet in the manner we require. You are required to have high speed Internet service to your business or home office where you will be able to access downloads from us of advertising materials, Operations Manual revisions, training materials and corporate news.

2.4 **Floor Plans & Elevations.** We maintain several home floor plans in the Dynamic Plan Library ("DPL") for use by franchisees. Any additions or modifications to plans within the DPL will be accessible by all franchisees regardless of who made or paid for such additions or modifications.

Upon your request and our approval, we will integrate a home floor plan that you supply into our DPL for a fee of \$8,000-\$10,000 per plan (the "New Home Floor Plan Fee"). You must hold all ownership and copyright intellectual property rights to any submitted plan, which rights are surrendered to us upon our approval of the plan. You must work with your own third-party designer to develop base plans and options and submit .dwg files for all plans and options. These .dwg files need to include floor plans, elevations, framing plans, electrical plans, and any specific details or supporting items outlined in the Operations Manual for submitting new home floor plans.

Any New Floor Plan Fees paid by you with respect to a given new floor plan will be credited against the Royalty of the third build of that floor plan by you. We assume no responsibility to track your build and floor plan use, therefore any credits offered are subject to your making such request. No such request will be honored if not made by December 31 of the year in which such third build began excavation.

A fee of \$100 to \$2,500 will be due by you each time you request to revise or redline a stock plan from the DPL (the "Revised Home Floor Plan Fee").

A fee of \$1,500 will be due if you request to add a new home elevation to an existing floor plan in the DPL (the "Additional Home Elevations Fee").

2.5 **Software Bundle.** You agree to use the operations software included in the Software Bundle and pay to us or third parties we designate a monthly Software Bundle Fee that may range from \$2,200 to \$3,000 and is subject to change from time to time as specified in the Operations Manual. The monthly Software Bundle Fee for a 5-person team is currently \$2,200. Software access required for additional team members will result in additional Software Bundle Fees and will vary by number of users and access type.

2.6 **You Will Pay Taxes and Indebtedness.** You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise, or inventory, materials, and equipment used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you through the Franchise you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the Royalty Fee, or any other payments you make to us pursuant to this Agreement.

You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using The OLO Way™. You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease.

2.7 **Royalty Fees, National Advertising Fees, and Other Sums to Be Paid Promptly.** You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

Upon your failure to pay us as and when due, we may, at our election, deduct the unpaid sums from any monies or credit we hold for your account. You agree that you will not withhold payment of any amounts due to us on the grounds of any alleged non-performance by us, or in the event of any dispute or a claim by you, or for any other reason whatsoever.

A late charge will be added to any sums to be paid under this Agreement that remain unpaid after the date due. The late charge will equal the lesser of **1.5%** per month or the highest rate of interest allowed by law and shall accrue from the original due date until payment is received in full.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

2.8 Records. You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and furnish copies of these statements to us within **15** days after the end of each quarter. Such records shall include all records reasonably relating to any audit or investigation Franchisor may undertake of each home construction project that is part of your business, which you agree to make available to us upon reasonable request.

You will furnish to us as outlined in the Operations Manual, an itemized report of the Gross Revenue and of your profit and loss for the prior month. This report must be certified by you to be true and correct. The report will be in the form and will include such supporting documentation as we may reasonably demand from time to time.

You will keep records of all business done and Gross Revenue received through the Franchise. These records will include, but are not limited to, order sheets, sales agreement forms, tax returns, financial statements, and invoices. You will date, file in consecutive order, retain for a period of **5** years, and make available to us for inspection and audit all of your records.

Our right to inspect will include, within 10 days of our request, the right to examine your books, tax returns, banking or other financial institution statements, and records of other businesses owned, in whole or in part, or operated by you to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid. We have established a uniform list of accounts and a uniform bookkeeping system for all of our franchisees. You agree to maintain your books and records in the manner we require.

You will submit to us a list of all shareholders, members, partners or other owners of the franchise business and the respective interests held by each as of the end of each fiscal year. Provided, however, if your shares are publicly traded, the list of shareholders required will include only those owning **5%** or more of the shares outstanding. The required report will be submitted to us within **90** days after the end of your fiscal year.

You may be assessed a fee of up to \$500 per occurrence for late or inaccurate reporting or recordkeeping ("Records & Reporting Fee").

2.9 **Audits.** We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than **2%** or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all amounts and late payment charges that the audit determines are owed. Thereafter, you will pay as an additional Audit Failure Fee 0.5% of your Gross Revenue for the following six months. These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

2.10 **You are to Pay all Franchise Costs.** All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no costs, liability, or expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Service Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation, and benefits. You will control your own employees and contractors. You will take all steps necessary to maintain a safe and healthy environment for your workers and clients.

2.11 **Attendance at Conventions.** We intend to hold conventions for the franchisees that make up our franchise system. These conventions may be held at a different location each time. They include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections, among other things. **Your attendance at each convention is required.** The payment for attendance at the convention shall be \$500 per attendee and is to be paid upon invoice, up to six months prior to the event. You will bear all expenses of attending, including travel, lodging, meals and entertainment. All amounts paid to us for the convention are nonrefundable.

For any annual convention that you do not attend for any reason, you will pay to us \$500 as a non-attendance fee within 10 days from the conclusion of the convention. We may, but are not obligated, to provide you any materials, documentation, handouts, videos, and video recordings from the convention, if available.

2.12 **Application of Payments.** We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from recurring fees, purchases, late payment charges, or for any other reason.

For the purposes of this Agreement, and all other instruments and agreements relating to it, we will have the right to treat any payment received from you as payment on account and apply it first to statutory charges, then late charges, then overdue outstanding amounts and finally to current charges.

This section will apply regardless of how you may designate a particular payment is to be applied.

2.13 **Method of Payments**. We have the right, in our sole discretion, to establish approved methods of payment, and require that you have a current payment method on file with us and pre-authorized to process payments of all amounts coming due under this Agreement. The approved or available payment methods may vary and will be available to you for updating and verification through the Operations Manual and the operations software. At all times you are required to have current account information for an approved payment method on file with us, as a condition of your franchise.

2.14 **Addendum**. If you request to modify this Agreement after the effective date, you will be required to pay a fee of \$2,500 (“Addendum Fee”) and reimburse us our out-of-pocket costs to formalize the addendum in writing. This fee is assessed per addendum and not per clause or change requested and is only payable if the addendum is approved by us and executed by us and you. Changes or addenda requested by us are not subject to this fee. We may require you, upon your request for an addendum, to sign a general release releasing us from all claims you may have except which, under state law, may not be released.

3 **TRAINING**

The OLO Way™ includes systems, processes, tools, and resources that enable Franchisees to run an effective home building business and build homes efficiently. The objective of all training and coaching is to transfer knowledge needed for Franchisees and team members to succeed in The OLO Way™. Franchisees and team members are individually and collectively accountable to apply the learning from training and coaching so that the knowledge transfer process can be effective. Unless otherwise specified by us, all training will take place at our training facility in Washington Terrace, Utah. You are solely responsible for all transportation, meals, lodging, entertainment, and wage expenses for you and your team members to participate in any training. Anytime we agree to provide training or coaching at your site, you will pay all out-of-pocket expenses we incur for transportation, meals, and lodging.

We may at any time during any training inform you that an individual attending training on your team is not suitable as a result of, but not limited to, criminal activities, disruptive behavior, or poor attendance. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

3.1 **Initial Training**. Through our OLO Academy, we will provide up to 420 hours of training and coaching for you and your team through a combination of in-person, live virtual, job shadowing, and video learning sessions. These sessions will cover all aspects of operating the Franchise in The OLO Way™. All initial training and coaching must be completed by all Franchisees, their designated Operator, and all team members in a prescribed, sequential timeline, unless we, in our sole discretion, deem it unnecessary.

All of the initial training and coaching described in this Section 3.1 are inclusive of the Initial Training Fee, so long as the initial training agenda is completed within twelve (12) months from the effective date of this agreement. See Section 3.2 for fees related to training provided after this period.

Training: Franchisees, Operators and each team member receives an orientation, followed by additional in-person or virtual individual and team trainings scheduled during your first year.

Software & Swimlane Coaching: Franchisees, Operators and each team member experiences a series of coaching sessions designed to build skill specific to software tools and their respective roles in the Swimlane process. Additional coaching will be ongoing, some of which may be at your office location once your team is fully staffed. All job shadowing (observation) is part of training and will occur in Utah.

Training and coaching will emphasize the use of our computer software and reporting systems, blueprint coaching, sales techniques, marketing plans and techniques, administration and bookkeeping controls, service methods, deployment of labor, role specific tasks & processes, and maintenance of quality standards.

New Franchisee Orientation

Franchisee and the designated Operator must complete the Strategy Plan & Orientation Meeting to our satisfaction within 60 days of the effective date of this Agreement. We will not be liable for your costs or expenses if we terminate this Agreement because you and/or the Operator fails to complete this training to our satisfaction in the timeframe specified.

If you desire to have more than two individuals receive the Strategy Plan & Orientation training, these additional individuals will be accommodated at our convenience. We reserve the right to charge a reasonable fee for the provision of the training regardless of when and where the additional individuals participate in this training.

Although not required by agreement, we may, at our discretion or upon your request, provide other supervision, assistance, and services before the opening of your business such as literature, advertising materials, displays, flyers, additional training assistance and a selection of inventory and supplies.

3.2 **Supplemental Training.** We may provide you Supplemental Training that you need or request beyond the initial training agenda upon not less than thirty-five days' prior written notice between us. You may receive Supplemental Training at our training center or at other agreed upon locations. For these trainings you will pay a Supplemental Training Fee at our then current rates (\$1,500/day as of March 1, 2022). Supplemental Training may consist of in-person or virtual classroom training, visits to our franchises, hands-on work experience, and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. We may designate qualified franchisees or master franchisees to conduct some or all of your Supplemental Training.

We may deem it appropriate or necessary to provide additional training and supervision to you and your managers and employees at your franchise location. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Operations Manual in the future.

3.3 **Turnover Training.** From time to time, your team may experience staff turnover

after having received their initial training. All staff members must receive initial training or Turnover Training from us. If you make a new hire replacement due to turnover, you will pay a Turnover Training Fee of \$3,800. This fee will apply each time someone is new in their role, including existing team members moving into a different role on the same team.

4 **COMMENCEMENT OF OPERATIONS**

We require you to designate an individual who has been approved by us to personally direct the day-to-day operations of the Franchise (the “Operator”). We recommend that you or, if Franchisee is not an individual, your managing shareholder or partner (the “Principal Owner”), be designated as the Operator. However, you or the Principal Owner are not required to participate in the day-to-day operations of your franchise by this Agreement, unless you designate yourself the Operator.

A qualified Operator must:

1. Be engaged full-time in the operation of the Franchise and have no other outside employment.
2. Be authorized and empowered to execute and deliver all documents and instruments necessary to comply with the Franchise Agreement and Operations Manual.
3. Be authorized to expend funds of the Franchisee as required under terms of the Franchise Agreement as and when due.
4. Be authorized to hire and terminate team members without further approvals.
5. Possess sufficient business acumen to effectively manage people and processes.

A written copy of the Operator authorizations by the Franchisee must be provided to Franchisor upon signing of this Agreement. If an Operator is terminated or exits the business for any reason, the Franchisee shall designate a replacement Operator within 60 days from termination or exit. Failure to do so may result in termination of this Agreement by Franchisor.

Franchisee, including all owners, the Operator, and all team members must agree to be bound by the confidentiality and non-competition provisions of this Agreement in writing (Section 5.8). Each of your owners must assume and agree to discharge all of your obligations under this Agreement.

4.1 **Time to Complete Training and Commence Operation.** You, the Principal Owner and/or Operator will complete all pre-store opening training, find a site location that is acceptable to you and approved by us, and commence full and continuous operation of the Franchise within **180** days after execution of this Agreement. Prior to commencing operation, you will procure all necessary licenses, permits, and improvements and purchase initial supplies. Any failure to commence operation caused by war or civil disturbance, natural disasters, labor dispute, shortages or other events beyond your reasonable control will be excused for a period of time that is reasonable under the circumstances.

If the training, site location and commencement of operation obligation is not fulfilled, we may, in our discretion, terminate this Agreement.

4.2 **You Are to Obtain Permits and Licenses.** Prior to commencing business operations, you will obtain all local permits and licenses necessary to operate the Franchise, including relevant

contractor licenses. You will comply with all provisions of applicable federal, state or local statutes, rules or ordinances.

