

## FRANCHISE DISCLOSURE DOCUMENT

### MOSQUITO SHIELD FRANCHISE, LLC

A Delaware limited liability company

500 E. Washington Street #24

North Attleboro, MA 02760

(508) 316-3429

[www.moshieldfranchise.com](http://www.moshieldfranchise.com)

[franchise@moshield.com](mailto:franchise@moshield.com)



MOSQUITO SHIELD franchisees offer and sell mosquito, tick, flea and other pest control services, as well as complementary services that may be offered from time to time, for residential and commercial customers and municipalities, and such other related goods and services as we may specify.

The total investment necessary to begin operation of a MOSQUITO SHIELD franchise is \$98,850 to \$139,950. This includes \$60,750 to \$74,960 that must be paid to us or an affiliate.

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 to you. To discuss the availability of disclosures in different formats, contact Michael Moorhouse at 500 E. Washington Street #24, North Attleboro, Massachusetts 02760 or (508) 316-3429.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 19, 2023

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific 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 risk(s) be highlighted:

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in Massachusetts. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Massachusetts than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the Franchisor's ability to provide services and support to you.
5. **Required Minimum Payments.** You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE  
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:

- (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 Act. This shall 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 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.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of 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 be conducted outside this state. This shall 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 shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This 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 such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless 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 franchisor shall, 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 escrow.

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.

Any questions regarding this notice should be directed to: Michigan Attorney General's Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 4893, Telephone Number: 517-373-7117.

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## ITEM 1

### THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language of this disclosure document, “we,” “us,” or “our” refers to Mosquito Shield Franchise, LLC, the franchisor. “You” or “your” refers to a franchisee under the Franchise Agreement. The franchisee may be a person, corporation, partnership or limited liability company. If the franchisee is a corporation, partnership or limited liability company, “you” does not include the principals of the corporation, partnership or limited liability company.

We are a Delaware limited liability company, originally formed as a corporation, Mosquito Shield Franchise Corporation, in November 2012, and reorganized and renamed as a limited liability company on February 25, 2022. Our principal business address is 500 E. Washington Street #24, North Attleboro, Massachusetts 02760. We do business under the “MOSQUITO SHIELD” name and associated trademarks, service marks and logos, which are registered on the Principal Register of the United States Patent and Trademark Office. (the “Proprietary Marks”).

We are also the developer and manufacturer of the proprietary mosquito, tick and flea treatment products, which include natural ingredients (“Mosquito Shield Protection Blend and Tick Shield Protection Blend”) that may be used in the System (defined below).

We began offering MOSQUITO SHIELD franchises in January 2013. In 2016, we expanded our brand to include complementary services to a similar customer base, which currently includes installation of exterior and landscape lighting and holiday lighting. We do not engage in any other business activity and have never conducted a business or offered franchises in any other line of business; however, in March 2017, we purchased certain assets of JC Franchising Group, LLC, franchisor of the Mosquito Terminator franchise system, including rights to certain Mosquito Terminator trademarks and existing franchise agreements. While neither we nor any of our affiliates offer franchises using the Mosquito Terminator trademarks and operating system, several Mosquito Terminator franchise agreements are still in place.

Our agents to receive service of process are listed in Exhibit A.

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

Our predecessor company, Mosquito Shield Franchise Corporation was formed in November, 2012 and was reorganized and renamed as a limited liability company on February 25, 2022. The Certificate of Conversion to reflect this is Exhibit D to this document.

We have a parent company, Mosquito Holdco, Inc., a Delaware corporation, with a principal place of business at 500 E. Washington Street, North Attleboro, Massachusetts. Mosquito Holdco, Inc. was formed on February 23, 2022 and is our owner. Mosquito Holdco, Inc. has not offered franchises in this or any other lines of business previously. This parent is owned by FS PEP Holdco, LLC, an affiliate of Princeton Equity Group, LLC, a private equity firm based in Princeton, New Jersey and in Dallas, Texas.

Our affiliate, Mosquito Shield, LLC (“MSLLC”), a Massachusetts corporation with a principal place of business at 500 E. Washington Street, North Attleboro, Massachusetts. MSLLC owns the Proprietary Marks and has exclusively licensed use of the Proprietary Marks to us. MSLLC also had operated a mosquito, tick and flea control business in North Attleboro, Massachusetts, using the Proprietary Marks since 2001. MSLLC further had operated a second Mosquito Shield business using the Proprietary Marks in Middlesex County, Massachusetts since 2012.



MSLLC, DFB Management Corp., and NiCorb, Inc. have not offered franchises in any line of business and have not engaged in any other line of business.

Our affiliate, Five Star Bath, L.L.C. offers bathroom renovation franchises, from its principal address of 761 W. Spring Creek Pl., Springville UT 84663. It has offered such franchises since 2015. As of December 31, 2022, it had 75 franchises in operation.

Our affiliate, Gotcha Covered Franchising, LLC offers window covering and treatment franchises, from its principal address of 303 S. Broadway, Suite 200-153, Denver CO 80209. It has offered such franchises since 2009. As of December 31, 2022, it had 145 franchises in operation.

Our affiliate, Ringside Development Company offers hazardous material cleaning service franchises, from its principal address of 8200 SouthPark Cir. #300, Littleton CO 80120. It has offered such franchises since 2010. As of December 31, 2022, it had 127 franchises in operation.

Our affiliate, 1-800-Packouts Franchise LLC offers contents restoration service franchises, from its principal address of 110 Bruner Way, Ball Ground GA 30107. It has offered such franchises since 2015. As of December 31, 2022, it had 61 franchises in operation.

Our affiliate, 1-800-Textiles Franchises, LLC offers textile restoration service franchises, from its principal address of 110 Bruner Way, Ball Ground GA 30107. It has offered such franchises since 2022. As of December 31, 2022, it had 53 franchises in operation.

Our affiliate, D1 Sports Franchise, LLC offers athletic performance training facility franchises, from its principal address of 7115 S. Springs Dr., Franklin TN 37067. It has offered such franchises since 2015. As of December 31, 2022, it had 83 franchises in operation.

Our affiliate, SB Oil Change Franchising, LLC offers quick-service engine oil change facility franchises, from its principal address of 301 North Main Street, Suite 2605, Winston Salem, NC 27101. It has offered such franchises since 2019. As of December 31, 2022, it had 138 franchises in operation.

Our affiliate, CMY Franchising, LLC offers franchises providing rental services for the set-up and display of celebratory yard signs and customized messages, from its principal address of 2009 Ranch Road 620 N., Suite 420, Austin TX 78734. It has offered such franchises since 2017. As of December 31, 2022, it had 512 franchises in operation.

Our affiliate, Ellie Fam LLC, has offered outpatient counseling and therapy clinic franchises since 2021, from its principal business address of 1370 Mendota Heights Road, Mendota Heights, Minnesota 55120. As of December 31, 2022, it had 38 franchises in operation.

Our affiliate, International Franchise Professionals Group, LLC, operates a franchise consultant network from its principal business address of 499 Ernston Rd., Parlin, NJ 08859. As of December 31, 2022, it had no franchises in operation.

Our affiliate, Career Transition Leads, LLC, offers franchise consultant lead generation services from its principal business address of 499 Ernston Rd., Parlin, NJ 08859. As of December 31, 2022, it had no franchises in operation.

Our affiliate, Five Star Connect, Inc. has been in the business of delivering support services to franchise systems since 2015, including to us and some of our affiliates, with such services including call center, software, and marketing services, from its principal address of 761 W. Spring Creek Pl., Springville UT 84663.

### **The Franchise Offered:**

We offer franchises for the right to operate a pest control business using the MOSQUITO SHIELD Proprietary Marks and our System (defined below) (“MOSQUITO SHIELD Business”). MOSQUITO SHIELD Businesses will engage in the offer and sale of mosquito, tick, flea and other pest control services for residential and commercial customers and municipalities. The MOSQUITO SHIELD Business features use of the Mosquito Shield Protection Blend as part of our unique combination of process and applications. This treatment is applied at customers’ premises by technicians using specialized spray equipment.

You will operate your MOSQUITO SHIELD Business from a specific location and provide mosquito and tick contract services to residential and commercial customers in a defined area (“Area of Primary Responsibility” or “APR”). You will be required to have a vehicle, customized to our specifications, to operate your MOSQUITO SHIELD Business.

We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a MOSQUITO SHIELD Business offering the services and products we authorize and approve and using our business formats, methods, procedures, designs, layouts, standards and specifications and the Proprietary Marks, all of which we may supplement, improve, change, remove, further develop, and otherwise modify from time to time (the “System”). We will sell the Mosquito Shield Protection Blend and Tick Shield Protection Blend to you for use in the Franchised Business, as described in Items 8 and 11.

### **Market and Competition:**

The market for our franchisees’ services and products is well developed and highly competitive. The business is seasonal as described below. You will compete with businesses, including national, regional and local businesses, offering products and services similar to those offered by your franchised business, including other insect control and extermination businesses, and other stores and outlets that sell insect control products. There are other insect and pest control, as well as independent businesses throughout the United States that may offer similar products and services. The business is highly seasonal with the primary selling months being April 1 through October 31 (the “Peak Season”), depending on the climate in your area. Demand for the services is highest in the summer.

### **Industry Specific Regulations:**

You must comply with all local, state and federal laws and regulations that apply to the operation of your MOSQUITO SHIELD Business, including health, sanitation, insurance, discrimination, employment and sexual harassment laws. Health regulations, as well as other state and local specific safety and workplace regulations may impact the types of training, devices and equipment you must make available to or be required to offer to your employees. The health and safety requirements can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local

authorities. Your franchised business will also be subject to various federal, state and local laws, and regulations affecting the business, including, among others, federal, state and local laws, rules and regulations governing franchising, licensing, permits, zoning, EPA, and federal and state environmental protection statutes, OSHA, and other federal, state and local laws regarding hazardous substances and waste, and various health, sanitation, safety and fire standards. You are also subject to employment laws such as the EEOC, Fair Labor Standards Act, Americans with Disabilities Act and various state laws governing such matters as minimum wages, overtime and working conditions. Your advertising of the franchised business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your franchised business in addition to those listed here.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **Michael Moorhouse, President**

Michael Moorhouse has been our President since 2022. Previously, he was our Vice President since our inception in November 2012. He has also been Director of Operations of Mosquito Shield, Inc. since March 2011.

#### **Brad Maher, Vice President - Operations**

Brad Maher has been the Vice President of Operations of Mosquito Shield Franchise, LLC since May 2013. From May 2011 to December 2012, he was also National Business Development Officer of First National Bank of Omaha.

## **ITEM 3**

### **LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4**

### **BANKRUPTCY**

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

## ITEM 5

### INITIAL FEES

You must pay an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The amount of the Initial Franchise Fee will depend on the number of territories you purchase and is calculated as follows:

<b>Territory Number</b>	<b>Initial Franchise Fee</b>	<b>Cumulative Initial Franchise Fee</b>
1	\$54,500	\$54,500
2	\$45,000	\$99,500
3	\$35,000	\$134,500
4	\$34,500	\$169,000
5	\$34,000	\$203,000
6	\$33,000	\$236,000
7	\$32,000	\$268,000
8	\$30,000	\$298,000
9	\$28,000	\$326,000
10	\$23,500	\$349,500

Each territory contains approximately 50,000 single-family homes. In our sole discretion, we may allow you to purchase a larger territory, and the initial franchise fee will increase by \$1.00 per each additional single-family home over 50,000 in each territory.

The entire cumulative Initial Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to enter into the Franchise Agreement with others.

If you need to obtain financing for the purchase of the franchise, you may pay us 10% of the Initial Franchise Fee without signing the Franchise Agreement and we will reserve a territory for you. You will be required to sign our Deposit Agreement in the form attached as Exhibit F. Upon securing your financing, you will sign our Franchise Agreement and pay the balance to us.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

Prior to opening you must purchase the initial inventory of Mosquito Shield Protection Blend or other approved application products from us. We anticipate your initial inventory cost will range from \$800 to \$1,600. We cannot determine a prevailing market price since we do not sell the Mosquito Shield Protection Blend to anyone other than our franchisees. You must also pay us or our affiliate an initial upfront setup fee of \$1,500 upon signing the Franchise Agreement so that we may set you up to use all of the Mosquito Shield platforms necessary to open for business.

The current cost to customize the vehicle that you will use in the operation of your MOSQUITO SHIELD Business is \$11,410. The customization includes a customized dual-tank rapid refill system, two (2) custom backpack blowers, shelving, storage, first-aid and spill kits and external graphics. This cost is included as part of the purchase price of the vehicle if you purchase and finance your vehicle through Mercedes Benz. If you obtain a vehicle that meets our specifications through an alternate source, or if you chose not to finance, you must pay us the \$11,410 customization fee, and we will arrange to have your vehicle customized for you. One-half of this fee is due within thirty (30)

days of signing the Franchise Agreement. The balance is due when we complete the customization. See Items 7, 8 and 11. Your vehicle must be customized by our approved vendor or by us. You are not allowed to customize your vehicle yourself, and you are not allowed to modify or add to your vehicle in any capacity, including but not limited to, interior components and external graphics, without our prior approval. It is a material default of the franchise agreement to customize your vehicle in violation of our requirements.

If we offer complementary lines of products or services within our System, you have the option of adding such complementary lines of products or services. If you elect to do so, you must pay a Complementary Product/Service Fee of \$5,000 to us.

You will pay us a \$1,000 Annual Conference Registration Deposit, due within seven (7) days of execution of your franchise agreement, which will be applied to the actual attendance fee for your first attendance at the first annual conference available to you after you have completed your training. If any portion of this deposit is not required as part of that annual conference attendance or registration fee, it will be credited to you on your invoice following the annual conference.

Fees paid to us for the initial inventory of Mosquito Shield Protection Blend, initial software access, and van customization are not refundable.