5 **FRANCHISE STANDARDS OF OPERATION**

5.1 **Operations Manual, Plans and Specifications, and Public Relations.** Our industry is highly competitive. Continuous efforts to maintain, update and improve The OLO Way™ are essential. The developments we will make for the benefit of our franchise system as a whole are contemplated throughout the term of this Agreement. The continuous development of The OLO Way™ in this manner is an important and beneficial aspect of the relationship you want to have with us. We agree to lend to you a copy of or otherwise provide online access to the OLO Builders Operations Manual (the “Operations Manual”) once you have paid to us the Initial Franchise Fee. The Operations Manual describes The OLO Way™, including specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, inventory requirements and control techniques, plans and specifications, service requirements, co-branding requirements, public relations and other rules that we may prescribe from time to time and identify as part of the Operations Manual. Among other things, the Operations Manual may contain information, requirements and standards related to:

- Planning and consulting
- Site selection assistance
- Permitting assistance
- Hiring and employee management training and assistance
- Equipment standards and assistance
- Proprietary computer programs for estimating, marketing, accounting, scheduling and reporting
- Inventory management assistance and training
- Written operations standards and assistance
- Initial and ongoing operational training
- Management and employee training
- Marketing, reputation management, and advertising
- Standards, ongoing training and ongoing support
- Insurance guidance and standards

The Operations Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Operations Manual. You will be given online access to the Operations Manual.

In addition to the Operations Manual, we agree to make our Knowledge Base (the “KB”) available to you which provides additional mandatory and suggested specifications, standards, tools, templates, and other practical aids for operating the Franchise. The KB is continually updated and growing and includes embedded content links and videos to further enhance the operating expertise of you and your team(s). Similar to the Operations Manual, its contents are confidential, remain our property, and must be returned upon expiration or termination of the Franchise Agreement.

For avoidance of confusion, the Parties state and agree that Franchisee's compliance with the Operations Manual is a continuing condition of the franchise license from Franchisor; however, the terms of the Operations Manual are not terms of this Agreement. The terms of the Operations Manual comprise a condition to the continued license of the franchise, and include such terms as may be contained in the aforesaid manual as of the date of this Agreement, together with updates thereto as may, from time to time, be provided by Franchisor to Franchisee.

The Operations Manual is and will remain confidential and our exclusive property. You will not disclose, copy or duplicate any part of the Operations Manual for any reason. Nothing in this Agreement may be construed as an incorporation of the terms of the Operations Manual or as making the Operations Manual part of this Agreement. The Operations Manual, in part, may consist of confidential:

- A. manual or manuals, and
- B. any Intranet or password protected portion of an Internet site, and
- C. any other embodiment of the Methods of Operation, including notices of new standards and techniques including all media identified by us as part of the Operations Manual, and
- D. any amendments, supplements, derivative works, and replacements; whether embodied in electronic or other media.

We develop minimum requirements for service, estimating, products, supplies, stationery, business forms, advertising, plans and specifications, materials and signs, among other things. These requirements are outlined in the Operations Manual. You will purchase all initial inventory items and additional items specified from time to time in the Operations Manual. We may amend the Operations Manual, including changes which may affect minimum requirements for your franchise operations. You will strictly adhere to the requirements of the Operations Manual as we amend it from time to time. You will implement immediately all changes at your cost, unless we otherwise specify. We reasonably may restrict you from producing, stocking, and selling certain services and goods, from time to time, as specified in the Operations Manual.

You must purchase items that bear the Service Marks from us or suppliers we approve from time to time. Proprietary items and supplies may be private labeled by us.

We retain the right to make a reasonable profit on any items, supplies and materials you buy from us. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you.

We may obtain money, goods, services, or other benefits from persons and entities with which you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, or discounts. Such benefits or funds will be received and used for purposes as may be deemed desirable in the discretion of Franchisor.

There are no required quotas as to quantity of purchases you must make from us or from approved vendors. If you elect to purchase equipment, inventory, and supply items from us at our then current prices, payment must be made when you place your order. The items we offer may include among

other things equipment, merchandise, and supplies that bear the Service Marks. You may offer these Trademark bearing items only through the Franchise.

Any products and goods sold, licensed, or leased by or through us to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Operations Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods. **EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US, WE MAKE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS AND GOODS, AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY IN CONNECTION WITH ANY PRODUCTS OR GOODS EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE OR LICENSE FEE PAID BY YOU FOR THE PRODUCTS OR GOODS. IN NO EVENT WILL WE BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CLIENTS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE (OR INABILITY TO USE) THE PRODUCTS OR GOODS FOR ANY PURPOSE WHATSOEVER, EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES.**

We will not be liable to you if we are unable to deliver equipment, inventory or supply items to you because of any loss, damage, or delay caused by strikes, riots, fire, insurrection, war, elements, embargoes, failure of carriers, pandemics, inability to obtain transportation facilities, forces majeure, acts of God or of the public enemy, or any other cause beyond our control.

You will purchase all products, supplies and materials required for the operation of the Franchise from manufacturers, suppliers or distributors approved by us. All specifications that we require of you and lists of approved suppliers will be included in the Operations Manual. We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system. You specifically agree that as a condition to your continued use of the license granted to you pursuant to this Agreement, during and after customary business hours you will use only the type of telephone answering service or other means of telephone answering approved by us as the Franchisor. Preferred vendor rates and relationships may be negotiated by us from time to time, and you agree to enter into such agreements as may be necessary to avail yourself of such approved and preferred telephone answering services and to satisfy the condition to use an approved telephone answering service.

You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Operations Manual. You must sell or offer to sell all approved items and services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, in our discretion, disapprove in writing at any time.

You must offer the home limited warranty program we set out in the Operations Manual. This program may be offered by us, or through an approved vendor at the rates established by such approved vendor.

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to quality, taste, texture, composition, absorbency, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us for the actual cost of the tests. We will license any supplier that can meet or exceed our quality control and confidential formula requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential manufacturing requirements, equipment, designs, systems, and formulas will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We may require a Confidentiality and Non-Disclosure Agreement signed by the proposed supplier prior to release of any confidential information. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

One of the benefits accruing to you and all our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of signs, equipment, products, supplies and other inventory items, or you misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees. You expressly agree to promptly pay all such invoices and statements in accordance with their terms.

5.2 **Standards to Be Maintained.** You will follow The OLO Way™ and maintain standards for products and services that we prescribe.

A. You will operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Operations Manual. You will only use signs, equipment, materials, products, inventory, plans and services that conform to our specifications to conduct the franchise.

You may only use white vehicles that are free of any rust and dents, less than five years old, and that are wrapped in accordance with the Style Guide. You will wash your vehicles at least once every two weeks. Your vehicles will only be used for Franchise purposes, including positive advertising, and will not be used for any other reason that could harm the franchise system, brand, or Marks. We must approve the vehicles you use for your Franchise. You will maintain your vehicles in good repair and operating condition. You will adhere to our vehicle requirements and standards, including our requirements for the purchase of new vehicles.

B. You will maintain signs approved by us on the Franchise Premises (if at an office site or commercial location) and on vehicles you use in your franchise operations and to identify locations where you are conducting franchise services. These signs must comply with local sign

ordinances, regulations and laws. The signs will describe you only as a franchisee operating pursuant to this Agreement. You will apply only decals and logos approved by us on your vehicles, signs and equipment. You will keep your signs clean and legible and free of tears, paint problems, punctures, cuts, and graffiti.

C. We may inspect the Franchise at reasonable times to verify your compliance with the terms of this Agreement. To do so, we may:

1. Inspect the Franchise;
2. Observe your operation of the franchise business for any consecutive or intermittent periods we deem necessary;
3. Select items, products and other materials, services, equipment and materials, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;
4. Interview your personnel, clients, vendors and co-branded partners; and
5. Inspect and copy any books, records and documents related to the operation of the franchise and any other franchise information we may require.
6. Hire a third party “secret shopper” or present ourselves as a client without disclosing our identity for the purpose of evaluating the quality of products, services, and experience you offer.

You and anyone acting as your agent will cooperate fully with us, and our agents, in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, clients, vendors, and co-branded partners in reference to these inspections, observations and interviews.

D. You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not permit unlawful activities through the Franchise and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes.

E. You will not sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.

F. After we have delivered to you written notice of default or violation of this Agreement or notice of specific actions, omissions, or instances of neglect or misguidance, we may employ professional shopping services to monitor your compliance with this Agreement.

G. You, at your expense, will maintain the Franchise and your vehicles, equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Operations Manual. At our request, you will make necessary repairs in order to maintain uniform appearance and to protect the reputation of the Service Marks. You will commence all repairs and changes within a reasonable time after notice from us, and you will proceed with due diligence until completion.

If you do not maintain the Franchise or your vehicles as required, after notice to you, we at our option, may make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including but not limited to, liability for interruption of your business during the course of making the maintenance and repairs.

H. You will keep your franchise open for business every business day of the year, except Christmas, New Year's Day, Independence Day, Memorial Day, Labor Day, Thanksgiving Day, and four additional days of your choosing, for a total of no more than ten (10) business days, during the hours specified or approved in writing by us. For clarification, we currently consider active communication by you or your designated representative (if you are unavailable) with the Call Center as satisfying this "open for business" requirement. We may change these requirements from time to time as designated in the Operations Manual. Additionally, from time to time during approved Franchisor training or during the national convention, it is acceptable to close your franchise so that team members can attend the events.

I. You will be provided online access to our Operations Manual, Knowledge Base and other manuals. You and your team are responsible to remain current with all provisions of the Operations Manual and KB, as and when updated.

J. If you fail to complete or repair a job up to the quoted estimate and job description, we may, at our sole discretion and in order to protect our brand and system reputation, complete or repair the job to the quoted estimate and description. You will bear 100% of the expense and cost of any and all remedial action we take to complete or repair the job, which costs and expenses may exceed the quoted estimate.

K. Your adherence to our Warranty Program and Survey Service will require a subscription to obtain such warranties, with fees associated therewith due and owing by you to the provider. Such fees will vary based on sales prices and volume.

L. You will not exceed the maximum approved authorized operational volume (“Maximum Work-in-Process” or “Max WIP”) as permitted in the Operations Manual. If you desire to exceed the Max WIP authorized, you must add an additional franchise team in the Franchise Territory to address the excess demand volume. The addition of a franchise team in the Franchise Territory is conditioned on meeting performance standards prescribed in the Operations Manual and subject to our approval. The new franchise team is required to receive all training outlined in Section 3 of this Agreement and the Operations Manual. The new franchise team is required to act independently from any other teams in the Franchise Territory, including separate accounting, reporting and performance standards. A new franchise team of the same Franchisee may operate out of the same store if serving the same Franchise Territory; however, this is not recommended.

If we determine there is sufficient demand within the Franchise Territory, whether or not you are operating at Max WIP, we may grant rights to a new franchise within the Franchise Territory. If you are meeting the performance standards specified in the Operations Manual, you will have the first right to expand with as many additional teams as Franchisor deems appropriate to address market demand. If you elect not to expand, or if you are not meeting the performance standards specified in the Operations Manual, Franchisor, in its sole discretion, may grant rights to another franchisee or a new franchisee to open an additional store within the Franchise Territory and operate another franchise team.

In the event that multiple, independently owned franchise teams are operating within the same Franchise Territory, any additional expansion within the Franchise Territory will be determined by Franchisor with the franchisee having the best performing team (as measured by the then prescribed performance standards in the Operations Manual) being granted the first right to expand.

5.3 Service Marks, Operations Manual, Knowledge Base and The OLO Way™ Are Our Exclusive Property. You agree that the Service Marks, Operations Manual, Knowledge Base and The OLO Way™ are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Service Marks, Operations Manual, Knowledge Base or The OLO Way™. Your license to use the Service Marks is non-exclusive. We, in our sole discretion, may operate under the Service Marks and may grant licenses to others to use the Service Marks on any terms and conditions we deem appropriate. In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Service Marks. You will not use the Service Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Operations Manual and only for purposes of the franchise. Your access to our entire library of plans contained in such materials will be given upon execution of this Agreement and payment of the Initial Franchise Fee.

You will immediately notify us of any infringement of, or challenge to, your use of the Service Marks or any marks identical to or confusingly similar to the Service Marks, including any claims of infringement or unfair competition. While we will make reasonable efforts to protect your rights to use the Service Marks, we will have sole discretion to take or not to take action, as we deem appropriate. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Service Marks or The OLO

Way™, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Service Marks or if the proceeding is resolved unfavorably to you. Instead, at any time, you will modify or discontinue use of any franchise names or Service Marks, or will use one or more substitute names or marks, if we so direct in writing at any time. Our sole obligation in this event will be to reimburse you for your tangible costs in complying with our direction (i.e., cost of changing signs, stationery, etc.). Under no circumstances will we be liable to you for any other damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Service Marks will apply with equal force to any modified or substituted names or marks.

You will not contest, directly or indirectly: our ownership, title, right, or interest in the Service Marks, the Operations Manual, or The OLO Way™; or our exclusive right to register, use, or license others to use the Service Marks, Operations Manual, and The OLO Way™. You will not advertise or use the Service Marks without following our then current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable.

Any and all goodwill associated with the Service Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Service Marks.

You will not use the Service Marks on products or services that come from any source other than us or sources we approve in writing except for products you prepare or produce pursuant to the Operations Manual and The OLO Way™.

We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity, or enforceability of the Service Marks.

We and you will use reasonable best efforts to continuously improve the products, processes and services used in The OLO Way™ and to develop new products, processes and services for use as part of The OLO Way™. All the improvements, inventions and developments you make, develop or create for use in The OLO Way™ will be our property and we alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

5.4 You Will Not Use Names or Marks in Combination. Except as provided in this Agreement, you will not use or give others permission to use the Service Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Service Marks. You may not combine or associate any name or symbol of the Service Marks with any other name or word in any advertising or sign. The Service Marks must be used in exact conformity with specifications we set in the Operations Manual and Style Guide.

5.5 Service Marks, Operations Manual, Knowledge Base, and The OLO Way™ May Be Changed. You acknowledge that the Service Marks, Operations Manual, Knowledge Base, and The OLO Way™, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Service Marks, Operations Manual, Knowledge Base, and The OLO Way™.

We may change or modify any part of the Service Marks, Operations Manual, Knowledge Base, or The OLO Way™ from time to time at our sole discretion. You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Service Marks, Operations Manual, Knowledge Base, and The OLO Way™ at the time this Agreement is executed. You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

Complete and detailed uniformity of the Service Marks, Operations Manual, Knowledge Base, and The OLO Way™ under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore, we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local clients, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. From time to time, we may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs, and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual, Knowledge Base, and The OLO Way™. We will not be required to grant any variance to you under any circumstances. You will not require us to disclose or grant to you a like or similar variation.

5.6 Uniforms. You will require that all your team members adhere to the Uniforms and Apparel standards described in the Operations Manual and Style Guide. All team members must look neat, clean, and professional. All uniforms and apparel will be properly laundered regularly and replaced when worn. We may change the Uniform and Apparel standards from time to time. You agree to adopt these new standards when implemented and bear the purchase price of them.

5.7 Employees. You will ensure that your employees present a neat, clean, professional appearance and render friendly, efficient, sober and courteous service to your clients in accordance with the grooming and training requirements of the Operations Manual, which may include background checks and drug testing standards. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You will in no way obligate us for expenses incurred in the operation of your franchise including labor costs.

You are responsible for making sure your employees meet the standards, specifications and procedures outlined in the Operations Manual. You will hire only efficient, competent, sober and courteous

employees for the conduct of the franchise business. You may not hire any employees who have been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character. All revenues generated under this Agreement from all business activities of the Franchise must be paid directly to you. *Your Employees and Associates are not permitted to receive or request payment directly from your clients to them in their personal names or capacities.*

5.8 You Will Not Communicate Confidential Information. You specifically acknowledge that you will receive valuable specialized and confidential information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, client lists, manuals, marketing and sales techniques and strategies, and The OLO Way™. Unless required by court order or applicable law, you agree not to copy, download to internet, intranet, modem, fax, e-mail, mail or send any confidential material or divulge any material directly or indirectly to any other person or enterprise outside of the franchise system. During the term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on any internet media, divulge or use in any other manner, either for your benefit or the benefit of any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning The OLO Way™ or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your franchised business.

The OLO Way™ includes valuable proprietary and confidential information. Unless required by court order or applicable law, you agree to not communicate or divulge the contents of our Operations Manuals or any other information related to The OLO Way™ or to the operation of the Franchise or our franchise system to any person or entity except those we authorize in writing to receive the information. You agree that these contents and information are confidential. They include information that is our exclusive property, and you may only use them in the Franchise subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information. You agree to disclose information to your employees only to the extent necessary to perform the franchise business.

The OLO Way™ is a technologically advanced program of accounting, identification procedures, management systems, techniques and business operations and systems that would, if used by other persons, firms or entities, give a substantial competitive advantage which we presently enjoy. Any and all information, knowledge and know how, not generally known about The OLO Way™ and our products, services, standards, specifications, systems, procedures and techniques, including information, manuals, contracts, client data, supplier data, financial data, price lists, methods, techniques, processes, compilations, formulas, programs or patterns related to the operation of a OLO Builders franchise and its products and services and any other information or material that we may designate as confidential, will be deemed confidential for purposes of this Agreement. This will not apply to information which you can demonstrate came to your attention prior to disclosure by us, or which is or has become a part of the public domain through publication or communication by others. Our confidential information is licensed, not sold, to you. You will not reverse engineer, decompile or disassemble any item that embodies confidential information. The Operations Manual may contain guidelines to protect confidential information and trade secrets, including limited access to the information on a need to know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption. You will conduct periodic meetings with your managers and employees to instruct them on their

responsibilities to maintain the confidentiality of our information, including severance interviews with terminated employees in which they acknowledge in writing their post-employment confidentiality obligations.

You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our confidential and proprietary information, including the signing of a confidentiality agreement. You must follow our security procedures, which may include the execution of approved nondisclosure agreements, and Intranet and Internet usage agreements. You will be responsible to use your best efforts to enforce these covenants and agreements by your employees. These covenants are for the benefit of us and the OLO Builders franchise system and are enforceable by us. If you become aware of any actual or threatened violations of these covenants by any of your employees and anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any violation. This may include institution or permitting to be instituted in your name any demand, suit, or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by us and you at your expense.

You will use your best efforts to assure that you and all your agents, employees, consultants, partners, owners, members, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, will keep, preserve, and protect all confidential information.

This section contains prohibitions based upon an understanding that you, your key employees, your officers, your partners, your employees, members and stockholders (as applicable) will possess knowledge of business and operating methods and confidential information, disclosure of which would prejudice our interests and our other franchisees.

If you engage in any residential new home construction services or management services related to such business within two (2) years of the expiration, termination, or transfer of this Agreement, you will agree that you will be presumed to have used our confidential information in that business. This 2-year period is not intended to limit the duration of your obligation to preserve the confidentiality of the information and to not use the information after expiration, termination, or transfer of this Agreement.

5.9 Conflicting or Competing Interests. You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your franchise. You will not engage in any activity or business enterprise that conflicts with these obligations. We require that the designated Operator participate fully in the actual day to day operation of the franchise business.

At all times the Franchise must be under your direct supervision. You will devote a substantial enough amount of time and energy to properly operate the Franchise. What constitutes proper operation will be in our sole reasonable discretion.

In express consideration for and during the term of this Agreement, neither you nor your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Operations Manual or The OLO Way™), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee,

distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) engaged or to be engaged in the sale or rental at wholesale or retail or on the Internet of residential new home construction services or management services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of The OLO Way™. We may waive this covenant only in writing. During these periods, you agree to promptly and fully disclose to our Chief Executive Officer any business opportunity coming to your attention or conceived or developed in whole or in part by you, which relates to our business.

You will use your best efforts to assure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, during the term of this Agreement and for a period of 2 years after expiration or termination of this Agreement do not:

- A. divert or directly or indirectly attempt to divert any of our business or any of our clients to any competing establishment;
- B. employ or seek to employ any person we employ or any other person who is at that time operating or employed by or at any of our franchises or otherwise directly or indirectly induce these persons to leave their employment; nor
- C. do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Service Marks and The OLO Way™.

If, for any reason, any provision set forth in this Subsection is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded. Provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than 5% of the outstanding securities of the corporation.

You will use your best efforts to obtain written covenants from your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents in a form satisfactory to us that these persons will comply with the provisions of this Section.

You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this Section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, you and we request the court to reform these provisions to restrict your use of confidential information, non-solicitation, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under applicable law.

5.10 Computer Systems & Software. You will install and use computer systems and software approved by us. You will purchase, lease, or otherwise acquire, from sources of your choice

and at your expense, computer hardware and software (including but not limited to programs, computer terminals, Internet and other network access providers, website vendors and video conferencing) that are totally compatible with and strictly conform to all requirements, standards, and specifications we may set from time to time, including coordination with consolidated systems used at co-branded locations. You must have these systems in operation prior to opening for business. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing these services to you.

You agree to the Software Bundle Fees described in Section 2.5 of this Agreement.

You are required to have high speed Internet service to your business or home office where you will be able to access downloads from us of advertising materials, Operations Manual revisions, training materials and corporate news, and through which we may have access to your computer systems and records. You must also have a laptop computer and mobile phone. You must have a wireless technology for your laptop computer to remotely connect to the internet to assist you. We will supply you with five email addresses, included with your franchise, and upon your request, we can provide additional email addresses that may incur an additional charge.

6 RENEWAL, TERMINATION AND STEP-IN RIGHTS

6.1 Renewal of Franchise.

A. If you have faithfully performed under the terms of this Agreement, including compliance with the Operations Manual, and have no defaults within the prior six (6) months, you may renew the Franchise for periods of five (5) years under the terms of our then-current franchise agreement (the “Successor Franchise Agreement”, subject to the conditions of this Section 6.1. You will exercise your renewal option by giving written notice to us at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement.

You will incur a Franchise Renewal Fee of \$2,500, plus applicable taxes, in consideration of our efforts and costs related to executing the Successor Franchise Agreement with you. The Successor Franchise Agreement may vary materially from this Agreement. All fees will be set at the then prevailing rates and terms. Your failure or refusal to execute the Successor Franchise Agreement within **30** days after delivery to you may be regarded as an election by you not to renew. Upon renewal, the Franchise must remain located in the geographical territory designated in this Agreement. The Franchise Territory and its geographic area may be modified to meet our then current franchise market penetration and demographic standards and co-branding requirements.

You will refurbish the Franchise and its vehicles and equipment to conform to the then current Operations Manual and The OLO Way™. You must make all capital expenditures reasonably required to renovate and modernize the Franchise and its vehicles, signs, and equipment to reflect the design and decor image of OLO Builders franchises we then are requiring of new or renewing franchisees. These expenditures will be in the amount necessary to make the Franchise modern and fresh and to resolve wear and tear.

You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.

Before the effective date of the Successor Franchise Agreement, you, your designated Operator and all team members will attend and successfully complete any retraining program we prescribe in writing. This will be done at your expense, including travel, meals, lodging, and associated training fees payable to Franchisor.

B. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

C. Continuation. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express written consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon **30** days written notice. Otherwise, all provisions of this Agreement will apply while operations continue. Upon termination of this Agreement under this section, all post-termination covenants and obligations in this Agreement will apply. Continuation without our written consent will be subject to the conditions of Section 6.6.

6.2 **Termination by You**. You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably to begin to cure that breach within **30** days after receipt of written notice specifying the breach. Termination will be effective **10** days after you deliver to us written notice of termination for our failure to cure within the allowed period.

6.3 **Termination by Us**.

A. The following provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense.

If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

1. You irrevocably nominate, constitute, and appoint the person serving from time to time as our CFO, COO or CEO to be your attorney-in-fact so to act in your name and on your behalf.
2. At our election and without waiving any claims for default or breach and without prior notice to you or resort to legal process, we may enter upon any premises using the reasonable force as is necessary in the circumstances, without being guilty of trespass or liable to you or the property owner for the entry, for the purposes of securing the

return of our property, the performance of your obligations of discontinuance and the protection of our rights upon expiration or termination of this Agreement.

If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received.

You agree that it will be a default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination of this Agreement and any other franchise and related agreements between the parties if you (or your owners, officers, or key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within **30** days after receipt of our written "Notice to Cure." Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame.

You further acknowledge and agree that we may limit or completely shut down your access to our Call Center and related services and technologies if you fail to make timely payment of service, royalty, or other fees or otherwise breach this Agreement.

B. You agree that it will be a default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for us to immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers, or key employees):

1. Become insolvent, make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchised business or your assets, or admit to not being able to meet your obligations as they become due or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you:
 - a. timely undertakes to reaffirm the obligations under this Agreement;
 - b. timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement; and
 - c. timely complies with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code;

provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchised business, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void.

2. Fail to operate the Franchise continuously and actively for 5 consecutive days or for any shorter period, unless permitted pursuant to the holiday provisions above, to attend our national convention, or in writing by Franchisor, after which it is reasonable under

the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise location.