**ITEM 6**

**OTHER FEES**

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Royalty	7% of: actual Gross Sales <sup>1</sup> or Minimum Gross Sales (see Item 12), whichever is greater.	Wednesday following the close of each calendar week (Monday through Sunday)	We will withdraw these payments from a preauthorized direct transfer account, as described in the Franchise Agreement, or by any other method as we may specify in the Operations Manual.
Brand Fund Fee	2% of Gross Sales <sup>1</sup>	Wednesday following the close of each calendar week (Monday through Sunday)	Paid to us to spend on advertising, marketing, and promotional programs.
Advertising Cooperative	Currently \$0. Maximum of \$25,000 per calendar year, unless a greater	As determined	No cooperatives have been established as of the date of this Disclosure Document.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	amount is approved by two- thirds of Cooperative members.	by Cooperative	You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised and franchisor-owned MOSQUITO SHIELD Businesses in a designated geographic area. All contributions to an Advertising Cooperative will be credited toward your Local Advertising Expenditure.
Software/Applications and Tech Fees	Then-current rates, as established by vendors	Monthly, as required by us or the third-party provider(s)	Payable to us or approved provider(s). We reserve the right to replace or add required software at any time.
Accounting Software Fees	\$0 to \$250 per month	As incurred.	If we designate accounting software as a requirement for franchisee use, you must use the designated accounting software provided by our designated vendor(s). This fee is paid directly to the vendor.
Call Center Fee	Then-current fee (currently, \$300-\$750 per month, based on size of location), subject to increase.	Monthly, as per Call Center invoice to you.	Payments may be made to 3rd party Call Center. We have the right to require you to use the Call Center for all calls.
Interest on Late Payments	18% or maximum allowed by law.	When you pay us the overdue amount	Paid to us if you are thirty (30) or more days overdue on payment of any amounts you owe us. Interest accrues from the due date until the date paid.
Additional Training Fee	Currently, \$250 per 8-hour day, plus our out-of-pocket expenses	As incurred	If you request additional training, or we require you to receive additional training based on the performance of you and/or the Franchised Business, you must pay us

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			our then-current training fee, plus our out-of-pocket expenses, including transportation, meals and lodging costs, if travel to the Franchised Business is deemed necessary by us.
License to Offer Complementary Product/Service Line	\$5,000	As incurred	Your right to offer complementary service and products lines is subject to our approval, which may be conditioned on your compliance with your franchise agreement, payment of an additional fee and execution of an addendum to your franchise agreement.
Per Diem Assistance Fee	Currently, \$250 per 8-hour day	As incurred	We will furnish additional guidance and assistance relating to the operation of the business and, in such a case, we may, in our discretion, charge the per diem fees and charges we establish from time to time in the Operations Manual or otherwise in writing.
Replacement of Operations Manual	Then-current charge	As incurred	If any paper copy of the Operations Manual provided by us is lost, destroyed or significantly damaged, you must obtain a replacement copy at our then-applicable charge.
Inspection Costs	Cost of inspection	As incurred	If deficiencies are detected during any inspection, you will be responsible for our costs and expenses of any re-inspection. If we correct any deficiencies, we have the right to charge you a reasonable fee for our expenses based on the actual costs we incur.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Non-Reporting Fee	\$25 per day	Each day that you have failed to deliver reports or records due to us.	You will be charged this fee for each report or record which you have agreed to deliver to us, per day, beginning the first day following the due date on which you have not reported, and continuing through the date when you deliver such reports or records.
Auditing Costs	Cost of audit	As incurred	If an audit shows that any income or sales have not been reported or have been understated by 2% or more, then you must pay us the amount underpaid, plus interest, plus our costs and expenses in connection with the audit.
Insufficient Funds Fee	\$100 per occurrence	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, we may charge you, for each occurrence, an Insufficient Funds Fee.
Transfer Fee	\$10,000. Note, any sales commission owed as a result of your transfer shall remain your obligation, in addition to the Transfer Fee.	Time of transfer	Paid to us if there is a transfer under the Franchise Agreement.
Renewal Fee	\$1,000	Time of renewal	Paid to us if you renew your rights under the Franchise Agreement.
Costs and Attorney's Fees	Reimbursement of our actual costs	As incurred	You must pay all expenses, including attorneys' fees and costs, incurred by us, our affiliates, and our successors and assigns to remedy any of



TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			your defaults of, or enforce any of our rights under, the Franchise Agreement; to effect termination of the Franchise Agreement; and to collect any amounts due under the Franchise Agreement.
Evaluation Fee	A reasonable fee not to exceed \$2,500	As incurred	Paid to us for evaluation and testing of a proposed supplier.

Unless otherwise indicated, all of the fees listed in the table are non-refundable and are uniformly imposed by, payable to, and collected by us.

Notes:

1. “Gross Sales” means all revenues you derive from operating your MOSQUITO SHIELD Business conducted upon, from or with respect to the MOSQUITO SHIELD Business, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes monies or credit received from the sale of products, from tangible property of every kind and nature, promotional or otherwise. Gross Sales does not include good faith refunds, adjustments, discounts, credits and allowances actually made by your MOSQUITO SHIELD Business. Discounts, however, shall not exceed 25% of your standard retail prices, and any sale that has been discounted in excess of 25% of your standard retail price shall be included in Gross Sales at an amount no less than 75% of your standard retail price. Gross Sales also excludes any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

**ITEM 7**

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT (Note 14)  
(1 Territory)**

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT</b>		<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
	<b>LOW</b>	<b>HIGH</b>			
Initial Franchise Fee	\$54,500	\$54,500	Lump sum	When you sign the Franchise Agreement	Us
Annual Conference Registration Deposit	\$1,000	\$1,000	Lump Sum	Within 7 days of signing the Franchise Agreement.	Us.
Complementary Product/Service Fee	\$0	\$5,000	Lump sum	When you elect to add any complementary line of product or service offered under the System	Us
Customized Vehicle (Note 1)	\$1,950	\$12,000	As arranged	Upon purchase or as required by financing company. If you obtain your vehicle through a source other than Mercedes Benz or chose not to finance, then one-half of the customization fee (see Item 5) is due within thirty (30) days of signing the Franchise Agreement. The balance is due when we complete the customization.	Mercedes Benz. If you obtain your vehicle through a source other than Mercedes Benz or chose not to finance, then you will need to pay the customization fee of \$11,410 to us directly, subject to change on 30 days' notice.
Lease and Utility Deposits (Note 2)	\$0	\$1,500	As arranged	As incurred	Landlord, utility companies

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
		LOW-HIGH			
Storage-Related Expenses (Note 3)	\$0	\$1,200	As arranged	As incurred	Suppliers
Initial Inventory (Note 4)	\$800	\$1,600	Lump sum	Before commencing operations	Us, our affiliate, or suppliers
Office Equipment and Supplies (Note 5)	\$500	\$1,500	As arranged	Before commencing operations	Suppliers
Business Operations Platforms Set-Up	\$1,500	\$1,500	Lump sum	Upon signing the Franchise Agreement	Us
Business Management Software (Note 6)	\$250	\$250	As arranged	Before commencing operations	Supplier
Local Advertising Expenditure (Note 7)	\$35,000	\$50,000	As arranged	An initial \$35,000 advertising expenditure must be made during the ninety (90) days prior to and during the commencement of your first Peak Season; however, this expenditure may be postponed to the following Spring if you open your MOSQUITO SHIELD Business after July 31. You are also required to purchase an approved trade show display and promotional materials within 90 days of signing the Franchise Agreement.	Suppliers

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Training Expenses (Note 8)	\$775	\$2,700	As arranged	As incurred	Suppliers
Insurance Premiums (Note 9)	\$675	\$900	Lump sum or Periodic	Before commencing operations and as arranged	Insurance Provider
Professional Fees (Note 10)	\$350	\$1,200	As arranged	As incurred	Attorney, accountant
Licenses and Permits (Note 11)	\$50	\$100	As arranged	As incurred	Governmental agencies
Additional Funds -- 3 months (Note 12)	\$1,500	\$5,000	As arranged	As incurred	Suppliers
<b>TOTAL</b>	<b>\$98,850 to \$139,950</b>				

Unless noted otherwise, all fees and payments described in this Item 7 are non-refundable.

Notes:

1. These estimates represent three (3) months of vehicle financing payments, or payment of the customization fee if you obtain a vehicle meeting our specifications from a source other than Mercedes Benz or chose not to finance. We currently require a 2015 or newer Mercedes Benz Metris. Our approved supplier is Mercedes Benz. We have made arrangements through Mercedes Benz to finance the vehicle purchase and the \$11,410 customization. The full cost of the required vehicle with customization is approximately \$38,000. At your request, we may consider a different vehicle, provided that it is less than two years old at the time of purchase and otherwise meets our approval, in our sole discretion. You may incur additional costs for us to customize your vehicle for you.
2. You may operate your MOSQUITO SHIELD franchise from your personal residence. If you choose not to operate your MOSQUITO SHIELD franchise from your personal residence, you will need to rent office and storage space. We estimate that you will need approximately 1,200 square feet of space for storage and a small office. This estimate in the Table includes the cost of a security deposit if the Premises are leased.
3. The estimate provided would cover shelving or partitioning for storage of inventory, marketing materials and samples at your storage facility, signage and winterization of materials. Signage at your storage facility is optional, and may be placed anywhere upon the facility, at your discretion, subject to the requirements of the local code and your

landlord. You are required to “winterize” the vehicle’s tank system with antifreeze, at an approximately cost of \$8.00 to \$12.00.

4. The figures in the table are our estimate of your initial costs for the Mosquito Shield Protection Blend or other related and approved products for the first three months.
5. The estimated cost covers your office equipment, including computer, multifunction printer, phone, and mobile point-of-sale tablet. This also includes a one-time Call Center start-up fee of \$150 and three months of service provider fees for the mobile tablet.
6. This is a one-time charge of \$250 to install our proprietary business management software. Additionally, you are required to pay a continuing access fee for the proprietary business and mobility routing software, which is currently \$181.00 per month.
7. You must spend a minimum of \$35,000 on local marketing for a single unit territory in a 6-month season for the ninety (90) days prior to and during the commencement of your first Peak Season, unless we approve a lesser amount in writing. If you purchase additional territories or your territory has a longer season, additional marketing funds to support growth may be required. This expenditure may be postponed to the following Spring if you open your MOSQUITO SHIELD Business after July 31. You must spend an additional \$5,000 to \$15,000 in the same calendar year for additional marketing and promotion. Beginning the second calendar year of operation, you are required to spend annually the greater of 5% of Gross Sales or \$35,000 on local advertising. You are also required to purchase an approved trade show display, promotional materials and items, currently available through our suppliers within 90 days of signing the Franchise Agreement.
8. This estimate includes the travel, food and lodging expenses of up to three people to attend up to five days of initial training.
9. Before opening, you must purchase the insurance coverage we require, which will include vehicle, property and liability coverage. The figures in the table are an estimate of your premiums for the first three months of coverage. The estimated annual premiums are \$2,700 to \$3,600.
10. The estimate would cover your initial consultation with legal, accounting, and financial advisors regarding this franchise opportunity.
11. You must obtain all required control materials application and storage licenses, permits, certifications, and other business licenses. A permit may also be required for parking of commercial vehicles.
12. The expenses in this Item 7 are estimates of your initial investment in one franchise location before commencing operations and for the first 3 months of operation. We have relied upon the expenditures paid by, and the experience of, our affiliate in determining these estimates. The estimates do not include your salary, if any, part-time employees, rent, utilities, or other operating expenses. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

We do not offer direct or indirect financing to franchisees for any items included in this section.

## ITEM 8

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

All equipment and products sold or offered for sale at the MOSQUITO SHIELD Business must meet our then-current standards and specifications, as established in the Operations Manual or otherwise in writing. Except as otherwise provided in the Franchise Agreement, you must purchase all equipment and products used or offered for sale at the MOSQUITO SHIELD Business for which we have established standards or specifications solely from approved suppliers (including distributors and other sources) which demonstrate, to our continuing reasonable satisfaction, the ability to meet our standards and specifications, and who have been approved by us in the Operations Manual or otherwise in writing.

You must purchase from us or our affiliate the Mosquito Shield and Tick Shield Protection Blends, any other or alternative approved application products, and such additional products we designate at our then-current prices as designated in the Operations Manual. We have the right to require you to purchase any or all approved services, products, equipment, or merchandise used in the MOSQUITO SHIELD Business solely from us or our affiliate. If we do not so require, you must only purchase such items or services from approved suppliers at their established rates, subject to change from time to time. Your use of the Mosquito Shield and Tick Shield Protection Blends must be done at our required rates. We reserve the right to charge you for the amount of Mosquito Shield and Tick Shield Protection Blends that should be used annually based on our required rates, as outlined in the Operations Manual, for the total number of customers you serve. Other than us or our affiliates disclosed in Item 1, there are no other approved suppliers in which any of our officers owns and interest.

You must purchase or lease at least one vehicle for operation of the Franchised Business, which must contain racking systems, shelving, and external graphic wrap as we require in the Operations Manual or in writing from time to time. You must have one technician operating in each vehicle at all times.

You must obtain and maintain insurance at all times during your Franchise Agreement. Your policy must insure against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the MOSQUITO SHIELD Business, including, but not limited to, commercial general liability insurance (including products/completed operations), personal injury coverage, public liability insurance, property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of the MOSQUITO SHIELD Business and its contents), specialty coverage to protect against injury or death from product application, casualty insurance, business interruption insurance, statutory workers' compensation and employer's liability insurance, and automobile insurance coverage for all Vehicle(s) and other vehicles used in connection with the operation of the MOSQUITO SHIELD Business. Such policy or policies shall be written by a responsible carrier or carriers acceptable to us with an AM Best rating of "A" or higher. The commercial general liability policy shall name us and our subsidiaries and affiliates as additional insureds, specifically including additional insured rights within the completed operations coverage grant and including coverage that indemnifies and holds us harmless. All other policies shall provide us with thirty (30) days' notice of cancellation. All policies shall provide at least the types and minimum amounts of coverage specified in the Operations Manual. We shall have the right, from time to time, to make such changes in minimum policy limits and endorsements in the Operations Manual or otherwise in writing as it may determine in its reasonable discretion.