3. Fail to comply with any requirement of this Agreement or of any related agreement between the parties within twelve months after having received the most recent of two or more 30-day or 5-day Notices to Cure deficiencies in performance of the same or any other requirement pursuant to Subsection (A) above or this Subsection (B), whether or not you had corrected your earlier failures to comply after we delivered notice to you.
4. On more than two occasions fail to report monthly Revenue on time, understate monthly Revenue by more than 2%, or distort other material information.
5. Make or have made any material misrepresentation or misstatement on the franchise application or with respect to ownership of the Franchise. If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire Initial Franchise Fee, your entire Initial Training Fee, cancel training, and terminate this Agreement.
6. Allow the Franchise or Franchise Premises to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor; let a final judgment against you to remain unsatisfied for 30 days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within 5 days of the levy.
7. Are convicted of a felony or are convicted of any criminal misconduct relevant to the operation of the Franchise.
8. Within a period of 10 days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.
9. Fail to pay any Franchise, Royalty, or National Advertising Fees or other amounts owed pursuant to this Agreement within 5 days after receipt of written notice that the fees or amounts are overdue.
10. Operate the Franchise in a manner that creates an imminent danger to public health or safety.
11. Do not keep confidential information related to the Franchise confidential except to employees or persons authorized to know.
12. Fail to obtain agreements from your employees to keep confidential information confidential.
13. Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

14. Operate the Franchise in a manner that creates harm to The OLO Way™.
15. Operate a competing business performing residential home building operations.
16. Fail to achieve the Key Results.

If, upon the event of a notice of default, which may allow for a cure period of 30 to 180 days at the discretion of Franchisor, which noticed default remains uncured after the designated cure period, we have a right to terminate this Agreement, we may permit you to avoid termination of this Agreement upon our offer to you, at our sole discretion, of a Default Redemption Fee. Payment of this fee, in any reasonable amount determined necessary to appropriately remedy the default, together with any additional conditions imposed together with the Default Redemption Fee, may avoid termination.

6.4 **Time Frames Subject to Applicable Laws.** The provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, non-renewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law.

6.5 **You Will Discontinue Use of Service Marks, Operations Manual, Knowledge Base, and The OLO Way™ on Termination of Agreement.** Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

- A. Immediately cease using the Service Marks (or any names or marks deceptively similar to them), the Operations Manual, Knowledge Base, and The OLO Way™.
- B. Return to us all copies of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the Knowledge Base and The OLO Way™. You will give us a complete and accurate summary of your advertisers, clients and leads, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee.
- C. Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, locators, directories and listings to us or our designee. Notify them of the termination of your right to use the Franchise names and Service Marks. You authorize the transfer of your telephone numbers and directory listings and Internet addresses, domain names and locators to us or our designated franchisees. You appoint us as your agent and attorney-in-fact to effect the transfer of these telephone numbers and directory listings and domain names and Internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers and directory listings. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers. You release and indemnify these companies from any damage or loss because they follow our instructions.
- D. Make reasonable modifications to the interior and exterior of any retained premises and vehicles to reduce your identification as a part of our franchise system. These

modifications will include but will not be limited to removal of reasonable alterations to eliminate any possibility of confusion with any other OLO Builders operation.

E. Pay to us within **seven** (7) days all Royalty Fees, National Advertising Fees, and other sums you owe. These sums will include all damages, costs and expenses, including reasonable attorneys fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

F. Abide by all provisions of the restriction upon communication of confidential information set forth above and the post-termination Covenant Not to Compete set forth below. You will immediately return to us all of our confidential information you have received, including any items that embody the confidential information. You acknowledge that you have no continuing ownership interest in the confidential information.

G. At our option, do some or all of the following:

1. Remove all Franchise-related equipment, furnishings, supplies, and other materials from the Franchise Premises;
2. Sell the equipment, furnishings, supplies, and other materials to us, at the following purchase prices:
 - a. For new and unused items, your cost as originally invoiced to you less a restocking charge equal to 15 percent of your cost.
 - b. For used items, products, equipment, supplies, and other materials, the current fair market value less 20 percent of the value.
 - c. For leasehold improvements, machinery, equipment, fixtures, furnishings, and signage - the lesser of:
 - i. the current fair market value less 20 percent of the value,
 - ii. your cost as originally invoiced to you less 20 percent of your cost.
 - d. Damaged, obsolete or discontinued items will be transferred to us at no cost.
 - e. We will not be liable for payment to you for intangibles, including, without limitation, goodwill.
 - f. In each instance we may deduct from any monies payable to you all sums due by you to us or your suppliers, whether under this Agreement or any other agreement or instrument.
3. Assign to us the lease for the Franchise Premises and ownership and control of any online presence you own or control that references or is related to the Franchise.

H. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within five (**5**) business days after termination of this Agreement. If the parties are unable to mutually agree on a purchase price, a fair value and fair terms will be determined by three appraisers. Each party will select one appraiser. The two appraisers chosen will then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence

of the value of the Franchise and fair terms for the purchase. The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any time within **30** days after receiving the appraisers' decision, at our option we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers.

- I. Upon termination for any reason, you will return to us all proprietary and confidential materials, including client lists, keys, codes, signage, advertising and marketing materials, uniforms, service agreements and other forms, printed files, clients lists and account information, security codes, cards and passes, picture identification badges and the like as described in the Operations Manual. If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items. You will pay to us, on demand, any expenses we incur in trying to remove or collect such items or in attempting to have you cease use of them. Your failure to immediately return all keys and security codes or passes to us may result in us changing locks, keys and codes at your expense.

- J. You agree to continue to provide warranty coverage as necessary to your past clients or compensate OLO Builders for such warranty coverage if necessary. Warranty coverage will not automatically transfer to OLO Builders upon termination.

6.6 **Liquidated Damages.** Subject to applicable law, upon the expiration, termination, or transfer of this Agreement, it is understood and agreed that we will suffer damages if you do not immediately comply with the requirements of this Agreement. In addition to any other remedy provided for or available to us at law or equity, we will have the right to claim and recover damages from you for your failure to comply. You agree that for each day subsequent to the expiration, termination or transfer of this Agreement that you operate the Franchise without having complied with the requirements this Agreement, you will pay to us the non-refundable sum of \$1,000 per day as and for liquidated damages in respect of your failure. You agree that this sum represents a genuine attempt by the parties to pre-estimate the magnitude of the damages caused by your failure.

In addition to the non-compliance Liquidated Damages, upon termination of the this Agreement, to address the damages that will result through your discontinuance of operations, in addition to any other remedy provided for or available to us at law or equity, and as a genuine attempt to pre-estimate the magnitude of the damages caused by your termination, we will have the right to claim and recover damages from you as Termination Liquidated Damages of \$200/day, for your failure to adhere to the Agreement for its entire term.

6.7 **Our Step-In Rights.** The parties want to prevent any operation or interruption of the Franchise that would cause harm to the Franchise and to our franchise system and lessen their value. Therefore, you authorize us to step in to operate the Franchise for as long as we believe necessary and practical in our exclusive judgment. We may do so without waiving any other rights or remedies that we may have. Cause for stepping-in may include our reasonable determination that: you are incapable of operating the Franchise; you are absent or incapacitated because of illness or death; you fail to operate in accordance with material provisions of the Operations Manual; you have failed to pay when

due any real property, equipment rent or lease payments, suppliers, or other obligations; you have failed to pay to us when due any franchise, royalty, advertising, or other fee; you have failed to pay when due any taxes or assessments against the Franchise or property used in the Franchise; you have failed to pay when due any liens or encumbrances placed upon or against your business property; your business activities are having a negative impact upon the value of our franchise system_or we decide that significant operational problems require us to operate the Franchise for a time. We may exercise our step-in rights if you are ill or disabled, you, your lender, or the SBA requests our assistance or agrees to our proffered support and supervision, directly or indirectly or through contract agents. If you have a loan for the franchise that is guaranteed by the Small Business Administration, our right to step-in will be limited to a 60-day period unless otherwise requested or agreed with the lending bank at that time. Thirty days after exercising our step-in rights, we will re-evaluate your then-current status. At our discretion, we will either operate for an additional 30-day period or turn the operation back over to you. In turning the operation back over to you, we do not waive our rights to step back in the future.

All Revenue from our operation of the Franchise will be for your exclusive account. We will pay from that Revenue all expenses, debts and liabilities we incur during our operation of the Franchise. This will include our personnel and administrative costs, plus 15% to cover our overhead expenses. In addition, we will have the option, but not the obligation, to pay for you any claims owed by you to any creditor or employee of the Franchise. You will reimburse us upon demand, including at the rate set forth above for overdue amounts.

We will keep in a separate account all Revenue generated by the operation of the Franchise, less the expenses of operation.

We will have no obligation to retain any employee of the Franchise, nor to honor any contractual employment commitments you previously made. If we elect to retain any employee, employment will be pursuant to a new employment agreement between us and the employee. Employment will commence on the first business day on which we carry on business through the Franchise. Any claim by an employee for unpaid salary, vacation pay, or other benefits will be your sole responsibility.

Upon our exercise of these Step-In Rights, you agree to hold us harmless for all acts, omissions, damages, or liabilities arising during our operation of the Franchise.

Our operation of the Franchise will not operate as an assignment to us of any lease or sublease of franchise property. We will have no responsibility for payment of any rent or other charges owing on any lease for franchise property, except as the charges relate to the period of our operation of the Franchise.

You agree to pay our reasonable legal and accounting fees and costs we incur because of our exercise of these Step-In Rights.

6.8 You and Your Owners Not to Compete on Expiration, Termination or Transfer of Agreement. This covenant will apply for 720 days after termination, expiration or transfer of this Agreement. In express consideration for this Agreement, you will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Operations Manual or The OLO Way™), will not directly or indirectly participate as an owner, shareholder, director, partner,

officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of residential new home construction services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of The OLO Way™. This covenant applies within the Franchise Territory, within a 100-mile radius of the Franchise Territory, and within a 100-mile radius of any location where we operate or have granted the franchise to operate an OLO Builders business within the United States of America.

You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable. They are not the result of overreaching, duress, or coercion of any kind by us. You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors. Your knowledge of The OLO Way™ would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

If, for any reason, any provision set forth in this subsection exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

7 TRANSFER

7.1 Sale or Assignment.

A. Your rights and obligations under this Agreement are exclusive to you. Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "transfer") the whole or any part of: this Agreement, the Franchise Premises, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement. Any attempted transfer without our prior written consent will be a breach of this Agreement. Our consent will not be unreasonably withheld.

Because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee, we need not consent to any transfer if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis.

We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity).

You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. Our consent to a transfer by you will remain a subjective determination and

will include, but not be limited to the following conditions. Before the effective date of a transfer, we approve:

1. The transferee must assume your Franchise obligations. You will remain bound by your covenants in this Agreement to not disclose confidential information and to not compete with us or our franchisees.
2. You will pay all ascertained or liquidated debts concerning the Franchise.
3. You may not be in breach of this Agreement or any other agreement between the parties. Our consent to the transfer will not constitute a waiver of any claims we may have against you.
4. The transferee will complete to our exclusive satisfaction the training programs we then require of new franchisees and pay all associated training fees.
5. You or the transferee will pay a Transfer Fee equal to the greater of \$5,000 or five percent (5%) of the proposed purchase price for the Franchise, plus applicable taxes with a maximum Transfer Fee of 50% of the then-current Initial Franchise Fee. The Transfer Fee will be paid by delivering: i) a non-refundable deposit of \$1,000 with the written request for our approval of the proposed purchaser, and ii) the balance on or before the closing date of the transfer.
6. You will pay us a 10% Transfer Referral Fee on the gross transfer price (excluding the price of real property) if we obtain the transferee for you. If through our efforts to assist you in finding a buyer, the person who buys your Franchise or an ownership in you or in this Agreement, including, without limitation, our efforts through making an introduction between you and the buyer, or giving you the buyer's contact information, or giving the buyer your contact information, including through the delivery of a Franchise Disclosure Document, our efforts assist you in finding your buyer, this Transfer Referral Fee shall apply, in addition to the Transfer Fee.
7. You agree that up to 5% of the gross transfer price will be held by us in escrow to fund warranty claims during the twelve (12) month period immediately following the transfer of the Franchise (the "warranty escrow period"). The exact percentage held in escrow will be determined by the number and value of projects completed by you in the twelve (12) calendar months preceding the transfer. Upon completion of the warranty escrow period, any amounts actually expended on warranty claim expenses, together with a processing fee of \$300 will be deducted from this escrow amount, and the balance will be refunded to you after 45 business days from the close of the warranty escrow period.
8. The transferee will execute all documents we then require of new franchisees. This includes a new franchise agreement in the then-current form. The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement. The term of the new agreement will be for the unexpired term of this Agreement or for a new full term in our sole discretion. You must ask us to provide the prospective purchaser with our current form of disclosure

document required by the applicable federal or provincial/state registration and disclosure laws, and a receipt for this document will be delivered to us; provided however, we will not be liable for any representations you make apart from those contained in our disclosure document.

9. The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.
10. If permitted by applicable law, you and your owners, members, partners, officers, and directors will execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release any claims you may have against us and our representatives, subsidiaries and affiliates and our officers, directors, attorneys, shareholders and employees in their corporate and individual capacities. This will include claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the offer, sale and performance of this Agreement or any other agreement between the parties.
11. If you lease or sublease the Franchise Premises and such document requires, the lessor or sublessor must have consented to the assignment or sublease of the Franchise Premises to the transferee. It will be your sole responsibility to ensure all equipment is in proper working order before the transfer takes place.
12. You will enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise related fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.
13. The transferee will refurbish the Franchise, the Franchise Premises, and signage to conform to the then-current Operations Manual and The OLO WayTM within 90 days of transfer.
14. Upon our granting of approval for the transfer, you will:
 - a. ensure that the transfer is in compliance with the requirements of all federal, state, and local laws, including applicable tax and bulk sales legislation;
 - b. return to us the Operations Manual and all other manuals and materials we provided to you for use in the Franchise, including all materials bearing the Trademarks and our advertising, promotional and training materials, order books and bookkeeping and reporting forms.
 - c. With our prior written consent, you may transfer your rights and obligations under this Agreement to a corporation or other entity in which you continuously own a majority of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement. The entity must contemporaneously agree in writing to be bound by the terms

of this Agreement. You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable in all respects under this Agreement. You and all other owners will personally and unconditionally guarantee the obligations of the new entity and you will remain personally subject to and bound by all terms, conditions, restrictions and prohibitions contained in this Agreement. You as an owner of the entity agree to separately and personally, for you and for your successors, heirs and personal representatives, act as surety for the full and faithful performance of all of the obligations, commitments and payments required of the entity. In that capacity, you agree that we do not have to pursue any remedies we may have against the entity, but rather, may proceed directly and primarily against you with or without joining the entity as principal or as a named party in any proceeding.

You will be in breach of this Agreement if you at any time, without our prior written approval, dispose of any interest sufficient to reduce your ownership in the entity to less than a majority of any class of stock or other evidence of ownership. From time to time, at our request, you will provide to us a current list of all your owners, shareholders, members, directors, officers, partners, and employees, with a summary of their respective interests in you.

B. We may transfer this Agreement. If we do, it will be binding upon and inure to the benefit of our successors and assigns. Specifically, you agree that we may sell our assets, the Service Marks, or The OLO Way™ outright to a third party, may go public, may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Service Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

C. You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent which shall not be unreasonably withheld. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Service Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees. You will give us at least **60** days written notice before the effective date of any offering or other transaction covered by this subsection.

D. You may not grant a sub-franchise, nor transfer less than all of your rights under this Agreement.

E. Our consent to a proposed transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement. Our consent to a transfer will not constitute or be interpreted as consent for any future or other transfer.

F. You will comply with and help us to comply with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

7.2 Your Death or Disability.

A. Besides the Step-In Rights described above, the following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50% or more of you if you are a limited liability company or corporation or other entity. Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will:

1. Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in Subsection (A) of the section entitled "Sale or Assignment," above (except that no transfer fee will be required). Or,
2. Transfer your interest according to the provisions of that subsection. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection. For purposes of this subsection, on an application for the right to continue to operate, our silence through the 180 days following the event of death or incapacity will be deemed an acceptance made on the last day of the period.
3. If a suitable transferee purchaser is not found within 180 days from the date of death or permanent incapacity, we may at our sole option enter into a contract to purchase the Franchise. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty (20) business days after notice from us. If the parties are unable to mutually agree on a purchase price, a fair value will be determined by three appraisers. Each party will select one appraiser. The two appraisers chosen will then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers may include in their decision a factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any time within 30 days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your assets at the price determined by the appraisers. Terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment.

B. If the provisions of this subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

7.3 **First Right of Purchase.** You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We will elect to exercise our option to purchase within 60 business days after our receipt of your written notification and due diligence information. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third-party purchaser on better terms than we offered to you, you are obligated to re-offer to us pursuant to the subsection entitled "First Right of Refusal". You are obligated before any transfer to a third party to comply with all criteria set forth in the subsections entitled "Sale or Assignment" and "First Right of Refusal." If you do not complete a transaction with a third party within six months, you agree we will again have the right of first purchase before any subsequent contemplated transaction.

We may elect to purchase all of the franchise business regardless of your intent to sell, assign or transfer a lesser interest. We can pay the purchase price in cash up front or by industry-standard monthly payments that amortize the principal amount with interest calculated at prime plus 1% as of the date of purchase. The choice of payment type is in our sole discretion.

In no event shall our decision to decline, if we so decide, this option to purchase comprise a waiver of any other right, including the first right of refusal set forth in Section 7.4

7.4 **First Right of Refusal.** If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within 6 days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right to purchase within 30 days after receipt of notice from you and due diligence information. If the interest which is the subject of the offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest. Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this section.

If we do not exercise our right to purchase within the 30 days, you may make the proposed transfer to a third party. The transfer will not be at a lower price or on more favorable terms than disclosed to us. Any transfer will be subject to our prior written permission described in the section entitled "Sale or Assignment," above. If the Franchise is not transferred by you within 6 months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must re-offer to transfer to us before a transfer to a third party.

8.1 **Indemnity.** You will indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, actions, losses, attorney fees and damages arising out of or connected with the Franchise and the business activities, acts or omissions of you and your employees and agents, including those brought against you and us jointly alleging that you and we were negligent or otherwise liable. We will not be liable to you or to any other person because of your act, omission, neglect, or breach. If it is established that both you and we were negligent or otherwise liable, you and we will contribute to the relevant award, and the obligation to indemnify and hold harmless shall be determined, based upon the adjudicated and assigned respective degree of fault. In the event of a settlement prior to adjudication, you and we will agree to degrees of fault. You and we will contribute to the relevant settlement, and the obligation to indemnify and hold harmless shall be determined, based upon the agreed degree of fault. All provisions of this Section will be subject to these contribution and allocation of indemnification provisions.

You will indemnify us for any loss, cost or expense, including attorneys' fees that may be sustained by us because of the acts or omissions of your vendors or suppliers.

This indemnification will include use, condition, equipping, maintenance or operation of the Franchise, including the sale of any products, service or merchandise sold through the Franchise. Any loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchise, whether or not discoverable by us, and those arising from the death or injury to any person or arising from damage to the property of you or us, and our respective agents or employees, or any third person, firm or legal entity.

You will defend us at your own expense in any legal or administrative proceeding subject to this subsection. The defense will be conducted by attorneys we approve. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing. You will not settle any claim against us without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, and employees will be also and equally indemnified, defended or named.

8.2 **Insurance.** Upon commencement of franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate insurance as set forth herein. This insurance will be in an amount sufficient to replace your personal property upon loss or damage. This insurance will be written by a financially responsible insurance company satisfactory to us in accordance with our standards and specifications in the Operations Manual. The insurance will comply, at a minimum, with the following terms:

The Franchisee is to secure, pay for, and maintain current on file with the Franchisor, certificates of

insurance, in a form satisfactory to the Franchisor, for the types of insurance and in the amounts listed below. All such insurance, unless otherwise required by law, shall be issued on an “Occurrence” and not on a “Claims Made” policy form, and shall be maintained without interruption throughout the entire term of this agreement. Any insurance policies secured shall be written through reputable insurance carriers who are authorized to do business in the states in which your franchising entity operates. Insurance carriers used must carry a minimum rating by AM Best of A- (Excellent) and this shall be shown on the certificate of insurance.

Types of Insurance/Limits:

- General Liability including Personal Injury, Advertising Injury, Premises Liability and Products & Completed Operations coverage with limits no less than \$1,000,000 Occurrence and \$2,000,000 Aggregate
- Commercial Auto including Hired & Non-Owned liability coverage with limits no less than \$1,000,000 Combined Single Limit.
- Worker’s Compensation and Employer’s Liability
- Umbrella coverage with limits no less than \$1,000,000. The Umbrella shall extend to all coverages and limits listed above.

Indemnification and Endorsements:

- Franchisee shall name (Franchisor) as Additional Insured for both ongoing and completed operations on General Liability and Auto Liability policies. Additional Insured status will also include any contractual liability assumed under this agreement. This language is to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.
- Franchisee shall provide a waiver of subrogation in favor of the Franchisor on the General Liability and Commercial Auto Liability policies. This language is to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.
- All liability insurance coverage provided by Franchisee is to be Primary & Non-Contributory. This language is to be included on the certificate of insurance provided and any applicable endorsement forms shall be provided to the Franchisor along with the certificate of insurance.
- Franchisee agrees to provide 30 Days Notice of Cancellation of any policies set forth in this agreement to Franchisor.
- Upon expiration of any policies Franchisee will provide new certificates of insurance to Franchisor as evidence of continued coverage and compliance with this agreement.
- Franchisee shall secure and maintain Builder’s Risk coverage in appropriate amounts for any new homes throughout the construction process and until sold.

Duty to Defend and Hold Harmless:

To the fullest extent permitted by law, Franchisee shall defend, protect, hold harmless, and indemnify the Franchisor, its owners, agents, employees, etc. against any actual or threatened liability, loss, claim, demand, suit, cost, fine, and expenses whatsoever, arising from out of or in connection with the performance of any work or any errors or omissions related to this franchising agreement.

Use of Subcontractors:

Franchisee agrees to require and maintain current on file certificates of insurance for all sub-contractors and suppliers used in conjunction with their operations. It is agreed that Franchisee will be held solely responsible and agrees to indemnify and hold harmless the Franchisor for the work performed by sub-contractors and suppliers in conjunction with Franchisee's operations. It is further agreed that Franchisee will require and maintain current evidence of insurance from subcontractors for its own protections under this agreement.

Not All-Inclusive:

The insurance provisions in this contract are not all-inclusive. Franchisee should seek out and maintain at its discretion and in consultation with insurance providers any additional coverage as deemed necessary. Franchisor will not be held responsible for the Franchisee's failure to secure proper insurance coverage to protect their financial interests. Franchisor is not responsible for payment of any premiums associated with Franchisee's insurance program or any of the insurance requirements as set forth in this agreement. Failure on behalf of the Franchisee to maintain insurance or properly insure financial interests does not diminish, reduce, or negate any of the financial responsibility owed by the Franchisee to the Franchisor as part of this agreement.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to your operation of the Franchise. Your insurance policies will contain a separate endorsement naming us as an additional named insured. The insurance will not be limited in any way because of any insurance we maintain, and will be the primary, non-contributory insurance for claims made thereunder. The insurance will not be subject to cancellation except upon 30 days' written notice to us. Certificates of your insurance policies will be kept on deposit with us. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against you.

All insurance policies you obtain will contain a blanket waiver of the insurer's rights of subrogation in respect of or against us and our officers, agents, employees, and representatives; and will not contain any insured vs. insured exclusion clause but will contain a severability clause providing that each the policy will be treated as though a separate insurance policy had been issued to each named insured.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom.

If you fail to comply with any of the requirements of this Subsection, we may, but are not obligated to, purchase insurance at your expense to protect our interests. This insurance may, but need not, also protect your interest. The coverage we obtain might not pay any claim you make, or any claim made against you. You may later cancel the insurance we obtain by providing evidence that you have obtained proper coverage elsewhere. You are responsible for the cost of any insurance purchased by us pursuant to this paragraph. This coverage may be considerably more expensive than insurance you can obtain on your own and might not satisfy your needs. You will pay us upon demand the premium

cost of this insurance with a late payment charge on the unpaid balance at the rate established in this Agreement.

You will promptly report all claims or potential claims against you, the Business or us in writing when you become aware of them. You will give immediate written notice to us of any claims or potential claims you make to your insurers.

We may, at our sole discretion, upon not less than 90 days prior written notice to you, secure a policy of insurance which will provide defined insurance coverage to all or any part of the OLO Builders system. This policy may replace or supplement the insurance coverage you are required to maintain. You will pay the relevant insurance premium to us or the designated insurance provider, as we direct.

Nothing contained in this Agreement will be construed as a representation or warranty by us that the insurance coverage we specify will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your franchise business. It is your sole responsibility to ensure that adequate insurance coverage is obtained for your business.

Your procurement and maintenance of the insurance specified above will not relieve you of any liability to us under any indemnity requirement of this Agreement.

9 **NOTICE AND MISCELLANEOUS**

9.1 **Notices.** All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and return receipt requested. If a notice is sent via email, it will be adequate when accompanied by a read receipt. They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available. Notices will be delivered to you at the Franchise Premises, to us at our headquarters or to other locations specified in writing.

Notices may be delivered and receipted to you personally at any location.

Notices sent by certified or registered mail will be deemed to have been delivered and received 3 business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received one business day after placement requesting delivery on the most expedited basis available.

9.2 **Business Name.** You will execute any documents we may from time to time direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Service Marks and the name “OLO Builders.”