Your policy must name us as an additional insured, and you must provide us copies of Certificates of Insurance.

You are required to obtain and keep in force by advance payment of premium appropriate liability insurance. The insurance will include, at a minimum, the following:

- A. Comprehensive general liability insurance, including and products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least **\$1,000,000** per occurrence and **\$2,000,000** aggregate, including umbrella coverage.
- B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.
- C. Business interruption and lost profit insurance.
- D. Employer Practice liability insurance.
- E. Automobile liability insurance, including owned, non-owned, leased and hired vehicle coverage, with a combined single limit of at least \$1,000,000 for death, personal injury and property damage.

If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility that we designate. You must pay a charge not to exceed the reasonable cost of the evaluation and testing. We will use our best efforts, within 90 days after our receipt of the completed request and completion of all evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. You may not sell or offer for sale any products of the proposed supplier until you receive our written approval of the proposed supplier. We may from time to time revoke our approval of particular products or suppliers when we determine that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease to sell any disapproved products and cease to purchase from any disapproved supplier.

We will provide you with specifications for approved products, but we are not required to make these specifications available to prospective suppliers if we deem them to be confidential.

We or our affiliates may derive revenue from your required purchases. We derived \$1,135,009 from franchisee required purchases in our last fiscal year, January 1 – December 31, 2022, which comprised 24.9% of our total revenue of \$4,544,022. Our affiliate, ProNexis, derived \$90,123.34 from franchisee required purchases in our last fiscal year.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 10-15% of your costs to establish your MOSQUITO SHIELD Business and approximately 7-9% of your costs for ongoing operation.

There are no purchasing or distribution cooperatives related to our franchises. We do not provide any material benefit to franchisees for use of approved suppliers. We may negotiate purchase arrangements with some of our suppliers (including price terms) for the benefit of our franchisees, but we are under no obligation to do so. We do not currently receive payment, in the form of preferred pricing, from any suppliers due to such suppliers' transactions with us or our franchisees.

## ITEM 9

### FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	1.2	11
b. Pre-opening purchases/leases	5 and 7	5, 6, 7 and 8
c. Site development and other pre-opening requirements	5 and 7	11
d. Initial and ongoing training	6	6, 7 and 11
e. Opening	5	11
f. Fees	4	5, 6 and 7
g. Compliance with standards and policies / Operations Manual	7 and 9	8 and 11
h. Trademarks and proprietary information	8 and 9	13 and 14
i. Restrictions on products/services offered	7	8 and 16
j. Warranty and customer service requirements	Not Applicable	11
k. Territorial development and sales quota	1.3, 7.3	12
l. Ongoing product/service purchases	7	8
m. Maintenance, appearance and remodeling requirements	7	6, 8 and 11
n. Insurance	13	6 and 7
o. Advertising	12	6, 7 and 11



OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
p. Indemnification	20.3	6
q. Owner's participation/management/staffing	7.8 and 17.1	11 and 15
r. Records/reports	11	6
s. Inspections/audits	3.11, 7.13, 11.4	6 and 11
t. Transfer	14	17
u. Renewal	2.2	17
v. Post-termination obligations	16, 17.3	17
w. Non-competition covenants	17.2, 17.3	17
x. Dispute resolution	26	17
y. Guaranty	18.4, Attachment 5	15

**ITEM 10**  
**FINANCING**

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

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

**Except as described below, Mosquito Shield Franchise, LLC is not required to provide you with any assistance.**

**Pre-Opening Obligations**

Before commencing operation of your MOSQUITO SHIELD Business, we are required to provide the following to you:

1. We will furnish to you, at no charge, standards and specifications for the operation of a MOSQUITO SHIELD Business, including requirements for application equipment and other equipment, image, signs and procedures (Franchise Agreement, Section 3.1);

2. We will provide initial training for up to three people, including you, your Operations Manager, and your technician (Franchise Agreement, Sections 3.2 and 6.1);
3. We may make available to you advertising and promotional materials for your opening advertising, and other materials that you must reproduce at your expense (Franchise Agreement, Section 3.4). If we do provide you with advertising and promotional materials, you may obtain them from our then current supplier or approved marketing company;
4. We will either loan you one paper copy of our Operations Manual or provide you with electronic access to the Operations Manual (via Internet, extranet, or other electronic means) for the term of the Franchise Agreement upon your completion of our initial training program to our satisfaction (Franchise Agreement, Sections 3.5 and 9);
5. We or an affiliate will make available for sale to you the Mosquito Shield Protection Blend and Tick Shield Protection Blend and other products we designate for use in the System at our then-current prices (Franchise Agreement, Section 3.6);
6. Upon payment of the fee described in Item 5 above, we will customize your Vehicle(s) and provide initial equipment for use with them, including our custom dual-tank rapid refill system, two (2) custom backpack blowers, shelving, storage, first-aid and spill kits and external graphics. We will provide you with a list of initial equipment and related products and accessories for the MOSQUITO SHIELD Business for purchase from our affiliate or a supplier we designate (Franchise Agreement, Section 3.7);
7. Upon payment of the fee described in Item 5 above, we will set up your business operations platforms, which includes a webpage and social media accounts; and
8. We will permit you to use our custom Required Software. (Franchise Agreement, Section 3.9)

### **Continuing Obligations**

After you commence operation of your MOSQUITO SHIELD Business, we are required to provide the following to you:

1. upon your request, or as we determine to be appropriate, and at our discretion, we may provide you with on-site training and assistance at your location.;
2. We may make available to you advertising and promotional materials at your expense (Franchise Agreement, Section 3.4). If we do provide you with advertising and promotional materials, you may obtain them from our then current supplier or approved marketing company;
3. We or an affiliate will make available for sale to you the Mosquito Shield Protection Blend and Tick Shield Protection Blend and other products we designate for use in the System at our then-current prices (Franchise Agreement, Section 3.6);
4. We will furnish guidance to you from time to time, as we deem appropriate in our sole discretion, on the following matters concerning the System: standards, specifications and operating procedures and methods to be utilized; purchasing required and recommended goods, equipment, materials, supplies and services; advertising and marketing programs; employee training; and administrative bookkeeping and accounting procedures (Franchise Agreement, Section 3.8);

5. We will administer a brand promotion fund (“Brand Fund”) for advertising, marketing and public relations programs and materials as we deem necessary and appropriate in our sole discretion (Franchise Agreement, Section 3.10);

6. We will arrange for you to use a national call center (“Call Center”) to handle in-bound customer calls (Franchise Agreement, Section 3.11); and

7. We will conduct, as we deem advisable in our sole discretion, inspections of the Premises or your customers’ homes and your operation of the Franchised Business at any time during regular business hours (Franchise Agreement, Section 3.12).

### **Site Selection**

You must operate the MOSQUITO SHIELD Business only at a location and adjacent or separate storage facility(ies) approved by us, which may include your home, a storage unit, warehouse space, or comparable location we approve. Our approval will depend on you having adequate office space to operate the Franchised Business and sufficient storage space to store the Mosquito Shield Protection Blend, other inventory, and equipment. You must obtain a location and storage facilities in time for you to commence operation of your franchise within 180 days after signing the franchise agreement. If you do not open the Franchised Business within this time period, we will have the right to terminate your Franchise Agreement.

You may not commence operation of the MOSQUITO SHIELD Business until: (a) you and your employees have completed the Initial Training Program to our satisfaction; (b) you have acquired Vehicle(s) that we have customized for operating the MOSQUITO SHIELD Business and occupied the Premises approved by us; (c) all amounts then due to us or our affiliates have been paid; (d) we have been furnished with copies of all insurance policies required by the Franchise Agreement, or other evidence of insurance coverage and payment of premiums we request; (e) we have been furnished with evidence we reasonably request that you possess the necessary control materials application equipment and other equipment and initial inventory as we require for you to operate the MOSQUITO SHIELD Business; and (f) you provide proof that you have received the state required licensing to operate your business, including but not limited to, business license, pesticide license, and applicator license.

### **Typical Length of Time Between Signing Franchise Agreement and Commencing Operation of Franchised Business**

We estimate the length of time between the signing of the franchise agreement and commencing operation of the MOSQUITO SHIELD franchise is approximately 60 to 180 days. Your ability to purchase or lease equipment, and purchase services, materials or supplies may affect this time period. You must commence operation of your MOSQUITO SHIELD Business within 180 days after signing of the franchise agreement, unless otherwise agreed by both parties.

### **Advertising**

***Standards and Approval.*** All advertising and promotion by you must be in such media and of such type and format as we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You may not use any advertising or promotional plans or materials until you have received written approval from us. (Franchise Agreement, Section 12.5.) You may use your own advertising materials, provided that we first approve them. To request our approval, you

must submit to us samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you desire to use and that have not been prepared or previously approved by us within the preceding 6 months for our prior approval. You may not use such plans or materials until they have been approved in writing by us. If written notice of disapproval is not received by you from us within 14 days, we will be deemed to have approved them. If we require it, you must order all advertising and promotion through Us, our affiliate or our designated supplier. (Franchise Agreement, Section 12.6.)

**Opening Advertising.** You must conduct initial local marketing for the MOSQUITO SHIELD Business within the first 60 days that the MOSQUITO SHIELD Business is in operation or such other time that we require in writing. You must spend a minimum of \$35,000 on local marketing for a single unit territory in a 6-month season, unless we approve a lesser amount in writing. If you purchase additional territories or your territory has a longer season, additional marketing funds to support growth may be required. In addition, you must expend between \$5,000 and \$15,000 in the same calendar year for additional local marketing and promotion. You are required to purchase a trade show display and promotional materials within 90 days of signing the Franchise Agreement. (Franchise Agreement, Section 12.1.)

**Local Advertising.** In addition to the opening advertising and advertising funds described above and below, in each calendar year after the first calendar year that your MOSQUITO SHIELD Business is open for business, you must spend a minimum of the greater of (a) \$35,000 or (b) 5% of Gross Sales, on local marketing, advertising, and promotion in such manner as we may, in our sole discretion, direct in the Operations Manual or otherwise in writing from time to time. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts into the Brand Fund. (Franchise Agreement, Section 12.2.)

**Brand Fund.** We will establish a MOSQUITO SHIELD Brand Fund to which all MOSQUITO SHIELD franchisees are required to contribute. Payments to the Brand Fund are payable weekly in the same manner as the Royalty due under the Franchise Agreement. You must contribute 2% of Gross Sales for the preceding week to the Brand Fund. (Franchise Agreement, Section 12.3.) We and our affiliate will contribute to the Brand Fund on the same basis as franchisees are generally required to contribute.

We direct all marketing programs of the Brand Fund, with sole discretion over the concepts, materials, and endorsements used in such programs and the geographic market and media placement and allocation of them. The Brand Fund's advertising may be disseminated in print, radio, or television, and may be local, regional, or national in scope. The source of the advertising is from in-house or Franchisor approved advertising, but we reserve the right to use an outside agency in the future. The Brand Fund, all contributions to it, and any of its earnings, are used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including, among other things, the costs of preparing and conducting radio, cable television and print advertising campaigns; developing, maintaining, and updating a Web site on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist; purchasing promotional items; and providing promotional and other marketing materials and services to the businesses operating under the System. (Franchise Agreement, Section 12.3.2.)

The Brand Fund will be accounted for separate from our other funds, and will not be used to defray any of our general operating expenses, except we retain the right to obtain reimbursement from the Fund for our out-of-pocket costs and expenses incurred in administering the Brand Fund, for monies contributed to the Brand Fund to reimburse us for administrative costs and overhead

incurred by us in any activities related to the administration of the Brand Fund and its programs, and a pro rata portion of the salaries of personnel who spend time on Fund-related matters. We may spend, on behalf of the Brand Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all MOSQUITO SHIELD businesses to the Brand Fund in that year and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be used to pay advertising costs before other assets of the Brand Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Brand Fund and furnish the statement to you upon written request. The financial statements of the Brand Fund are not audited. We will account for contributions to the Brand Fund separate from other amounts we receive. (Franchise Agreement, 12.3.3.) We will not use any monies contributed to the Brand Fund for the solicitation of the sale of franchises, except to the extent such solicitation may be used for advertising on our website. In our most recently concluded fiscal year ending December 31, 2022, all Brand Fund contributions were used as follows: 64% marketing strategy and administration, 13% for website and training materials, and 23% for media placement and digital branding.

Except as indicated above, we do not receive payment for providing goods or services to the Brand Fund. We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the System Marketing Fund. We have no obligation to spend any amount on advertising in your area or territory. (Franchise Agreement, Section 12.3.1.)

The Brand Fund is intended to be of perpetual duration. However, we maintain the right to terminate the Brand Fund. The Brand Fund may not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to its contributors on the basis of their respective contributions. (Franchise Agreement, Section 12.3.5.)

***Advertising Cooperative.*** We reserve the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”) in the future, and to determine whether such a Cooperative applies to your MOSQUITO SHIELD Business. If we have established a Cooperative applicable to your MOSQUITO SHIELD Business at the time you commence operation, you must immediately become a member of the Cooperative. If we establish a Cooperative applicable to your MOSQUITO SHIELD Business at any later time during the term of your Franchise Agreement, you must become a member of such Cooperative within 30 days of the date on which the Cooperative commences operation. If your MOSQUITO SHIELD Business is within the APR of more than one Cooperative, then you are only required to be a member of one Cooperative. (Franchise Agreement, Section 12.4.)

Each Cooperative will be organized and governed in a form and manner, will commence operation on a date, and will operate according to written governing documents, all of which we must approve in advance in writing. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. Each Cooperative will have the right to require its members to make contributions to the Cooperative in the amounts as are determined by the Cooperative. You will not be required to contribute more than \$25,000 per calendar year to the Cooperative, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Your contributions to a Cooperative will be credited towards the local advertising expenditure required to be made under the Franchise Agreement. (Franchise Agreement, Section 12.4.)

We reserve the right to require Cooperatives to be changed, dissolved, or merged. (Franchise Agreement, Section 12.4.)

**Franchise Advisory Council.** We have the right, in our sole discretion, to require you to become a member of and participate actively in a franchise advisory council (“Advisory Council”) in your area. You must participate actively in the Advisory Council as we designate and participate in all Advisory Council meetings approved by us. We have the right to amend the governing documents for the Advisory Council in our sole discretion at any time. We will determine the topic areas to be considered by the Advisory Council. The purposes of the Advisory Council will include exchanging ideas and problem-solving methods, advising us on expenditures for system-wide advertising, and coordinating franchisee efforts. Amounts and expenditures may vary from time to time due to variations in Advisory Council participation and costs, as determined by the Advisory Council, and as approved by us. We will have the right to change or dissolve the Advisory Council at any time in our sole discretion. (Franchise Agreement, Section 7.20.)

**Website.** Unless approved by us in writing, you may not establish a separate Website in connection with the Franchised Business. However, we will have the right to establish one or more webpages within our Website, which is currently [www.moshield.com](http://www.moshield.com) but may be changed by us in our sole discretion. You must update and add content to your webpage(s) from time to time as we direct. We will have the right to restrict your ability to edit your webpage(s) in our discretion. The term “Website” means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums (“Networking Media Sites”). You may not establish accounts or “pages,” or maintain a presence on any Networking Media Site without our prior written approval. If granted approval, you must include us as an administrator and grant us full access to your Networking Media Sites and accounts. You may not make any posting or other contribution to a Networking Media Site relating to us, the System, the Proprietary Marks, or the Franchised Business that (a) is derogatory, disparaging, or critical of us, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the Proprietary Marks, or (d) violates our policies relating to the use of Networking Media Sites.

We have the right to require that you not have any Website other than the webpage(s), if any, made available on our Website. However, if we approve a separate Website for you, then you must submit to us, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including proposed screen shots), and non-visible content (including meta tags) in the form and manner we may reasonably require. If we grant approval for you to maintain a separate Website and content, you must include us as an administrator and grant us full access to your separate Website. (Franchise Agreement, Section 8.8).

### **Computer System**

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including: (a) back office, mobile devices, and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the MOSQUITO SHIELD Business; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (the “Computer System”). (Franchise Agreement, Section 8.4.)

You must use the computer software programs that we designate from time to time in the Manuals or in writing in connection with the Computer System (the “Required Software”), which you must install at your expense. We also have the right, but not the obligation, to develop or have developed for it, or to designate: (a) updates, supplements, modifications, or enhancements to the

Required Software, which you must install at your expense; (b) the tangible media upon which you record data; and (c) the database file structure of the Computer System. (Franchise Agreement, Section 8.4.)

We have entered into license agreement (subject to annual renewal) with a third party provider, that permits us, and will permit our franchisees, to use a proprietary business management, customer management, Call Center integration, and mobile routing software developed for the Mosquito Shield business. After your payment of the initial and ongoing software fees described in Items 5, 6 and 7 above, we will permit you to access the hosted website for the Required Software.

At our request, you must purchase or lease, and maintain, the Computer System and the Required Software, which will cost approximately \$3,000 to purchase. The Computer System and the Required Software will be used for a variety of matters related to the Franchised Business, including customer management and routing. We will have the right at any time to independently and remotely retrieve and use this data and information from your Computer System or Required Software that we deem necessary or desirable. There are no restrictions on our right to access this data and information. You must keep your Computer System in good maintenance and repair and install all additions, changes, modifications, substitutions, and/or replacements to your Computer System or Required Software as we may reasonably direct periodically in writing, all at your own expense. We estimate that an optional third-party maintenance and support contract for your Computer System would be approximately \$49.00 to \$99.00 per month. You must upgrade or update your Computer System and Required Software at your expense as we may require. There is no limitation on how often we may require these upgrades or the cost of these upgrades. Your Computer System must be operational before you open your MOSQUITO SHIELD Business. (Franchise Agreement, Section 8.4.)

We currently provide support for our software, but neither we nor any of our affiliates or any third parties are obligated to provide ongoing maintenance, support, repairs, upgrades, or updates to your Computer System or Required Software. You may have to pay a third party additional fees for these services.

### **Operations Manual**

You must operate the MOSQUITO SHIELD Business in accordance with the Operations Manual. Upon your completion of the initial training program to our satisfaction, we will either lend you one paper or electronic copy of the Operations Manual or provide you with access to the Operations Manual via the Internet, extranet, or other electronic means for your use during the term of the Franchise Agreement only. The Operations Manual may consist of multiple volumes of printed text, computer disks, DVDs, CD-ROMs, or other electronically stored data. We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must at all times insure that your copy of the Operations Manual is kept current and up to date. (Franchise Agreement, Section 9.) The Table of Contents of the Operations Manual is attached to this disclosure document as Exhibit B. The Operations Manual has a total of 177 pages.

### **Training Programs**

Our current initial training program consists of 3-5 days of management and technical training. We have the right, at our option, to shorten the length of training. We will train up to three people at no additional charge, including you (or your managing shareholder, member, or partner), your Operations Manager, and/or a technician, who must attend and successfully complete to our satisfaction the initial training program (a technician who is not also serving as Operations Manager need only complete the technical portion of the training). All training will take place at our training facility in North Attleboro, Massachusetts or at a separate location determined by us. We also reserve the right to conduct training

via an on-line live web service. On the job training will take place at your MOSQUITO SHIELD Business or at an existing MOSQUITO SHIELD business near our training facilities in North Attleboro, Massachusetts. The initial training program will be conducted at our mutual convenience before the MOSQUITO SHIELD Business opens. We do not have regularly scheduled training classes, as they are held on an as-needed basis. No other additional or refresher courses are required for you to commence operation of your franchise. Any person who you employ after commencing operation in the position of Operations Manager or technician must attend and complete the initial training program to our satisfaction within 30 days of his or her hire and pay us our then-current training fee. You also are required to participate in all other activities required to operate the MOSQUITO SHIELD franchise. You will be responsible for all travel and living expenses which you (or your managing shareholder, member, or partner) and your employees incur in connection with any training. If we determine that you (or your managing shareholder, member, or partner) are unable to complete initial training to our satisfaction, we have the right to terminate the franchise agreement. You are required to complete the training program at least three (3) weeks, but no more than twenty-four (24) weeks, prior to promoting and opening your MOSQUITO SHIELD Business.

Instructional materials for the training program consist of the Operations Manual. The instructors are Michael Moorhouse and Brad Maher. Mr. Moorhouse is our President, since 2022, and was our Vice President since we were formed in November 2012 through 2022. He has also been Director of Operations of Mosquito Shield, Inc. since March 2011. Before that, he was General Manager of Cape Cod Kia and Territory Sales Manager for Naturalawn of America in North Attleboro, Massachusetts. Mr. Maher has been the Vice President of Operations of Mosquito Shield Franchise, LLC since May 2013. From May 2011 to December 2012, he was also National Business Development Officer of First National Bank of Omaha.

You or your manager must attend the regularly scheduled huddles, meetings, and conferences which are identified and scheduled by us as set forth in the Operations Manual. These are offered to provide additional and ongoing training aimed at your business performance and improvement. If any are rescheduled without at least 2 business days' notice, your absence will be regarded as excused. Likewise, if you obtain prior permission to be absent, such will not impact your compliance with these requirements.

### **TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON THE JOB TRAINING</b>	<b>LOCATION</b>
History of Mosquito Shield	30 min	0	North Attleboro, MA, or as otherwise determined
Use of the Manual	30 min	0	North Attleboro, MA, or as otherwise determined
Tour of the location	1	0	North Attleboro, MA, or as otherwise determined
Pre-Opening Procedures	1	0	North Attleboro, MA, or as otherwise determined
Personnel Issues	1	0	North Attleboro, MA, or as otherwise determined



<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON THE JOB TRAINING</b>	<b>LOCATION</b>
Advertising	2	0	North Attleboro, MA, or as otherwise determined
Management Procedures	2	1-2	North Attleboro, MA, or as otherwise determined
Franchise Reporting Requirements	30 min	1-3	North Attleboro, MA, or as otherwise determined
Accounting/Record keeping	30 min	1-2	North Attleboro, MA, or as otherwise determined
Customer Service Procedures	2	1-2	North Attleboro, MA, or as otherwise determined
Information Procedures	2	0	North Attleboro, MA, or as otherwise determined
Application Procedures	2	4-8	North Attleboro, MA, or as otherwise determined
Safety Procedures	1	2-3	North Attleboro, MA, or as otherwise determined
<b>Totals</b>	16	10-20	

## **ITEM 12**

### **TERRITORY**

You will be granted a specific Area of Primary Responsibility, or APR, in which to operate your franchise. If you purchase multiple territories, you will have multiple APRs. Your APR will be defined as a specific area based on the number of potential customers that meet our specific customer profile and will be specified in the Franchise Agreement. We anticipate that a typical APR will consist of an area that will have between approximately 50,000 single-family homes located within it, as determined by us based on the most recent U.S. census data. As described in Item 5, you may purchase a larger territory in our sole discretion.

Your APR is an exclusive territory, and, subject to your attainment of minimum sales requirements as described below in this Item 12, we will not establish or operate, or license another person to establish or operate, another MOSQUITO SHIELD business under the System and the Proprietary Marks within your APR. You may not service or solicit business outside of the APR without our prior written consent.

You must operate the MOSQUITO SHIELD Business only from a location and adjacent or separate storage facility(ies) approved by us (“Approved Location”), which may include your home, and a storage unit, warehouse space, or comparable location that we approve.

We (and our affiliates) retain the right: (a) to establish and operate, and license others to establish and operate, a MOSQUITO SHIELD business under the System and the Proprietary Marks at any location outside your APR, regardless of the proximity to your APR or the Approved Location; (b) to sell or distribute, or license others to sell or distribute, directly or indirectly, any products, including those products sold through the MOSQUITO SHIELD System, through channels of distribution other than a MOSQUITO SHIELD business (including the Internet), at any location whether within or outside your APR under any proprietary marks (including the Proprietary Marks); (c) to sell or distribute, or license others to sell or distribute, directly or indirectly, any services and products, including those services and products sold through the MOSQUITO SHIELD System, using proprietary marks other than the Proprietary Marks; (d) to acquire, be acquired by, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any business of any kind, including any business that offers services and products similar to those offered by you under the System and Proprietary Marks; and (e) to terminate the territorial protection described in this Item 12 if you fail to attain or exceed the Minimum Gross Sales requirements described in the following paragraph.

Your territorial protection in your Area of Primary Responsibility is dependent on your attaining or exceeding the Minimum Gross Sales requirements during each 12-month period during the term of the Franchise Agreement, starting on the date your Franchised Business opens and ending on each anniversary date of your opening. The required Minimum Gross Sales are:

12 - Month Period	Single Territory	2 Territories	3 Territories	4 Territories	5 Territories
1	\$45,000	\$67,500	\$90,000	\$110,000	\$140,000
2	\$90,000	\$135,000	\$180,000	\$220,000	\$280,000
3	\$157,500	\$236,250	\$315,000	\$385,000	\$490,000
4	\$236,250	\$354,375	\$472,500	\$577,500	\$735,000
5+	\$283,500	\$425,250	\$567,000	\$693,000	\$882,000

If you fail to meet the Minimum Gross Sales requirements, we may collect the difference between the actual royalty you had paid us during the 12-month period and 7% of the required Minimum Gross Sales amount. In addition, we have the right: (a) to reduce the size of your APR; (b) to eliminate your APR as a protected area; or (c) to terminate the Franchise Agreement. If we reduce or eliminate your APR, we will have the right to operate and/or license others to operate in that area which is no longer part of your APR. The Minimum Gross Sales requirements are not a representation, estimation, or projection of your Gross Sales, earning potential, profits, or expenses you may incur in connection with the Franchised Business. Other than this condition, there are no other circumstances or conditions that must be met to maintain your territorial protection.

You may not provide services to, solicit, or actively market to customers in the APR of any other MOSQUITO SHIELD business, whether owned and operated by us or another franchisee, except with our prior written consent. You must follow the procedures specified in the Operations Manual (and/or coordinate with us) for referring sales or customers located within the APR of other MOSQUITO SHIELD businesses. We have established a national Call Center to handle in-bound sales calls during peak selling periods, as we determine. All calls received by the Call Center from inquiries located within your APR will either be converted to a sale or directed back to you as a lead.

Except to the extent described above, neither we nor our affiliates have used other channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing to make sales within a franchisee’s APR using either our principal trademark or any other trademark but we reserve the right to do so. We are not required to pay you any compensation for soliciting or accepting orders from inside your APR.

Neither we nor our affiliate have established, or intend to establish, any other franchises or company-owned outlets or other channel of distribution selling or leasing similar services or products under a different trademark, but we reserve the right to do so.

The definition of your APR, as well as any other terms of the Franchise Agreement, may not be changed without our and your written consent. You may not relocate your MOSQUITO SHIELD Business without our prior written approval. We have the right, in our sole discretion, to withhold approval of relocation. You do not receive an option, right of first refusal or similar right to acquire additional franchises in your area.


**ITEM 13**

**TRADEMARKS**

You will be granted the right, by the Franchise Agreement, to establish and operate a Franchised Business under the Mark “MOSQUITO SHIELD,” and other trademarks, trade names, and service marks we may designate as part of the System.