9.3 **We and You Are Not Joint Venturers, Partners, or Agents.** You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You

acknowledge that you are not in a fiduciary relationship with us. However, from time to time we may refer to you as our partner colloquially, without any of the meanings associated with a legal partnership.

In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently display, by posting of a sign within public view, on or in the Franchise Premises and on any vehicles that you use, a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent.

You will maintain employee records to show clearly that you and your employees are not our employees. All state and federal, workers compensation and insurance requirements must be met for all employees and sub-contractors, including requirements we express in the Operations Manual.

The liability of you and your owners, shareholders, members, or partners will be both joint and several. A breach of this Agreement by you or by any shareholder, member or partner will be a breach by all of the shareholders, members, or partners and also by you.

9.4 **Waiver.** A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition.

Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Any waiver we grant will not prejudice any other rights we may have and will be subject to our continuing review. We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of **10** days prior written notice of revocation. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

By written notice, we unilaterally may waive any obligation of you, your owners, or guarantors.

Our consent, whenever required, may be arbitrarily withheld if you are in breach of this Agreement.

9.5 **Time Is of the Essence.** Time and strict performance are of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

9.6 **Documents.** You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement. Upon the expiration, termination, or transfer of this Agreement, if you do not execute any document necessary in our judgment to comply with the requirements of this Agreement, then by this Agreement,

you irrevocably nominate, constitute, and appoint the person then serving as our Chief Executive Officer as your attorney-in-fact to so execute that document in your name and on your behalf.

Any material violation or breach of any of these documents or of any other Franchise or related agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements. The non-breaching party may enforce or terminate this Agreement and any or all of the other documents and agreements as provided for enforcement or termination of this Agreement.

If you are a partnership, all general partners will sign the documents. If you are a corporation or limited liability company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance.

You will assure that each of your owners, shareholders, general partners, members, directors, officers, managers, employees, consultants, distributors and agents will not compete with us; will not attempt to divert clients to competing businesses; will not induce the employees of us or of our franchisees to leave their employment; and will keep, preserve, and protect confidential information as required by this Agreement.

9.7 **Construction.**

A. **Entire Agreement.** This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. It supersedes all prior or contemporaneous agreements or understandings, whether written or oral, with respect to the subject matter of this Agreement. There are no other oral or implied understandings between the parties with respect to the subject matter of this Agreement. Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties. The words "this Agreement" include any future modifications unless otherwise suggested by the context. No salesperson, representative, or other person has the authority to bind or obligate us in any way, except as provided in Schedule B, Franchisor Authorized Signers.

No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third party beneficiary of that provision.

Nothing in this Agreement or any related agreement is intended to disclaim the representations we made to you in our franchise disclosure document.

B. **Format.** All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal franchise disclosure laws. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

C. Captions and Headings. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement. If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

1. The content and expressed intent and exhibits of our Franchise Disclosure Document(s) previously delivered to you.
2. The content and expressed intent of franchise agreements we have executed with our other franchises reasonably contemporaneous to this Agreement.

D. Severability. If, any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted. The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions which may be declared invalid in the future. Provided, however, that if we determine that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, we may, at our option, terminate this Agreement.

E. Implied Covenants. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. If applicable law implies such a covenant, the parties acknowledge and agree that:

1. This Agreement (and the relationship of the parties which is inherent from this Agreement) grants us the discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests;
2. We will use our business judgment in exercising our discretion based on our assessment of our own interests and balancing those interests against the interests of the owners of other OLO Builders businesses generally (including us, affiliates, our franchisees and parties related to us) and specifically without considering the individual interests of you or any other particular franchisee;
3. We will have no liability to you for the exercise of our discretion in this manner, so long as our discretion is not exercised in bad faith toward you; and
4. In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute its judgment for the business judgment we exercise.

F. Joint and Several. If, at any time during the term of this Agreement, you consist of two or more persons or entities (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to you in this Agreement may only be exercised and enjoyed jointly; and your obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person and entity.

9.8 **Enforcement.** From time to time there may be controversy about this Agreement, its interpretation, or performance or breach by the parties.

A. **Mediation and Arbitration.** If a dispute arises between the parties, prior to taking any other legal action, the parties agree to participate in at least **8** hours of mediation in accordance with the Mediation Procedures of the US Arbitration & Mediation Service or of any similar organization that specializes in the mediation of commercial business disputes. The Parties agree to equally share the costs of mediation.

From time to time there may be controversy, dispute, question or claim arising out of, in connection with or relating to this Agreement and its execution, delivery, existence, interpretation, construction, legality, validity, binding effect, enforceability, discharge, performance, non-performance or breach by the parties. This may include a claim that this Agreement, or any portion of it, is indefinite, invalid, illegal, or otherwise void, voidable or unenforceable. The controversy (unless related to trademark infringement or collection of delinquent payments) will be resolved by arbitration before an arbitrator from Utah County or as close thereto as can be reasonably identified selected by Franchisor, who shall decide the arbitration unless that arbitrator's recusal is requested for good cause, and the arbitrator's adjudication is terminated thereby, in which case, Franchisor shall designate a replacement arbitrator. The arbitration shall occur under the process and rules of the American Arbitration Association or its successor. Regardless of the Commercial Dispute process and the rules of the American Arbitration Association or its successor, there will be no arbitration on a class or consolidated basis. The arbitrator will have power and jurisdiction to decide the controversy or dispute solely according to the express provisions of this Agreement. The arbitrator may not alter, amend, delete, or add to the provisions of this Agreement by implication or otherwise. In any arbitration the parties will be entitled to injunctive relief or specific performance of the obligations of the other. The arbitrator will determine the prevailing party for purposes of this Section and may make a percentage award of reimbursable fees and expenses. The decision of the arbitrator made within its power or jurisdiction will be final and binding. The decision may be entered as a judgment in any court of law having jurisdiction.

The provisions of this Section will be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the laws under which this Agreement will be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement will be governed by the Federal Arbitration Act (9 U.S.C. §_1 et seq.) and the federal common law of arbitration. The provisions of this Section will not limit our right to seek and obtain any provisional or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by you, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in our sole judgment to protect the Service Marks and the OLO Way and our confidential information and property rights, to enforce the restrictive covenants of this Agreement, to enforce our contractual rights, and to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of an arbitration proceeding.

This arbitration provision is self-executing, and in the event that any party fails without good cause (i) to appear at any properly noticed arbitration proceeding or (ii) to make payment in full of its share

of the required arbitration fees and costs within 10 days after notice and demand, absent a previously issued court order to the contrary, then a final award may be entered against such party notwithstanding the failure to appear or to make the required payment.

B. Injunctive Relief and Specific Performance. Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. Nothing contained in this Agreement will bar us or you to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause you or us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions.

C. Governing Law and Venue. You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted. This Agreement is accepted by us in the State of Utah and will be governed by the substantive laws of Utah without regard to Utah choice of law provisions. Provided, however, that any law of the State of Utah that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. Utah laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of any Utah franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and definitions. No franchise or business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law statute, law or regulation of Utah or any other state is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph. The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth. Any portion of this Agreement that requires enforcement in any other state and is enforceable under the laws of that state but not of Utah, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement will be mediated, arbitrated, tried, heard, and decided in Weber County, Utah, which you agree is the most convenient venue for these purposes. You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all the members of the OLO Builders franchise system.

D. Remedies. You recognize the unique value and secondary meaning attached to The OLO Way™, the Service Marks and our standards of operation and trade practices. You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of The OLO Way™ or the Service Marks will cause irreparable damage to us and our franchisees. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by laws.

No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations.

Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If either event occurs, we may recover from you the amount of our reasonable attorney fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the confidentiality requirements and covenants not to compete described in this Agreement. You acknowledge that any violation of the confidentiality requirements and covenants not to compete would result in irreparable injury to us for which no adequate remedy at law may be available and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete.

You agree that each of the confidentiality requirements and covenants not to compete described in this Agreement will be constructed as independent of any other covenant or provision. If all, parts or any portion of any covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. Each of the covenants described in this Agreement is a separate and independent covenant in each of the separate counties and states in the United States in which we transact business. To the extent that any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any of covenants, confidentiality requirements or covenants not to compete set forth in this Agreement that apply to you or to any other of our franchisees. We may do so without your consent, effective immediately upon your receipt of written notice. You agree that you will comply with any covenant that pertains to you as we so modify it.

You acknowledge we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of any part of this Agreement that relates to the confidentiality or protection of confidential information and trade secrets or your covenants to not compete against us or our franchise system or your threats or attempts to do so. For this reason, under those circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief. You also agree that a violation of any of our your confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

You specifically acknowledge the receipt of adequate consideration for the confidentiality and non-competition covenants contained in this Agreement and that we are entitled to require you to comply with these covenants. Those covenants will survive termination or expiration of this Agreement. You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

E. Attorneys Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorney fees and previously incurred mediator fees. These will be set by the arbitration, proceeding or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action. "Prevailing party" means the party who recovers the greater relief in the proceeding.

9.9 Other Agreements. If you or any of your shareholders, partners, or officers violate any material provision of any other franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

Whenever this Agreement requires that you enter into a release, such as for a transfer or renewal, the release will be in substantially the following form:

You (and your owners, members, partners, officers, and directors) agree to the following general release, subject to and following laws applicable in your jurisdiction, to release us from any claims you may have against us:

In consideration of the mutual covenants and understandings set forth in this release agreement, you release and discharge us and our current and former owners, partners, directors, officers, employees and agents from all obligations, duties, covenants and responsibilities to be performed under the franchise agreement with us related to the franchise and the franchise premises ("your Prior Franchise Agreement").

You release and forever discharge us and our current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the negotiation of, execution of, performance of, nonperformance, or breach of your Prior Franchise Agreement and any related agreements between you and us and out of any other action or relationship between you and us arising prior to the date of the release agreement.

You represent that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against us, known or unknown, arising directly or indirectly out of your Prior Franchise Agreement and the relationship between you and us prior to the date of the transfer [renewal] agreement including, but not limited to, economic loss.

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under your Prior Franchise Agreement prior to the date of the transfer [renewal] agreement, including all effects and consequences.

These releases are intended to waive, release and discharge all claims against us, other than these expressly reserved, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

You will waive the benefit of both statute and any other legal doctrine or principle of similar effect in any jurisdiction.

9.10 **Agreement Binding on Successors and Assigns.** This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

9.11 **Execution in Counterparts and Our Acceptance.** This Agreement will be binding upon you at the time you sign it and deliver it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our home office. If we do not accept it within **60** days, this Agreement will no longer be binding upon you. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Delivery of executed signature pages of this Agreement by facsimile transmission will constitute effective and binding execution and delivery of this Agreement. Signature by recognized electronic signature services shall be deemed as effective as manual signature.

9.12 **Approval by Shareholders, Members or Partners.** If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us), and jointly and severally guarantee your performance under this Agreement. We may request a copy of the Resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement.

Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement.

If you are an entity with more than one owner, the partnership agreement, shareholders agreement, limited liability operating agreement or other similar agreement for the entity ("Owners Agreement") must contain the following provisions which will supersede any contrary provisions in that agreement:

- A. Your owners ("Owners") agree to submit any dispute they cannot resolve relating to the operation and management of the franchise business to mediation, and if unsuccessful, to arbitration. The decision of the arbitrator will be final and subject to enforcement by the courts of competent jurisdiction.
- B. The term "operations and management" includes, but is not limited to, questions relating to:
 - 1) Allocations of management responsibilities between the Owners;
 - 2) Contributions to capital for purposes of business operations, repairs and remodeling;
 - 3) The reasonable salaries of the Owners;
 - 4) Marketing efforts;
 - 5) The termination of the employment of an Owner;
 - 6) Procedures for making and implementing management decisions;
 - ~~4~~7) Whether an Owner has performed duties with respect to the operation or management of the franchise business.
- C. Unless the Owners and the arbitrator agree in writing otherwise, "operation and management" does not include questions relating to:
 - 1) Allocations, computations or distributions of profit or loss;
 - 2) Accounting issues;
 - 3) Elections of officers of the entity;
 - 4) Investments of cash not necessary for the operation of the business;
 - 5) Determining whether an Owner is disabled or incompetent within the meaning of the Owners Agreement;
 - 6) The fair market value of the Owners' interests in the entity;
 - ~~4~~7) Whether an event has occurred, which gives rise to a right to buy the interest of an Owner other than a right resulting from an Owner's default determined to exist under B, above;
 - ~~7~~8) Whether an Owner has met his obligations to purchase the interest of any current or former Owner;
 - ~~8~~9) Matters relating to the winding up of the entity after a dissolution;
 - ~~2~~10) Matters relating to the legal validity of the Owners Agreement.
- D. The Owner's agreement must provide that the Owner or Owners who are to be responsible for operation of the franchise business must own 50% or more of the capital interests in the entity (the "Principal Owner") and that the Owners of the entity must have voting rights proportionate to their interests in capital.

- E. The Owners agree to notify us in writing of their intent to enter into, modify or amend any Owners Agreement. Notice must be given at least 10 business days before they enter into that agreement, modification, or amendment. The purpose of this notice is to enable us to review it for compliance with this section.
- F. Inclusion of these provisions in the Owner's Agreement will be a condition to our consent to the transfer of the franchise to an entity.

9.13 **Personal Guarantee.** The undersigned Guarantors are all of your partners, members, shareholders or owners. They jointly, severally, irrevocably, and unconditionally guarantee to us the due and punctual observance and performance by you of all your obligations under this Agreement and any other agreement to which we and you are parties. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. A fresh cause of action will arise in respect of each breach by you producing a liability of any Guarantor.

The Guarantors agree that it shall not be necessary for us or our assigns to institute suit or exhaust our legal remedies against you in order to enforce this guaranty. Guarantors agree that we may from time to time extend the time for performance or otherwise modify, alter, or change this Agreement, may extend the time for payment of all sums guaranteed, and may receive and accept notes, checks, and other instruments for the payment of money made by you and extensions or renewals without in any way releasing or discharging Guarantors from their obligations. This guaranty shall not be released, extinguished, modified, or in any way affected by our failure to enforce all the rights or remedies available to it under this Agreement. Our release of one or more Guarantor will not operate as a release of the other Guarantors.

9.14 **Representations and Acknowledgements.**

A. **Receipt of Disclosure Documents.** You acknowledge that you have received our Franchise Disclosure Document at the earlier of (1) the first personal meeting with us (in New York and Rhode Island); or (2) 14 calendar days before signing any franchise or related agreement or making any payment with Franchisor or an affiliate in connection with the franchise sale (10 business days in California, Michigan, New York, Oregon, Rhode Island, Washington and Wisconsin). In addition, you acknowledge either:

- a.1. receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document; or

- a.2. if we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than 7 calendar days before you signed this Agreement.

B. **You Have Read and Understand this Agreement.** You acknowledge that you have had ample to read and have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service, and uniformity at all franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of The OLO Way™. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement. You also acknowledge that you believe you have made a good decision for yourself or your partners or your corporation based upon what you believe is your ability to run and control a business of your own.

C. **Varying Forms of Agreement.** You are aware that some present and future OLO Builders franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various past, present, and future franchisees may differ materially in certain circumstances.

D. **Speculative Success.** The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise.

E. **Independent Investigation, No Projections or Representations.** You acknowledge that you have entered this Agreement after conducting an independent investigation of us and of the Franchise. Your success will be dependent upon your ability as an independent businessperson. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our Franchise Disclosure Document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

F. **No Review of Business Plans, Loan Applications.** Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third-party loan applications related to your purchase of and proposed operation of the franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise

investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your franchise.

G. **Your Location and Market Area.** You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your franchise business and the laws and regulations applicable thereto. You agree and represent that that market area is reasonable, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate an OLO Builders franchise.

H. **Health and Full-Time Participation.** You acknowledge that an OLO Builders business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We have not represented that this business is going to be easy for you, your partners, officers, or directors. The designated Operator (whether you, your Principal Owner or another individual you have designated) must actively participate in the daily affairs of the business. You represent that the Operator is in good health and able to devote full time and best efforts in the day to day operations of the Franchise.

I. **Terrorism, Convictions, Immigration Status.** Neither you, nor your spouse, nor your children, nor your parents, nor anyone who has an interest in or who will manage the franchise, nor any of your partners or affiliates:

1. supports terrorism,
2. provides money or financial services to terrorists,
3. receives money or financial services from terrorists or institutions that support terrorists
4. is engaged in terrorism, or
5. is on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of “Specially Designated Nationals” and “Blocked Persons” under the “USA Patriot Act” 18 USC Section 1900 et seq.

Neither you nor any of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill your obligations under your agreements with us.

J. **We May Investigate.** We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

K. **Supplier Approval.** You acknowledge that while you may propose alternate suppliers for products and services, the proposed suppliers may not qualify. You further acknowledge that our approved suppliers may be the only source of supply for products and services required in the Franchise.

L. **Operations Manual.** You acknowledge that the Operations Manual is loaned to you by us and at all times the Operations Manual and any updated or amended pages remain our property and that the copyright in the Operations Manual and all associated materials is vested in us. You agree to return to us the Operations Manual and any updated or amended pages immediately upon written demand.

M. **NO REPRESENTATIONS, PROJECTIONS, OR WARRANTIES.** WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

SIGNATURES

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

("we/us"): **OLO BUILDERS, INC.**

(jointly and severally "you"):

By: _____

By: _____

Title: _____

Title: _____

By: _____

Title: _____

Guarantor(s)

FRANCHISE AGREEMENT
SCHEDULE A
FRANCHISE TERRITORY

FRANCHISE AGREEMENT
SCHEDULE B
FRANCHISOR AUTHORIZED SIGNERS

Title	Name
CEO	Dean Anderson
COO	Elizabeth Larchar
CGO	Dwight Hansen

FRANCHISE AGREEMENT
SCHEDULE C
CONDITIONAL ASSINGMENT

CONDITIONAL ASSIGNMENT

_____ ("you") operate your franchise business at _____. In consideration of the granting of a franchise to you and other valuable consideration given by **OLO BUILDERS, INC.**, a Utah corporation ("us"), you assign to us all telephone numbers and listings you use in the operation of the franchise., together with administrator or comparable privileges for all web page(s), online marketing accounts, social media accounts, directories, accounts through which clients have a point of contact with you, accounts with marketing affiliates, or related items. Upon our exercise of this assignment for any event of termination, we assume the performance of all of the terms, covenants and conditions of your agreement with the provider(s) concerning the web presence or listings with the full force and effect as if we had been originally issued the accounts, listings, or points of contact. We will hold this assignment, and will deliver it to the providers or other interested third parties only upon termination of the Franchise Agreement between us and you dated _____.

DATED this ____ day of _____, 20__.

("we/us"): **OLO BUILDERS, INC.**

(jointly and severally "you"):

By: _____

By: _____

Title: _____

Title: _____

FRANCHISE AGREEMENT
SCHEDULE D
OPERATOR DESIGNATION & AUTHORITY

OPERATOR DESIGNATION & AUTHORITY

_____ (the "Company" or "Franchisee") entered into that Franchise Agreement with **OLO BUILDERS, INC.**, a Utah corporation ("Franchisor") dated the ____ day of _____, 20____ (the "Franchise Agreement"). Capitalized terms have the meaning specified in the Franchise Agreement. This Operator Designation & Authority is effective the ____ day of _____, 20____.

Under the terms of the Franchise Agreement, the Company designates _____ as the Operator to personally direct the day-to-day operations of the Franchise and represents that he or she:

1. is engaged full-time in the operation of the Franchise,
2. has no other outside employment,
3. resides in proximity to the Franchise Territory, and
4. possesses sufficient business acumen to effectively manage people and processes.

The Company has duly authorized and empowered the Operator to:

1. execute and deliver all documents and instruments necessary to comply with the Franchise Agreement and Operations Manual,
2. expend funds of the Franchisee as required under the terms of the Franchise Agreement as and when due,
3. hire and terminate team members without further approvals.

If the Operator is terminated or exits the Franchise for any reason, the Franchisee shall designate a replacement Operator within 60 days from termination or exit. Failure to do so may result in termination of the Franchise Agreement by Franchisor.

Designation of Operator

Franchisee

By: _____
Name: _____
Title: _____

Approval of Operator

Franchisor

By: _____
Name: _____
Title: _____

FRANCHISE AGREEMENT
SCHEDULE E
ROLL-IN ADDENDUM

ROLL-IN ADDENDUM

This ROLL-IN ADDENDUM (the "Addendum") is entered into by and between OLO BUILDERS, INC., a Utah corporation having a principal place of business at 5748 S. Adams Avenue Parkway, Washington Terrace, UT 84405 ("we" or "us"), and _____, individually, having an address of _____ ("you").

WHEREAS, we and you have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") for the operation of the Business (the "Franchised Business") (Capitalized terms used herein without a definition shall have the meaning assigned to them in the Agreement);

WHEREAS, you (or your affiliate) currently operate an existing business ("Existing Business") which performs services for existing clients (the "Roll-In Services") that are similar to services provided by the Franchised Business operated under the Agreement; and

WHEREAS, in consideration of an assignment or "roll-in" of the Roll-In Services (including the customer base for work which falls within the definition of the Franchised Business) from the Existing Business to the Franchised Business, we are willing to alter certain fees payable by you under the Agreement for a time period specified in the Data Sheet to which this Addendum is attached;

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

(a) Anything in the Agreement to the contrary notwithstanding, from and after the Effective Date the definition of Gross Revenue (as defined in the Agreement) shall apply to the operation of the Roll-In Services to the same extent as it applies to the operation of the Franchised Business and you shall pay Royalty Fees and National Advertising Fees with respect to the Gross Revenues arising from the operation of the Roll-In Services, as specified below and in the Data Sheet.

(b). Manner of Operation of Roll-In Services. All provisions of the Agreement shall apply to the Roll-In Services and the accounts and clients associated with such services, including the insurance and covenants, to the same extent as they apply to the Franchised Business. For avoidance of doubt, except as specifically provided otherwise herein, for purposes of the Agreement, from and after the Effective Date, the Roll-In Services are included in the definition of the Franchised Business.

(c). Franchisee's Representations and Warranties. Franchisee hereby represents and warrants to Franchisor that it has all necessary power and authority to execute this Addendum, to bind the noncompetition Existing Business to the terms hereof and to perform and comply with all of its obligations hereunder. There is no agreement or understanding (and Franchisee will not permit any such agreement or understanding to be entered into during the term of this Addendum) with

respect to the Existing Business or the Roll-In Services that would conflict with the terms of this Addendum.

(d). Construction. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified specifically herein.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____, individually

_____ **Date**

FRANCHISEE'S AFFILIATE (IF APPLICABLE):

_____, individually

Accepted as of the _____ day of _____, 20__, in _____.

FRANCHISOR:

OLO BUILDERS, INC. A Utah Corporation

BY: _____

Printed Name: _____

Title: _____

**FRANCHISE AGREEMENT
SCHEDULE F
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
STATE LAW ADDENDUM**

**FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
STATE LAW ADDENDUM**

The following modifications and additions are part of the OLO Builders Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

These states have statutes which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of the Franchise:

**ARKANSAS (Stat. Section 70-807)
CALIFORNIA (Bus. & Prof. Code Sections 20000-20043)
CONNECTICUT (Gen. Stat. Section 42-133e et seq.)
DELAWARE (Code, tit.)
HAWAII (Rev. Stat. Section 482-E1)
ILLINOIS (815 ILCS 705/1-44)
INDIANA (Stat. Section 23-2-2.7)
MICHIGAN (Stat. Section 19.854(27))
MINNESOTA (Stat. Section 80C.14)
MISSISSIPPI (Code Section 75-24-51)
MISSOURI (Stat. Section 407.400)
NEBRASKA (Rev. Stat. Section 8-401)
NEW JERSEY (Stat. Section 56:10-1)
SOUTH DAKOTA (Codified Laws Section 37-5A-51)
VIRGINIA (Code 13.1-557-574, 13.1-564)
WASHINGTON (Code Section 19.100.180)
WISCONSIN (Stat. section 135.03)**

These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of the Franchise.

California

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.

Our website address is <https://franchise.olo.builders.com>. **OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.**

FDD COVER PAGE

REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

FDD Item 17, FA Sections 5, 6, 7 and 9

(57) 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.

(68) 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.).

(79) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(4) The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

(5) You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

(6) The Franchise Agreement requires mediation in Utah County, Utah, with the costs shared by the parties equally, and requires binding arbitration in Utah County, Utah with the costs being borne by the party that does not prevail. Prospective franchisees are encouraged to consult private 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 a franchise agreement restricting venue to a forum outside the State of California.

(7) The Franchise Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California law.

(8) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

(9) No person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange.

(10) Beginning in the 7th month after you open for business, you will pay us a minimum monthly royalty fee of \$1,000 even if your business does not generate any income.

(11) Our principal trademark has not yet received federal registration. Therefore, our trademark does not yet have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

FDD Item 3

California 10 CCR Section 310.114.1(c)(3) requires disclosure regarding whether the franchisor, any person or franchise broker in Item 2 of the FDD 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 such persons from membership in that association or exchange.

Georgia

DISCLOSURES REQUIRED BY GEORGIA LAW

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

Hawaii

Paragraph 4110.01, Section 482E-6(3): Upon termination or refusal to renew the franchise the franchisee will be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to their remedies provided in this paragraph, will compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due the franchisor.