Our affiliate, MSLLC, has registered the following trademarks on the Principal Register of the United States Patent and Trademark Office:

<b>TRADEMARK</b>	<b>REGISTRATION NUMBER</b>	<b>REGISTRATION DATE</b>	<b>REGISTER</b>
<b>MOSQUITO SHIELD</b>	3636568	June 9, 2009	Principal
<b>BITE EM BACK</b>	3636567	June 9, 2009	Principal
	4077002	December 27, 2011	Principal
	4083199	January 10, 2012	Principal

<b>TICK SHIELD</b>	4083137	January 10, 2012	Principal
	4083134	January 10, 2012	Principal
<b>SKEETER SHIELD</b>	4832101	October 13, 2015	Principal

Our affiliate, MSLLC, owns the MOSQUITO SHIELD mark and has licensed to us the right to use and permit our franchisees to use the MOSQUITO SHIELD mark. Except for the license agreement (“License Agreement”) between our affiliate and us, there are no agreements currently in effect which significantly limit our right to use or license the use of the Proprietary Marks which are in any manner material to the franchise. The term of the License Agreement is indefinite. Either MSLLC or we can terminate the License Agreement and the rights granted under the License Agreement, with or without cause and by providing 30 days prior written notice to the other party. If the License Agreement is terminated, MSLLC will assume all of our rights and obligations relating to MSLLC’s marks under any effective franchise agreement.

You agree to use our current and future trademarks, service marks and trade names only in the ways we have approved in advance in writing as we have set forth in our Operations Manual or other written materials. You also agree to cease using any trademarks, service marks or trade names we determine to be no longer part of the MOSQUITO SHIELD system standards, including the MOSQUITO SHIELD trademark. We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different marks for use in identifying the System and the business operating under the Proprietary Marks. You must promptly comply with such changes, revisions and/or substitutions, and bear all the costs of modifying your signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform with them.

No renewals have yet become necessary, and upon the time arriving for renewal all required filings will be made. All required affidavits pertaining to this registration have been filed. There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state, or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or otherwise. We have no actual knowledge of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in the state where your franchise may be located.

We are not obligated, by the terms of the Franchise Agreement or otherwise, to protect your right to use the principal trademarks. You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our license of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third party claim, suit, or demand arising out of your use

of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, will be borne by us. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, will be borne by you. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.

## **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### **Patents and Copyrights**

We do not own any rights in, or licenses to, any patents or registered copyrights that are material to the franchise, and we do not have any pending patent applications that are material to the franchise.

We reserve the right to modify or discontinue using the subject matter covered by a patent or copyright. In such event, we may require you, at your expense, to modify or discontinue using the subject matter in the operation of your Franchised Business.

#### **Confidential Operations Manual**

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your MOSQUITO SHIELD Business in accordance with the standards, methods, policies, and procedures specified in the Operations Manual. Upon your completion of our initial training program to our satisfaction, we will loan you one copy of the Operations Manual for the term of your Franchise Agreement. The Operations Manual may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and videotapes.

You must treat the Operations Manual, any other manuals created for or approved for use in the operation of the MOSQUITO SHIELD Business, and the information contained in it, as confidential, and you must use all reasonable efforts to maintain that information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any unauthorized person. The Operations Manual will remain our sole property and must be kept in a secure place on the MOSQUITO SHIELD Business premises. We may revise the contents of the Operations Manual, and you must comply with each new or changed standard.

You must ensure that the Operations Manual is kept current at all times. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

## **Confidential Information**

You must not, during or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the MOSQUITO SHIELD Business, including, but not limited to, the Operations Manual, the Mosquito Shield Protection Blend or its ingredients, knowledge of specifications for and suppliers of certain goods, services, equipment, materials and supplies, product costs, accounting methods, including both paper and electronic spreadsheets, knowledge of the operating results and financial performance of other MOSQUITO SHIELD businesses, customer lists, customer accounts, and customer information, whether developed by us or you independently or with our assistance, management tools, or advertising which may be communicated to you or of which you may be apprised by virtue of your operation of the MOSQUITO SHIELD Business. You may divulge confidential information only to those of your employees as must have access to it in order to operate the MOSQUITO SHIELD Business.

At our request, you must require your Operations Manager, technician(s), and any other personnel having access to any of our confidential information to sign covenants (attached as Exhibit D to the Franchise Agreement) that they will maintain the confidentiality of information they receive in connection with their employment by you at the MOSQUITO SHIELD Business.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

During operating hours, your MOSQUITO SHIELD Business must be under the direct supervision of one of your principals or your Operations Manager who has satisfactorily completed the Initial Training Program, which we reserve the right to approve in our sole discretion. There is no specific amount of equity interest that the supervisor must own. All technicians who apply control materials must be licensed to do so and have completed our Initial Training Program.

You must obtain and furnish to us signed non-competition and confidentiality covenants (attached as Exhibit D to the Franchise Agreement) from your employees having access to our confidential information, including your Operations Manager and technician(s). If your MOSQUITO SHIELD Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 5.

## **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must maintain in sufficient supply, and use at all times, only those types of control materials and brands and/or models of other products, equipment (including control materials application equipment and one or more Vehicle(s) for use in the Franchised Business, bearing the signage we require, tools, and computer hardware and software), materials and supplies that conform to our written standards and specifications, and to refrain from using nonconforming items, without our prior written consent.

You are required: (a) to offer and sell only the mosquito, tick, flea and other pest control services and products as have been expressly approved for sale in writing by us; (b) to refrain

from any deviation from our standards and specifications without our prior written consent; (c) to discontinue selling and offering for sale any services, products, merchandise, and equipment which we may, in our discretion, disapprove in writing at any time; (d) to purchase all equipment, materials, products, supplies and services from suppliers as we approve and designate in the Operations Manual or otherwise in writing from time to time; (e) to refrain from selling or providing any services or products at any type of location prohibited by us in the Operations Manuals or otherwise in writing from time to time; (f) to refrain from offering or selling general landscaping or lawn care services, except to the extent you operate an existing business that offers such services, as approved by us; (g) to refrain from selling or advertising any services or products on the Internet without our prior written approval; (h) to follow our standards, specifications, and procedures for providing residential customers periodic pest management services under our form of MOSQUITO SHIELD customer contract for one-time application of those services, to require those customers to pay by credit card, and to provide commercial customers services as described in the Operations Manual or otherwise in writing from time to time; (i) to use, in the operation of the Franchised Business, our standards, specifications, and procedures.

We reserve the right to add additional authorized products and services that you must sell or offer for sale in your MOSQUITO SHIELD Business, including pest and/or termite control and complementary services and products. Required or authorized goods and services and designated or approved suppliers (which may be limited to or include us or our affiliates) of goods, services, equipment, materials and supplies are set forth in our Operations Manual or otherwise in writing from time to time. Your right to offer complementary service and products lines is subject to our approval, which may be conditioned on your compliance with your franchise agreement, payment of an additional fee and execution of an addendum to your franchise agreement. We may periodically modify the Operations Manual as we determine and any such modifications may obligate you to invest additional capital in the MOSQUITO SHIELD businesses and/or incur higher operating costs. The Franchise Agreement does not limit our right to make changes in the types of authorized goods and services.

## **ITEM 17**

### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

#### **THE FRANCHISE RELATIONSHIP**

<b>PROVISION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SUMMARY</b>
a. Length of the franchise term	2.1	10 years.
b. Renewal or extension of the term	2.2	You have the right to renew the Franchise Agreement for the length of our then-current initial term, provided that the renewal term will be no less than 5 years.
c. Requirements for you to renew or extend	2.2	Give written notice between 8 and 12 months before the end of the current term; make or provide for renovation or modernization of the Business as we reasonably require,

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		including purchase of additional vehicles or modification of vehicles; not be in default of any agreement between us and you, or between any of our affiliates and you; complied with such agreements during their terms; satisfied all obligations, including monetary obligations, due and owed to us or to our affiliates, and met those obligations throughout the term of the Franchise Agreement; if you operate your MOSQUITO SHIELD Business in any location other than your personal residence, you must present evidence that you have the right to remain in possession of the Premises for the duration of the renewal term or obtain our approval for a new location; sign our then-current franchise agreement, which may have materially different terms and conditions than your original franchise agreement; sign a general release of us and our affiliates; comply with our then-current qualification and training requirements; and pay us a renewal fee.
d. Termination by you	15	You may not terminate the Franchise Agreement except by operation of law.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	15	We have the right to terminate the Franchise Agreement with cause. Depending upon the reason for termination, we may not provide you an opportunity to cure. See this Item 17(g) and (h) for further description.
g. "Cause" defined – curable defaults	15.3	We must provide you with an opportunity to cure the following deficiencies: if you fail to substantially comply with any of the requirements imposed by the Franchise Agreement or fail to carry out the terms of the Franchise Agreement in good faith; if you fail, refuse or neglect promptly to pay any monies owing to us or our affiliates when due, or to submit the financial or other information required by us under the Franchise Agreement; if you fail to maintain or observe any of the standards or procedures prescribed by us in the Franchise Agreement, the Operations Manual, or otherwise in writing; except as otherwise provided in the Franchise Agreement, if you fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement; if, upon inspection by us or a government inspector, your MOSQUITO SHIELD Business is in violation of the health, safety, or sanitation standards prescribed by us in the Franchise Agreement, the Operations Manual, or otherwise in writing, or is in violation of any health or safety law, codes, or regulation; if you act, or fail to act, in any manner which is inconsistent with or contrary to your lease or sublease for the Premises, or in any way jeopardize your right to renewal of such lease or sublease; if you engage in any business or market any service or product



PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks; or if you fail to comply with all applicable laws, rules and regulations related to the operation of the MOSQUITO SHIELD Business.
h. "Cause" defined – non-curable defaults	15.1 and 15.3	We may terminate the Franchise Agreement without providing you an opportunity to cure the following deficiencies: if you fail to open and operate the business within the applicable time limit; if you or your designated manager fail to complete the Initial Training Program to our satisfaction; if you customize or otherwise alter you vehicle in violation of our requirements; if you at any time cease to operate or otherwise abandon the business for 5 consecutive business days; if you fail to attain or exceed our Minimum Gross Sales requirement; if you or any of your principals, officers, or directors are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the marks, the goodwill associated with the business or if you, any of your principals, officers, or directors engage in any behavior that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the business; if a threat or danger to public health or safety results from the construction, maintenance, or operation of your business; if you purport to assign or transfer any direct or indirect interest in the Franchise Agreement without complying with the requirements under the Franchise Agreement; if you fail to comply with the confidentiality and non-competition covenants set forth in the Franchise Agreement; if you intentionally under-report your Gross Sales; if you knowingly maintain false books or records or submit any false reports or other documentation to us; if you misuse or make any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System; if you refuse to permit us to inspect the Premises or your customers' homes, or the books, records or accounts of your business upon demand; if you, after curing any default, commit the same default again; if you sell or use products not previously approved by us, or purchase any product from a supplier not previously approved by us; if you (or any of your owners) have made any material misrepresentation to us or any other party or omission in connection with your purchase of the business; if we cure any default by you relating to a transfer of the business; if you have insufficient funds in your bank account to pay any amount to us on 3 or more occasions in a 12 month period; if you commit 3 or more curable defaults in a 12 month period; if you commit 2 or more of the same default in a 12 month period; if you become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against and not

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		opposed by you; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law should be instituted by or against you; a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within 30 days.
i. Your obligations on termination/non-renewal	16	Upon termination or non-renewal, you must: cease operations; cease use of confidential information and Proprietary Marks; cancel any assumed name registration or equivalent registration obtained by you which contains any Mark; at our option you must assign the lease or sublease for the Premises; pay all amounts due to us; return the Operations Manual and all confidential information; cease to use any MOSQUITO SHIELD business domain name, URL, or home page address, and not establish any Website using any similar or confusing domain name, URL, and/or home page address; comply with all post-termination covenants, assign all customer accounts and contracts to our designee, and sell us any equipment that we elect to purchase.
j. Assignment of contract by us	14.1	We have the right to transfer or assign all or any part of our rights or obligations under the Franchise Agreement to any person or legal entity.
k. "Transfer" by you – defined	14.2 and 14.3	You may not transfer any interest in the Franchise Agreement or Franchisee, or sell substantially all of the assets of the Franchised Business, without our prior written consent.
l. Our approval of transfer by you	14.3	Any purported assignment or transfer, by operation of law or otherwise, not having our written consent required by the Franchise Agreement, will be null and void.
m. Conditions for our approval of transfer	14.3	We may impose any or all of the following conditions on our approval of your proposed transfer: you have satisfied your accrued monetary obligations and other obligations to us and our affiliates; you are not in default of any agreement between us and you, or between any of our affiliates and you; you sign a general release of us; the transferee enter into a written assignment, assuming and agreeing to perform your obligations under the Franchise Agreement, and that you guarantee the performance of all such obligations; the transferee shows to us that it meets our standards, as specified in the Franchise Agreement; the transferee sign our then-current form of franchise agreement; you remain liable for all of your obligations to us in connection with the Franchised Business

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		which arose prior to the transfer; the transferee complete our training programs; and you pay a transfer fee to us.
n. Our right of first refusal to acquire your business	14.5	We will have the option to purchase the seller’s interest on the same terms and conditions offered by a third party.
o. Our option to purchase your business	16.9	On termination or expiration, we have the option to purchase from you any or all of the assets related to the operation of the Franchised Business at fair market value, or 60% of your original investment, whichever is less.
p. Your death or disability	14.6	Upon the death or mental incapacity of any person with any interest in the Franchise Agreement, in you, or in substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative must transfer the deceased’s interest to a third party approved by us within 6 months after his/her death. Such transfers will be subject to the same conditions as any other transfer.
q. Non-competition covenants during the term of the franchise	17.2	You must not (a) divert or attempt to divert any present or prospective business or customer of any MOSQUITO SHIELD business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or (b) own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business which is the same as, or substantially similar to, a MOSQUITO SHIELD business; or offers to sell or sells mosquito, tick, flea and other pest control services or other services, equipment, products or items which are the same as, or substantially similar to, any of the services, equipment, product or other items offered by a MOSQUITO SHIELD business.
r. Non-competition covenants after the franchise is terminated or expires	17.3	You must not, for a continuous uninterrupted period of 2 years following the transfer, termination or expiration of the Franchise Agreement own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any retail business that is the same as, or substantially similar to, a MOSQUITO SHIELD business; or offers to sell or sells mosquito, tick, flea and other pest control services or other services, equipment, products or items which are the same as, or substantially similar to, any of the services, equipment, product or other items offered by a MOSQUITO SHIELD business, and that is, or intended to be, operated within: (i) the APR (as defined in the Franchise Agreement);

<b>PROVISION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SUMMARY</b>
		(ii) 20 miles of the Approved Location; or (iii) 20 miles of the location of other any other MOSQUITO SHIELD business in operation or under construction.
s. Modification of the Agreement	24	The Franchise Agreement may only be modified by written agreement signed by both parties.
t. Integration/merger clause	24	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	26.2	Except as otherwise provided and subject to applicable state law, all disputes and claims relating to the Franchise Agreement must first be submitted to mediation.
v. Choice of forum	26.3	Subject to applicable state law, any action must be brought in Utah County, Utah.
w. Choice of law	26.1	Subject to applicable state law, the Franchise Agreement will be interpreted and construed under the laws of Utah.

### **ITEM 18**

#### **PUBLIC FIGURES**

There are no public figures involved in the sale of this franchise.

### **ITEM 19**

#### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item contains a historic financial performance representation of our franchised outlets in operation on December 31, 2022, our fiscal year end.

#### **Franchisee Performance**

On December 31, 2022, we had a total of 129 franchised outlets in operation in 345 territories. The first Table below contains System-wide Gross Sales data for the 20 franchised outlets that have all completed more than one season of operation for more than one year in a single location (those who had not completed more than one season of operation by December 31, 2022 are not included). The second Table contains System-wide Gross Sales data for the remaining 45 franchised outlets that have completed more than one season of operation operating in multiple locations. The third Table contains

historically reported recurring revenue and annual retention rates reported by this same group of reporting franchisees. We have excluded the Gross Sales of 20 non-conforming franchisees, who did not operate in material compliance with their franchise agreements and the Mosquito Shield System. We have also excluded the Gross Sales of 41 of our franchised outlets because they had not completed more than one season of operations by December 31, 2022 as well as the 13 franchised outlets who had signed agreements but not yet opened for business by December 31, 2022.

Some of our franchisees operate multiple franchised outlets, each pursuant to a separate franchise agreement. Each multi-unit franchisee, however, provides us with a combined financial report that consolidates the Gross Sales of all of their franchised outlets. “Gross Sales” means all revenue derived from the operation of the MOSQUITO SHIELD Business, less refunds, adjustments, discounts, credits and allowances.

**TABLE 1**  
**2022 GROSS SALES**  
Single-Unit Operators – Who have Completed Operations for More than One Season\*\*

	Average <sup>1</sup>	Median <sup>2</sup>	Highest <sup>3</sup>	Lowest <sup>4</sup>
Franchised Outlets	\$267,420.55*	\$106,569.67	\$1,660,275.58	\$21,746.48

\* 7 of the 20 reporting outlets met or exceeded this average, or 35%.

\*\* Locations that are not in substantial operational or reporting compliance, or that have not been operating for more than one full season are not included.

**TABLE 2**  
**2022 GROSS SALES**  
Multi-Unit Operators – Who have Completed Operations for More than One Season\*\*

	Average <sup>1</sup>	Median <sup>2</sup>	Highest <sup>3</sup>	Lowest <sup>4</sup>
Franchised Outlets	\$305,416.54*	\$85,374.60	\$2,599,850.18	\$25,515.59
Number of APRs per Outlet*	3.84	3	13	2

Performance by Quartiles

Quartile	Average Revenues	High	Low	Median
1	\$922,942.60	\$2,599,850.18	\$425,339.03	\$800,100.90
2	\$218,878.97	\$390,528.56	\$90,282.14	\$187,906.83
3	\$64,308.23	\$85,374.60	\$52,980.92	\$65,184.39
4	\$40,518.07	\$52,554.03	\$25,515.59	\$39,798.06

\* 12 of the 45 reporting outlets met or exceeded this average, or 26.67%.

\*\* Locations that are not in substantial operational or reporting compliance, or that have not been operating for more than one full season are not included

#### Notes – Tables 1 and 2

1. AVERAGE is defined as the cumulative revenue divided by the number of Franchisees for that specific grouping.
2. MEDIAN is defined as the middle range of revenue at the individual Franchisee level for that specific grouping.
3. HIGHEST is defined as the highest grossing Franchisee in the franchise system for that specific grouping.
4. LOWEST is defined as the lowest grossing Franchisee in the franchise system for that specific grouping.

TABLE 3  
RECURRING REVENUE AND ANNUAL RETENTION RATES  
2022 System-Wide\*

Category	Franchise System
2022 Total Customers	32,599
Monthly Installments during season	25,827
Percentage of Customers	79%
Recurring Revenues Year over Year	\$15,494,512.53
Percentage of Customers Returning YoY	81%
Average Revenue per Customer	\$627.75
2022 Pre-pay dollars for 2023 Services	\$2,756,543.04

\*The same 20 non-conforming franchisees were excluded from this Table 3 as from previous tables, for the same reasons.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael Moorhouse, 500 E. Washington Street #24, North Attleboro, Massachusetts 02760, (508) 316-3429, the Federal Trade Commission, and the appropriate state regulatory agencies listed in Exhibit A.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

System-wide Outlet Summary  
For Years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	50	87	+37
	2021	87	291	+204
	2022	291	345	+54
Company- Owned	2020	2	1	-1
	2021	1	2	+1
	2022	2	0	-2
Total Outlets	2020	51	89	+38
	2021	89	293	+204
	2022	293	345	+52

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2020	0
	2021	0
	2022	0
Florida	2020	0
	2021	0
	2022	3
Indiana	2020	0
	2021	1
	2022	0
Massachusetts	2020	0
	2021	0
	2022	0
Michigan	2020	1
	2021	0
	2022	0
New Jersey	2020	0
	2021	0
	2022	4
Texas	2020	0
	2021	3
	2022	2
Virginia	2020	0
	2021	1
	2022	0
Total	2020	1
	2021	5
	2022	9



Table No. 3

Status of Franchised Outlets  
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2020	2	0	0	2	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Arkansas	2020	1	1	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	1	0	0	0	0	5
California	2020	0	0	0	0	0	0	0
	2021	0	15	0	0	0	0	15
	2022	15	0	0	0	0	0	15
Connecticut	2020	2	0	0	0	0	0	2
	2021	2	6	2	0	0	0	6
	2022	6	0	0	0	0	0	6
Delaware	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	3	0	0	0	0	6
Florida	2020	1	11	0	0	0	0	12
	2021	12	32	0	0	0	0	44
	2022	44	8	6	0	0	0	47
Georgia	2020	0	7	0	0	0	0	7
	2021	7	12	0	0	0	0	19
	2022	19	3	3	0	0	0	19
Illinois	2020	1	5	0	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Indiana	2020	1	0	0	0	0	0	1
	2021	1	12	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2020	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Louisiana	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Massachusetts	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	3	0	0	0	0	9
Maryland	2020	0	2	0	0	0	0	2
	2021	2	11	0	0	0	0	13
	2022	13	1	0	0	0	0	14
Maine	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	3	0	0	0	0	1	2
	2021	2	8	0	0	0	0	10
	2022	10	4	0	0	0	0	14
Minnesota	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Missouri	2020	0	0	0	0	0	0	0
	2021	0	5	0	0	0	0	5
	2022	5	3	0	0	0	0	8
Nebraska	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New Hampshire	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	5	0	0	0	1
New Jersey	2020	6	0	0	0	0	0	6
	2021	6	4	0	0	0	0	10
	2022	10	13	0	0	0	0	23
New York	2020	2	0	0	0	0	0	2
	2021	2	16	0	0	0	0	18
	2022	18	3	0	0	0	0	21

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	13	0	0	0	0	13
	2022	13	3	3	0	0	0	13
Ohio	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
Oklahoma	2020	0	2	0	0	0	0	2
	2021	2	3	0	0	0	0	5
	2022	5	3	0	0	0	0	8
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	9	0	0	0	0	11
	2022	11	1	0	0	0	0	12
Rhode Island	2020	1	0	0	0	1	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
South Carolina	2020	2	0	0	0	0	0	2
	2021	2	6	1	0	0	0	7
	2022	7	1		0	0	0	8
South Dakota	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	1	1	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	5	1	0	0	0	8
Texas	2020	5	9	0	0	0	0	14
	2021	14	30	0	0	0	0	44
	2022	44	5	1	0	0	0	48
Virginia	2020	2	0	0	0	0	0	2
	2021	2	4*	0	0	0	0	6
	2022	6	2	0	0	0	0	8
Wisconsin	2020	0	2	0	0	0	0	2
	2021	2	7	0	0	0	0	9
	2022	9	4	0	0	0	0	13

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Total	2020	50	41	0	2	1	1	87
	2021	87	207	3	0	0	0	291
	2022	291	70	8			8	345

Table No. 4

Status of Company Owned\* Outlets  
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Massachusetts	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
Rhode Island	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
Total	2020	1	0	1	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	2	0

Table No. 5

Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Current Fiscal Year
Arizona	0	4	0
California	0	6	0
Connecticut	0	8	0
Florida	3	10	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Current Fiscal Year
Illinois	0	4	0
Maryland	0	5	0
Michigan	2	10	0
North Carolina	5	12	0
New York	3	6	0
Ohio	7	8	0
Tennessee	3	6	0
Texas	3	12	0
Utah	2	5	0
Wisconsin	0	0	0
Total	28	96	0

A list of our current franchisees and the addresses and telephone numbers of their outlets is attached as Exhibit C. Also listed in Exhibit C is the name, city and state, and last known telephone number of each franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with MOSQUITO SHIELD within the 10 weeks preceding the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organizations associated with the System. No franchisees have signed confidentiality clauses during the last three fiscal years that restrict their ability to speak with you about their franchised business.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Exhibit D contains our audited financial statements for the years ended December 31, 2022, 2021 and 2020. As explained in Item 1, we reorganized as Mosquito Shield Franchise, LLC on February 25, 2022. Our Certificate of Conversion is also included in Exhibit D.

Our fiscal year ends on December 31.

## **ITEM 22**

### **CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are included in Exhibit E. These include our Franchise Agreement and all attachments to it (Approved Location and Franchisee

Acknowledgement Statement, Area of Primary Responsibility, Confidentiality and Non-Compete Agreement, Spouse Guaranty, Ancillary Services Addendum).

**ITEM 23**

**RECEIPTS**

A receipt in duplicate is attached to this disclosure document as Exhibit G. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Mosquito Shield Franchise, LLC, 500 E. Washington Street #24, North Attleboro, Massachusetts 02760.

**EXHIBIT A**

**AGENCIES/AGENTS FOR SERVICE OF PROCESS**

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

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin



**EXHIBIT B**

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**EXHIBIT C**

**FRANCHISED OUTLETS AS OF DECEMBER 31, 2022**

<b><u>Franchisee</u></b>	<b><u>Individual Contact:</u></b>	<b><u>Address</u></b>	<b><u>City</u></b>	<b><u>State</u></b>	<b><u>ZIP</u></b>	<b><u>Phone</u></b>
AR-CENTRAL	Strickland, Jerome	13509 Geyer Springs Road	Little Rock	AR	72219	(501) 380-7339
AR-NORTHWEST	Moore, DeMarco	2811 W Cobbler Pl	Rogers	AR	72758	(630) 421-0108
AR-NORTHWEST	Moore, Rachelle	2811 W Cobbler Pl	Rogers	AR	72758	(630) 421-0108
CA-NORTHWEST LOS ANGELES	Stephens, Desire	1267 Stoner Ave. #203	Los Angeles	CA	90025	(402) 301-4048
"Gala Projects, LLC"	Aguilar, Gabriel	836 Kentwood Drive	Riverside	CA	92507	(951) 505-4155
"Gala Projects, LLC"	Aguilar, Luis	1779 Prince Albert Drive	Riverside	CA	92507	(915) 256-5955
CA-LONG BEACH AND HUNTINGTON BEACH	Kuehling, Judd	1928 Orizaba Avenue	Signal Hill	CA	90755	(858) 722-0572
CT-Central	DeCesare, Amy	650 Gilead Street	Hebron	CT	6248	(401) 323-1114
CT-Central	DeCesare, Wade	650 Gilead Street	Hebron	CT	6248	(401) 323-1114
CT-Fairfield County	Dimatteo, Monica	5 Bluestone Ln	South Salem	CT	10590	(914) 462-2557
DE-Southern	Sutcliffe, Brad	11808 Haslet Rd	Lewes	DE	19958	(301) 717-2184
DE-Northern	Huning, Scot	1016 Talley Rd	Wilmington	DE	19809	(302) 494-7728
FL-Pembroke Pines	Hussain, Tarek	16083 Tuscany Estates Dr	Delray Beach	FL	33446	(812) 391-0914
FL-Sarasota	Couillard, Craig	11181 Bent Pine Dr	Fort Meyers	FL	33913	(239) 980-6926
FL-Sarasota	Couillard, Charlene	11181 Bent Pine Drive	Fort Myers	FL	33913	(239) 980-6926
FL-Boca and Ft. Lauderdale FL	Vincent, Eric	3808 Cherrybrook Loop	Ft. Myers	FL	33966	(724) 321-8531
FL-Sanford	Brach, Brian	1 Stone Gate N	Longwood	FL	32779	(407) 221-1891
FL-Sanford	Brach, Renee	1 Stone Gate N	Longwood	FL	32779	(407) 342-4430