Idaho

FDD Item 17, FA Section 9

Any condition in a franchise agreement executed by a resident of Idaho or a business entity organized under the laws of Idaho is void to the extent it purports to waive venue or jurisdiction of the Idaho court system. Venue and jurisdiction will be in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho.

Illinois

FDD Items 5 and 6; FA Sections 2.1, 2.2, 2.3, and 2.4

The Illinois Franchise Disclosure Act prohibits discrimination among franchisees for payments made for Initial Franchise Fees, Royalty Fees, and the purchase of goods or services from the franchisor.

FDD Item 17, FA Sections 6.1, 6.3, and 7.1(A)(9)

A franchisee's rights upon termination and non-renewal may be affected by Illinois law. (815 ILCS 705/1-44).

Releases executed by franchisees must comply with the Illinois Franchise Disclosure Act. Any attempt to waive compliance with Illinois law is void. (See Section 41 of the Illinois Franchise Disclosure Act, and Rule 200.609 of the Rules and Regulations).

The governing law and choice of law clauses contained in the Franchise Agreement are subject to the Illinois Franchise Disclosure Act.

Any provision in the Franchise Agreement and any ancillary 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, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois. (See Section 4 of the Illinois Franchise Disclosure Act, and Rule 200.608 of the Rules and Regulations).

Illinois law governs the agreements between parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisor and/or its officers and affiliates have been the subject of franchise registration violations in 3 states, bankruptcy, and are part to pending litigation with the minority shareholder in connection with the acquisition of the majority interest in the company.

Indiana

FDD Item 17; FA Section 5 and 6

In Indiana, the reference to "members of their households or members of their immediate families" under the provisions of covenants not to compete will mean any person who has access to the information, including a spouse or any other person who lives within the household.

Maryland

FDD Item 17 and FA Sections 6, 7 and 9

According to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, assignment or transfer of the franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any provision that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Section 14-216(c) (25) of the Maryland Franchise Registration and Disclosure Act requires a franchisor to file an irrevocable consent to be sued in Maryland. Notwithstanding anything to the contrary in the franchise agreement or Disclosure Document, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Act.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within **3** years after the grant of the franchises.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our franchise agreement contains disclaimers of the occurrence or acknowledgment of the non-occurrence of acts that

could constitute a violation of Maryland laws. These disclaimers, acknowledgments and 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.

Michigan

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are included in these franchise documents, the provisions are void for Michigan franchisees and cannot be enforced against Michigan franchisees. These provisions are:

- (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 the Michigan Franchise investment law. 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 the failure after being given written notice and a reasonable opportunity, which in no event need be more than 30 days, to cure the 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, , 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, or the franchisee does not receive at least six months' advance notice of the franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor 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 arbitration or litigation will 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 subdivision 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 breach 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 subdivision 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 subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of 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 subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer the franchisee's obligations to fulfill contractual obligations to the franchisee unless 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. A franchisor whose most recent financial statements are unaudited and show a net worth of less than \$100,000 will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of the escrow. Any questions regarding this notice should be directed to the Department of the Michigan Attorney General, 6520 Mercantile Way, Suite 3, Lansing, Michigan 48913; (517) 373-3800.

The name and address of the franchisor's agent in Michigan authorized to receive service of process is:

Michigan Department of Commerce
Corporation and Securities Bureau
Office of Franchise and Agent Licensing
6546 Mercantile Way
P. O. Box 30222
Lansing, Michigan 48910

Minnesota

Minnesota law prohibits requiring a franchisee to waive his or her rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar a voluntary arbitration of any matter if the proceeding is conducted by an independent tribunal under the rules of the American Arbitration Association. (Minn. Rules 2860.4400(J)).

Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given **90** days' notice of termination (with **60** days to cure) and **100** days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

FDD Item 13; FA Section 5

Minnesota Statutes Section 80C.20, Subdivision 1(g) allows the Minnesota Commissioner of the Department of Commerce to issue a cease and dismiss order or issue an order denying, suspending or revoking any registration, amendment or exception on finding any of the following . . . that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees. Pursuant to this section, the Commissioner requires all franchisors registering in the state of Minnesota to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logo types or other commercial symbols or indemnify the franchisee from any loss, cost or expenses arising out of any claim, suit or demand regarding the use of the name. We intend to comply with the Minnesota statute and to protect the franchisee's rights and indemnify the franchisee for any losses to the full extent required by relevant state law.

FDD Item 17, FA Sections 6, 7 and 9

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The general release provisions in the Franchise Agreement are void and unenforceable in the state of Minnesota.

FA Section 9

Pursuant to Minnesota Statutes Section 80.C.21, this section will not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80.C, including, but not limited to, the right to submit matters to the jurisdiction of the courts in Minnesota.

New York

FRANCHISE DISCLOSURE DOCUMENT COVER PAGE

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IMMEDIATELY BELOW 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE 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 PROSPECTUS. 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 PROSPECTUS.

FDD Item 3

Neither the franchisor, its predecessor, any person listed in Item 2, nor any affiliate offering franchises under the franchisor's principal trademark:1. Has any administrative, criminal or material 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. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the franchise system or its business operations.

2. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this Disclosure Document, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject 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.

3. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any 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 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.

FDD Item 4

Neither the franchisor, its affiliates, its predecessors, officers, nor general partners, during the ten-year period immediately before the date of the Disclosure Document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or general partner of a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S.

Bankruptcy Code during or within **one** year after the officer or general partner of the franchisor held this position in the company or partnership.

FDD Item 12

The Franchise Territory will consist of not less than **200,000** households and not less than a **one-quarter** mile radius.

FDD Item 17

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

Choice of Law	Section 9.7	Utah law applies except to the extent governed by the United States Trademark Act and except in those states whose franchise laws require exclusive application. The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisee by the GBL of the State of New York, Article 33.
Assignment of Contract by Us	Section 6.3	There are no restrictions on our right to transfer. However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.
Termination by You	Section 6.2	You may terminate the Franchise Agreement on any grounds available by law.

North Dakota

FDD Item 9

Under North Dakota law, no modification or change the franchisor makes to the Operations Manual or OLO Way may materially affect the franchisee's status, rights, or obligations under the Franchise Agreement.

FDD Item 17(c), FA Section 6.1

The Commissioner has determined that requiring franchisees to sign a general release upon renewal of the franchise agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law. The general release provision in Section 6.1 of this Agreement is void and unenforceable in the state of North Dakota.

FA Sections 5 and 6

The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code are unfair, unjust, or inequitable within the intent of the North Dakota Franchise Investment Law (Section 51-19-09). Thus, covenants not to compete are considered unenforceable in the State of North Dakota.

FA Section 6

Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, a requirement that franchisees consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered void and unenforceable.

FA Section 9.6

Apart from civil liability as set forth in section 51-19-12 N.D.D.C, which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents, and is unfair to franchise investors to require them to waive their rights under North Dakota Law.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that this Agreement will be governed by the laws of North Dakota, which laws will prevail.

FA Section 9.9

Pursuant to the North Dakota Franchise Investment Law (Section 51-19-09), an arbitration or mediation locations which are remote from the site of the franchisee's business are unfair, unjust, or inequitable. Therefore, the site of arbitration or mediation must be agreeable to all parties.

Pursuant to the North Dakota Franchise Investment law (section 51-19-09), requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable. Thus, all issues or disagreements relating to this Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Sections of the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Rhode Island

Section 19-28.1-14 of the Rhode Island Franchise Investment Act 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 this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

South Dakota

FDD Item 17; FA Section 6

Under South Dakota law, termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards and failure to make royalty payments contained in the Disclosure Document and franchise agreement must afford a franchisee **30 days'** written notice with an opportunity to cure the breach prior to termination.

FA Section 9

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Utah.

Covenants not to compete upon termination of the franchise agreement are generally unenforceable in the State of South Dakota. Pursuant to SDCL 37-5A-86, any acknowledgement provision, disclaimer, or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter. In the event that either party will make demand for arbitration, such arbitration will be conducted in a mutually agreed-upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Virginia

FDD Item 9

In Virginia, notice of approval or disapproval of a proposed supplier will be issued by us within **45** days after the franchisee has delivered all required materials.

Washington

FDD Item 17; Entire FA, including without limitation Section 6 and 7

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the Franchise 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

The franchisee acknowledges receipt of this Addendum.

Wisconsin

FDD Item 17

The applicable laws of Wisconsin may require notice periods greater than those set forth above for termination, cancellation, non-renewal, or the like, and may limit the reasons or causes for termination, cancellation, non-renewal, or the like. To the extent any provisions of the Franchise Agreement provide for periods of notice or for termination, cancellation, non-renewal, or the like other than in accordance with the applicable law, such provisions will not be effective, to the extent such are not in accordance with applicable law, and the franchisor will comply with the applicable law.

The Wisconsin Fair Dealership Law (Wisconsin Statutes, 1983-84, Title XIV-A, Chapter 135) supersedes any provision of a Franchise Agreement inconsistent with the law.

(Signatures on following page)

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed, to the extent that they are valid requirements of an applicable, effective, and enforceable state law. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED this __ day of _____, 20__.

("we/us"): **OLO BUILDERS, INC.**

By: _____

Title: _____

(jointly and severally "you"):

By: _____

Title: _____

By: _____

Title: _____

FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C

The Following Table Reflects Our Agents for Service of Process and the Relevant State Franchise Authorities:

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS IN STATES

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	<p>California Commissioner of Financial Protection and Innovation</p> <p>Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505</p> <p>Sacramento: 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205</p> <p>San Diego: 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233</p> <p>San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94104</p>	<p>Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505</p>
CONNECTICUT	<p>The Banking Commissioner Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299</p>	<p>The Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299</p>
FLORIDA	[Not Applicable]	<p>Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770</p>
HAWAII	<p>Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722</p>	<p>Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722</p>
ILLINOIS	<p>Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465</p>	<p>Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465</p>

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328	Deputy Commissioner Minnesota Department of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	Secretary of State of the State of New York 162 Washington Street Albany, NY 12231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Franchise Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Director of South Dakota Division of Securities 445 E. Capitol Ave. Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 445 East Capitol Avenue Pierre, SD 57501-5070 (605) 773-4013
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4 th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4 th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

This Uniform Franchise Disclosure Document is effective as of:

General FTC (for states not requiring registration) – **April 15, 2022**

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:

States Requiring Registration (registration not approved if blank):

California: pending
Hawaii: pending
Illinois: pending
Indiana: pending
Maryland: pending
Minnesota: pending
New York: pending
North Dakota:
Rhode Island:
South Dakota:
Virginia: pending
Washington: pending
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 seller-assisted marketing plans.

**FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
RECEIPT**

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If **OLO Builders, INC.** offers you a franchise, it must provide this franchise disclosure document to you by the earliest of:

1. The first personal meeting to discuss the franchise (if you are in New York or Rhode Island); OR

14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale (10 business days if you are in Michigan, New York, Rhode Island).

If **OLO Builders, INC.** does not deliver this franchise 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 agency listed in Exhibit C.

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

Dwight Hansen at 5748 S. Adams Avenue Parkway, Washington Terrace, UT 84405,
dwight@olobuilders.com, or (385) 240-3970.

Other:

Our authorized agents for service of process are identified on Exhibit E to this Franchise Disclosure Document.

Date of Issuance: April 29, 2022

I have received a disclosure document dated as indicated above that included the following Exhibits:

- A Franchise Agreement
 - Schedule A Franchise Territory
 - Schedule B Franchisor Authorized Signatures
 - Schedule C Conditional Assignment
 - Schedule D Operator Designation & Authority
 - Schedule E Roll-In Addendum
 - Schedule F State Law Addendum
- B Financial Statements
- C List of State Agents for Service of Process and State Administrators
- D Receipts

DATED this __ day of _____, 20__.

Signatures of All Prospective Franchisees:

Individuals: _____

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

ALL INDIVIDUALS WHO WILL SIGN THE FRANCHISE AGREEMENT MUST SIGN THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL ALSO BE EXECUTED BY A CORPORATION OR LIMITED LIABILITY COMPANY, AN OFFICER OR OWNER AUTHORIZED TO RECEIVE THIS CIRCULAR ON BEHALF OF THE CORPORATION OR LIMITED LIABILITY COMPANY MUST EXECUTE THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL BE EXECUTED BY A PARTNERSHIP, THEN ALL GENERAL PARTNERS MUST EXECUTE THIS ACKNOWLEDGMENT AS GENERAL PARTNERS AND AS INDIVIDUALS.

KEEP THIS COPY FOR YOUR RECORDS.

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
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PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO OLO BUILDERS, INC., 5748 S. Adams Avenue Parkway, Washington Terrace, UT 84405.