FL-The Space Coast	Budalich, Greg	280 Allan Ln	Melbourne	FL	32951	(321) 805-2076
FL-Coral Gables	Garcia, Max	701 Brickell Key Boulevard, Unit 2409	Miami	FL	33131	(786) 835-9149
FL-South Miami	Fernandez, Robert	1172 SW 85th Avenue	Miami	FL	33144	(305) 399-7018
FL-Miami Beach	Billesbach, Roy	855 Michael Street	Miami Beach	FL	33141	(786) 953-5826
FL-Miami Beach	Haber, Kimberly	1355 Cleveland Road	Miami Beach	FL	33141	(305) 439-8646
FL-Orlando	Maldonado, Carlos	2410 Brickell Ave, 107C	Orlando	FL	33129	(305) 794-8096
FL-Orlando	Puentes, Joe	4071 L.B. McLeod Rd Ste. D. PMB 44	Orlando	FL	32811	(305) 794-8096
FL-Orlando	Spindler, Daniel	4071 L.B. McLeod Rd Ste. D. PMB 44	Orlando	FL	32811	(305) 794-8096
FL-The Palm Beaches	Basinski, Brett	192 Isle Verde Way	Palm Beach Gardens	FL	33418	(954) 732-0618
FL-The Palm Beaches	Basinski, Danielle	192 Isle Verde Way	Palm Beach Gardens	FL	33418	(954) 732-0618
FL-Jacksonville	McDaniel, Kim	80 Palm Island Way	Ponte Vedra	FL	32081	(804) 867-7604
FL-Jacksonville	McDaniel, Paul	80 Palm Island Way	Ponte Vedra	FL	32081	(470) 304-3613
FL-Pinellas County	Legon, Jeordan	16009 Redington Drive	Redington Beach	FL	33708	(617) 678-2076
FL-South Tampa	Vinnett, Kevin	13735 Ogakor Drive	Riverview	FL	33579	(813) 810-1258
THERON BUTLER & AARON LOUGHNER	Butler, Theron	4616 COUNTRY HILLS DR	Tampa	FL	33624	(412) 337-9389
THERON BUTLER & AARON LOUGHNER	Loughner, Aaron	4616 COUNTRY HILLS DR	Tampa	FL	33624	(412) 337-9389
FL-Vero Beach	Swenson, Eric	2090 Atlantic Blvd	Vero Beach	FL	32960	(772) 321-4245
FL-North Tampa	Rakocy, Franklin	31438 Saddle Ln	Wesley Chapel	FL	33543	(813) 693-5604
FL-North Tampa	Rakocy, Joe	31438 Saddle Ln	Wesley Chapel	FL	33543	(813) 693-5604
FL-North Tampa	Rakocy, Wanda	31438 Saddle Ln	Wesley Chapel	FL	33543	(813) 693-5604
FL-Central	Rodgers, Scott	6039 Cypress Gardens Blvd, Ste 111	Winter Haven	FL	33884	(863) 877-3337
GA-Downtown Atlanta	Heaton, Paul	1921 Felker Ward St NW	Atlanta	GA	30318	(678) 522-8949

GA-Northeast Atlanta	Greathouse, Amina	861 Carlton Ridge NE	Atlanta	GA	30342	(404) 689-6940
GA-Northeast Atlanta	Greathouse, Riah	861 Carlton Ridge NE	Atlanta	GA	30342	(404) 689-6940
GA-Augusta	Brittingham, Brian	1309 Waters Edge Drive	Augusta	GA	30901	(706) 394-1911
GA-Chattahoochee Valley	Barrs, Andrew	6909 Gaines Ridge Rd	Columbus	GA	31904	(706) 604-9427
GA-North Atlanta	Kissane, Julie	5030 Lake Fjord Pass	Marietta	GA	30068	(770) 778-7286
GA-North Atlanta	Kissane, TJ	5030 Lake Fjord Pass	Marietta	GA	30068	(770) 778-7286
GA-Northwest Atlanta	Jurado, Jaime	17263 Barberry Road	Milton	GA	30004	(770) 284-9694
GA-Northwest Atlanta	Jurado, Jose	17263 Barberry Road	Milton	GA	30004	(770) 284-9694
GA-Marietta	Giles, Mark	1175 Weldstone Ct.	Sandy Springs	GA	30350	(864) 320-4020
GA-Marietta	Giles, Sarah	1175 Weldstone Ct.	Sandy Springs	GA	30350	(771) 240-0925
IL-North Suburban Chicago	Murphy, Bill	1358 N. Wolcott, Unit B	Chicago	IL	60622	(847) 250-7102
IL-Orland Park	O'connor, Tom	9135 S Leavitt Street	Chicago	IL	60643	(773) 771-5100
Bug Free America LLC	Oliver, Matthew	2662 Regency Court E	Saint Charles	IL	60175	(718) 801-6912
Bug Free America LLC	Rozzi, Stuart	2662 Regency Court E	Saint Charles	IL	60175	(845) 590-6728
IL-West Suburban	Harrigan, Jim	4150 Western Avenue	Springs	IL	60558	(708) 330-1224
IN-Central	Fisher, Aaron	7321 E Stop 11 Rd	Indianapolis	IN	46259	(317) 670-7757
IN-Northern	Wawok, Nick	460 E 15 N	Valparaiso	IN	46383	(219) 405-4840
IN-Northern	Wawok, Paige	P.O. Box 1037	Valparaiso	IN	46383	(219) 615-8410
"SQRL, Inc."	Nunn, Jeremy	96 Mt Sherman	Magnolia	KY	42757	(270) 765-3698
MA-WESTERN	Moorehouse, Don	19 Mallard Lane	Westfield	MA	1085	(508) 410-5208
MD-GREATER MARYLAND	Curry, Michael	202 Saint Martins Road	Baltimore	MD	21218	(404) 484-8676
MD-TOWSON	Dalrymple, Doug	7004 Bristol Road	Baltimore	MD	21212	(410) 365-9620
MD-Chevy Chase, VA-Northern	Kirlin, John	3506 Manor Rd	Chevy Chase	MD	20815	(301) 802-4663

MD-Chevy Chase, VA-Northern	Kirlin, Karen	3506 Manor Rd	Chevy Chase	MD	20815	(301) 802-4663
MD-ANNAPOLIS	Wheeling, Eric	167 Cardamon Drive	Edgewater	MD	21037	(410) 422-3093
MD-ANNAPOLIS	Wheeling, Whitney	167 Cardamon Drive	Edgewater	MD	21037	(410) 422-3093
MD-GREATER MARYLAND	Cooper, Darron	1743 Theale Way	Hanover	MD	21076	(404) 484-8676
MD-North Central	Shaffer, Dennis	2011 Trout Farm Road	Jarrettsville	MD	21084	(443) 540-7014
MD-North Central	Shaffer, Susan	2011 Trout Farm Road	Jarrettsville	MD	21084	(443) 540-7014
MD-GREATER MARYLAND	Burns, Keith	1003 Limekiln Court	Towson	MD	21286	(404) 484-8676
MI-Lansing	Warner, Troy	1212 Schavey Rd	Dewitt	MI	48820	(734) 323-7749
MI-Western Oakland County	Martin, Dan	31145 Bycroft	Farmington Hills	MI	48331	(248) 301-1425
MN-NW Metro ,MN-SW Metro	Horn, Alexander	9200 County Road	Hamel	MI	55340	(320) 266-5405
MI-Jackson	Ballinger, Beth	PO Box 157	Homer	MI	49245	(517) 212-4125
MI-Greater Grand Rapids	Plummer, Russell	2536 Cedar Lake Drive	Jenison	MI	49428	(616) 600-5232
MI-Jackson	Ballinger, LaMar	3180 Bunn Road	Jonesville	MI	49250	(517) 320-0737
MI-EASTERN OAKLAND COUNTY	Medina, Sally	397 Nakomis Trail	Lake Orion	MI	48362	(248) 838-8074
MI-Central Macomb County	Isenhardt, Carrie	48339 Lake Valley Dr	Shelby Twp	MI	48317	(586) 899-6114
MI-Central Macomb County	Isenhardt, Josh	48339 Lake Valley Dr	Shelby Twp	MI	48317	(734) 716-4484
"SARAI & SYMONE, INC."	Baugh, Brandon	6857 Lakeway Street	Ypsilanti	MI	48197	(734) 330-1359
"SARAI & SYMONE, INC."	Baugh, Yanika	6857 Lakeway Street	Ypsilanti	MI	48197	(734) 330-1359
MN-NW Metro ,MN-SW Metro	Horn, Theron	9200 County Road	Hamel	MN	55340	(612) 804-3382
MN-SE Metro	Musson, Kelsey	120 Birch Street	Mahtomedi	MN	55115	(763) 355-7422
MN-SE Metro	Musson, Ray	120 Birch Street	Mahtomedi	MN	55115	(763) 355-7422



MO-West St. Louis	Harmon, Arthur	152 Barker Lane	Ballwin	MO	63021	(314) 566-5153
MO-West St. Louis	Harmon, Michele	152 Barker Lane	Ballwin	MO	63021	(314) 566-5153
MO-North St. Louis	Blair, Mary	3501 Braewick Drive Unit A	Evansville	MO	47715	(812) 499-5951
MO-Kansas City	Curtis, Chad	525 E 2760 N	Lehi	MO	84043	(816) 599-3641
MO-Kansas City	Watkins, Dan	2025 Whisper Wood	Lehi	MO	84043	(801) 941-4048
MO-North St. Louis	Taylor, Todd	5601 Turtle Bay Dr	Naples	MO	34108	(812) 499-5951
NC-Wilmington	Phillips, Candace	107 Island Mimosa Drive	Carolina Beach	NC	28428	(910) 599-4165
NC-Wilmington	Phillips, Richard	107 Island Mimosa Drive	Carolina Beach	NC	28428	(910) 599-4165
NC-Wilmington	Zielinski, Jennifer	107 Island Mimosa Drive	Carolina Beach	NC	28428	(910) 599-4165
NC-Wilmington	Zielinski, Rich	107 Island Mimosa Drive	Carolina Beach	NC	28428	(910) 599-4165
NC-East Charlotte	Nigam, Saket	424 Whithaven Ave	Charlotte	NC	28208	(919) 523-6865
NC-Fayetteville	Herbe, Justin	312 Devane Rd	Fayetteville	NC	28305	(910) 767-0077
NC-Fayetteville	Herbe, Phyllis	312 Devane Rd	Fayetteville	NC	28305	(910) 767-0077
NC-Central Charlotte	Salim, Jawad	11332 Savannah Grove	Huntersville	NC	28078	(762) 215-2508
NC-Central Charlotte	Salim, Katherine	11332 Savannah Grove	Huntersville	NC	28078	(762) 215-2508
NC-Wake County	Brown, Keith	2908 Aquila Way	Raleigh	NC	27614	(919) 606-7128
NC-Wake County	Brown, Kristy	2908 Aquila Way	Raleigh	NC	27614	(919) 606-7128
NC-East Charlotte	Welsh, Sean	656 29th St	San Francisco	NC	94131	(516) 672-8235
NE-Lincoln	Byerly, Brian	2225 182nd	Bee	NE	68314	(303) 919-2613
NE-Omaha	Marlow, Mike and Olberding, Taylor	3321 S 79 <sup>th</sup> St	Omaha	NE	68124	(402) 926-6943
NH-Strafford County	Lefebvre, Trent	P.O. Box 74	Barrington	NH	3825	(603) 501-4227
NJ-East Central	Roman, Joe	1527 Essex Ave	Linden	NJ	7036	(908) 487-0042
NJ-East Central	Roman, Karina	1527 Essex Ave	Linden	NJ	07036	(908) 487-0042
NJ-NorthEast	Steenstra, Ken	99 Graham Ave	Linden	NJ	07508	(201) 851-2146

NJ-NorthEast	Steenstra, Laura	99 Graham Ave	Linden	NJ	07508	(201) 851-2146
NJ-Freehold	Matz, Dean	5 Trotter Court	Monroe Township	NJ	8831	(732) 233-9395
NJ-Mid Central	Davis, Doren	1222 Thomas AVE	North Brunswick Township	NJ	8902	(732) 599-9746
NJ-North Central	Smith, Daniel	410 West End Road	South Orange	NJ	7079	(973) 986-1059
NJ-North Central	Smith, Paula	410 West End Road	South Orange	NJ	7079	(646) 629-7860
NJ-Southern	Fullmer, Janice	44 Licciardello Drive	Woolwich Township	NJ	8085	(856) 332-1502
NJ-Southern	Fullmer, Tim	44 Licciardello Drive	Woolwich Township	NJ	8085	(856) 332-1502
NY-Suffolk County	Kelly, John	38 West Denis Lane	Coram	NY	11727	(631) 877-3712
NY-Nassau LI	Feldman, Ohavia	35 Robert Road	Inwood	NY	11096	(516) 351-6036
NY-Nassau LI	Lantsman, Leon	312 Sprague Road	Inwood	NY	11096	(516) 351-8059
NY-Westchester County	Klauber, Josh	107 Eakins Road	Manhasset	NY	11030	(516) 993-0205
NY-Buffalo	Moll, Robert	25 Ponderosa Court	Orchard Park	NY	14127	(716) 983-4333
NY-Rochester	Morgante, Liv	451 Winona Blvd	Rochester	NY	14617	(585) 750-4296
CT-Fairfield County	Dimatteo, Vito	5 Bluestone Ln	South Salem	NY	10590	(914) 879-4931
NY-Westchester County	Mikhaylov, Sergey	9 Albro Lane	White Plains	NY	10603	(917) 583-7185
OH-East Cincinnati	Resch, Amy	9472 West Ave	Blue Ash	OH	45242	(513) 288-9272
OH-East Cincinnati	Resch, Brad	9472 West Ave	Blue Ash	OH	45242	(513) 739-6807
Shawn Bone & Kimberly Bone	Bone, Kimberly	1524 Spangler Road	Fairborn	OH	45324	(937) 604-4988
Shawn Bone & Kimberly Bone	Bone, Shawn	1524 Spangler Road,	Fairborn	OH	45324	(937) 604-4988
OH-North Columbus	Miller, Jesse	11488 Trenton Road	Galena	OH	43021	(614) 795-0177
OH-North Columbus	Miller, Shelby	11488 Trenton Road	Galena	OH	43021	(614) 795-0177
NC-Greater Greensboro - TRIAD BACKYARD PEST	Horton, Cas	2887 Camelot Court	Willoughby Hills	OH	44092	(336) 552-7599

CONTROL LLC						
NC-Greater Greensboro - TRIAD BACKYARD PEST CONTROL LLC	Johnson, Kevin	2887 Camelot Court	Willoughby Hills	OH	44092	(440) 488-3994
OK-Broken Arrow	Seila, Joseph	31012 South Yeagers Place	Inola	OK	74036	(918) 543-2062
OK-GREATER OKLAHOMA CITY	Hubregtse, Adam	PO Box 288	Newalla	OK	74857	(605) 390-9141
OK-GREATER OKLAHOMA CITY	Hubregtse, Regina	PO Box 288	Newalla	OK	74857	(605) 390-9141
PA-State College	Johnson, Emily	607 E Bishop ST	Bellefonte	PA	16823	(814) 753-0646
PA-State College	Johnson, Jeremiah	607 E Bishop ST	Bellefonte	PA	16823	(814) 571-6029
PA-Central	Havens, Ben	245 W Middlesex Dr.	Carlisle	PA	17013	(717) 902-9249
PA-Central	Havens, Erin	245 W Middlesex Dr.	Carlisle	PA	17013	(717) 902-9249
PA-North Pittsburgh	Zanella, Julie	545 Washington Ave	Carnegie	PA	15106	(412) 216-3765
PA-North Pittsburgh	Reynolds, Lauren	2919 Albine Dr	Glenshaw	PA	15116	(724) 302-9878
PA-South Pittsburgh	Defebo, Dustin	319 Juniper Way	McMurray	PA	15317	(412) 953-8358
SC-Tri-County	Garrett, Patrick	612 West Main St	Easley	SC	29640	(864) 630-3684
SC-Greenville	Kunz, Alysia	5 Privet Court	Simpsonville	SC	29680	(864) 607-3413
SC-Greenville	Kunz, Dennis	5 Privet Court	Simpsonville	SC	29680	(864) 607-3413
SC-The Piedmont	Buchanan, Noel	2112 Wentworth Drive	Rock Hill	SC	29732	(803) 242-0772
SD-Sioux Falls	Meyer, Jason	5817 W 36 St.	Sioux Falls	SD	57106	(218) 329-0002
TN-North and East Nashville	Powell, Michael	301 Jeannette St	Canton	TN	30114	(404) 304-8323
TN-North and East Nashville	Poole, Richard	118 Sherbrook Ln	Hendersonville	TN	37075	(615) 969-6710
TN-West Knoxville	Lefebvre, Nathan	10376 Harrison Springs Ln	Knoxville	TN	37932	(865) 888-7171

Skeeter Slayer LLC	O'Malley, Holly	4444 Princeton Road	Memphis	TN	38117	(901) 493-6176
Skeeter Slayer LLC	O'Malley, Peter	4444 Princeton Road	Memphis	TN	38117	(901) 493-6176
TN-Farragut	Runyan, Phil	209 Villanova Road	Oak Ridge	TN	37830	(219) 781-5351
TN-Johnson City	Magnus, Brad	2229 Egret Lane	Piney Flats	TN	37686	(727) 440-4000
TX-Greater Austin	Brown, Heather	5900 Balcones Drive, Ste 4492	Austin	TX	78731	(610) 368-9166
TX-Greater Austin	Brown, William	5900 Balcones Drive, Ste 4492	Austin	TX	78731	(610) 368-9166
OK-North Oklahoma City ,TX-Northwest Dallas	Galloway, Andrew	8023 Forrest Trail Drive	Dallas	TX	75238	(214) 240-2487
OK-North Oklahoma City ,TX-Northwest Dallas	Galloway, Caroline	8023 Forrest Trail Drive	Dallas	TX	75238	(317) 201-2053
"Salex Finali, LLC"	Sias, Salvador	10620 Causeway Dr	El Paso	TX	79935	(915) 474-0874
TX-North DFW	Simpson, Carrie	2231 Ellis Drive	Flower Mound	TX	75028	(832) 875-7381
TX-North DFW	Simpson, Charles	2231 Ellis Drive	Flower Mound	TX	75028	(832) 875-7381
TX-Southwest Ft. Worth ,TX-Wichita Falls	Guisinger, David	304 Eagle Point Circle	Graford	TX	76449	(432) 413-7618
TX-Southwest Ft. Worth ,TX-Wichita Falls	Guisinger, Nancy	304 Eagle Point Circle	Graford	TX	76449	(432) 413-1749
TX-East Dallas	Trout, Damon	6980 Clipper Dr	Grand Prarie	TX	75054	(972) 689-6755
TX-East Dallas	Trout, Michelle	6980 Clipper Dr	Grand Prarie	TX	75054	(214) 755-9130
TX-Sugar Land	Gupta, Ajay	863 Brittmoore Rd	Houston	TX	77079	(832) 279-2106
Joseph Bosco Enterprises LLC.	Bosco, Joseph	26602 Bentgreen Chase Court	Katy	TX	77494	(321) 217-4306
TX-McAllen	Ames, Jen	2800 Santa Lydia Street	Mission	TX	78572	(956) 975-4521
TX-McAllen	Ames, Lance	2800 Santa Lydia Street	Mission	TX	78572	(956) 374-4474
TX-Permian Basin	Faulk, Travis	5610 Fort Worth Avenue	Odessa	TX	79762	(432) 288-2313
TX-North Dallas	Rider, Josh	8721 Havant Lane	Plano	TX	75024	(760) 687-8883
TX-North Dallas	Rider, Rebecca	8721 Havant Lane	Plano	TX	75024	(760) 687-8882

TX-Greater San Antonio	Knox, Sonny	8182 Two Winds	San Antonio	TX	78255	(210) 559-8370
TX-Southeast Houston	Galvez, Shannon	13912 6th St	Santa Fe	TX	77517	(832) 720-5301
TX-Southeast Houston	Galvez, Timothy	13912 6th St	Santa Fe	TX	77517	(409) 797-2056
AR-ARKLATEX	Wolf, Kecia	3718 Water Oak Drive	Texarkana	TX	71854	(903) 280-0780
TX-Frisco	Neely, Chris	2804 Dorset	The Colony	TX	75056	(214) 326-9831
TX-Frisco	Neely, Robin	2804 Dorset	The Colony	TX	75056	(972) 762-0405
TX-Waxahachie	Foy, Jon	1004 W Marvin Ave	Waxahachie	TX	75165	(479) 387-6972
TX-Waxahachie	Foy, Mary	1004 W Marvin Ave	Waxahachie	TX	75165	(903) 353-1337
TX-Northwest Ft. Worth	Bluntzer, Sam	700 Cutters Trail	Weatherford	TX	76087	(682) 429-7238
TX-Southwest Ft. Worth ,TX-Wichita Falls	Brockman, Aaron	2010 Berkeley	Wichita Falls	TX	76308	(940) 704-8377
TX-Southwest Ft. Worth ,TX-Wichita Falls	Brockman, Lisa	2010 Berkeley	Wichita Falls	TX	76308	(432) 413-4889
UT-NORTH SALT LAKE CITY	Schouten, Dustin	255 W. 2700 N, Unit 65B	Pleasant View	UT	84414	(801) 440-7973
UT-NORTH SALT LAKE CITY	Schouten, Jennifer	255 W. 2700 N, Unit 65B	Pleasant View	UT	84414	(801) 440-7973
VA - Dulles	O'Toole, Brendan	43054 John Mosby Hwy	Chantilly	VA	20152	(703) 929-7055
VA-Richmond	King, Connor	5616 Kinns Rd	Richmond	VA	23225	(770) 823-4040
VA - Dulles	Meadows, Jay	35900 Allder School Road	Round Hill	VA	20141	(571) 370-9800
WI-North Central	Achuff, Jen	7340 Meadowland Point	Land O'Lakes	WI	54540	(320) 492-5987
WI-North Central	Achuff, Brian	7340 Meadowland Point	Land O'Laks	WI	54540	(715) 617-3731
WI-North Milwaukee	Visoky, James	N61W14389 Brookside Dr	Menomonee Falls	WI	53051	(414) 530-3039
WI-North Milwaukee	Visoky, Nikki	N61W14389 Brookside Dr	Menomonee Falls	WI	53051	(262) 993-6199
WI-Waukesha	Mcbeth, Susan	2035 N Hubbard St.	Milwaukee	WI	53212	(414) 378-2820
WI-Appleton	Grundy, Nathan	E9155 Ebony Rose Ln	New London	WI	54961	(912) 346-5959
WI-Western	Emmert, Jay	1905 Highway 35	Somerset	WI	54025	(715) 410-7960

WI-MADISON	Raheem, Hyder	1310 Tierney Dr	Waunakee	WI	59597	(818) 314-3112
WI-MADISON	Raheem, Luciana	1310 Tierney Dr	Waunakee	WI	59597	(818) 314-3112
WI-MADISON	Raheem, Mirza	1310 Tierney Dr	Waunakee	WI	59597	(818) 314-3112
WI-MADISON	Schweitzer, Samantha	1310 Tierney Dr	Waunakee	WI	59597	(608) 807-6125

**FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPEN AS OF DECEMBER 31, 2022**

Theron Butler	FL-Central Tampa	4616 Country Hills Dr	Tampa FL 33624	(412) 337-9389
Tarek Hussain	FL - Pembroke Pines	16083 Tuscany Estates Dr	Delray Beach FL 33446	(812) 391-0914
Brandon and Yanika Baugh	MI-Ann Arbor	6857 Lakeway St	Ypsilanti MI 48197	(734) 330-1359
Cas Horton	NC-Greater Greensboro	2887 Camelot Ct	Willoughby Hills OH 44092	(336) 552-7599
John Kelly	NY-Suffolk County	38 West Denis Ln	Coram NY 11727	(631) 877-3712
Shawn and Kimberly Bone	OH-Dayton	1524 Spangler Rd	Fairborn OH 45324	(937) 604-4988
Craig and Kristen Dzubak	OH – Northeast Cincinnati; OH-West Cincinnati	5636 Appaloosa Cir	Marrow OH 45152	<a href="mailto:Craig.dzubak@outlook.com">Craig.dzubak@outlook.com</a> (phone unavail)
Peter O'Malley	TN-Memphis	4444 Princeton Rd	Memphis TN 38117	(901) 493-6176
Nathan Lefebvre	TN-West Knoxville	10376 Harrison Springs Ln	Knoxville TN 37932	(865) 888-7171
Sal Sias	TX – El Paso	10620 Causeway Dr	El Paso TX 79935	(915) 474-0874
Dustin Schouten	UT – North Salt Lake City	255 W 2700 N Unit 65B	Pleasant View UT 84414	(801) 440-7973

**FORMER MOSQUITO SHIELD FRANCHISEES**

that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with MOSQUITO SHIELD within the 10 weeks preceding the Issuance Date of this Disclosure Document:

<b><u>Franchises</u></b>	<b><u>Name</u></b>	<b><u>Owner Address</u></b>	<b><u>Owner City</u></b>	<b><u>State</u></b>	<b><u>Zip</u></b>	<b><u>Phone Number</u></b>
Buzz Killerz LLC	Hills, Daniel	315 E. Russell Street	Barrington	FL	60010	(847) 373-6350
Buzz Killerz LLC	Hills, John	391 Lagoon Avenue	Naples	FL	34108	(720) 560-5500
FL-W Palm Beach	Shannon, Stacie	1460 Wilderness Rd	West Palm Beach	FL	33409	(319) 440-0857
GA-East Atlanta	Magnus, Chris	1200 Chapman Grove Lane	Monroe	GA	30656	(770) 370-4234
GA-East Atlanta	Wise, Jimmy	3145 Maple Court	Loganville	GA	30052	(470) 513-4862
NC-Charlotte	Carrouters, Will	11357 Fullerton Place Dr	Huntersville	NC	28078	(704) 785-5126
NH-Southern	Simone, Michael	16 Kingston Rd Unit 3	Exeter	NH	03833	(603) 290-5520
NJ-Northwest	Dalupang, Lew	214 Rexland Dr	Boonton	NJ	07005	(973) 917-9266
TN-Memphis	Chipman,	PO Box 508	Manila	AR	72442	(870) 243-8490
TX-New Braunfels	Bluntzer, Katherine	948 Encino Dr	New Braunfels	TX	78130	(830) 358-6363
TX-New Braunfels	Bluntzer, Nolan	948 Encino Dr	New Braunfels	TX	78130	(830) 358-6363
TX-Arlington	Tanos,	709 Indian Blanket Dr	Midlothian	TX	76065	(817) 984-3754
TX-Prosper	Brower, Jon	7800 Royal Gorge Ln	McKinney	TX	75070	(972) 743-3398

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

**EXHIBIT D**

**MOSQUITO SHIELD FINANCIAL STATEMENTS**



**Mosquito Shield Franchise Corporation**  
North Attleboro, Massachusetts

Audited Financial Statements  
December 31, 2020 and 2019



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Mosquito Shield Franchise Corporation  
North Attleboro, Massachusetts

### Opinion

We have audited the accompanying financial statements of Mosquito Shield Franchise Corporation (a Delaware S corporation) (an S Corporation), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, accumulated deficits, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mosquito Shield Franchise Corporation as of December 31, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

In our report dated March 25, 2020, we expressed an opinion that the 2019 financial statements did not fairly present financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America because of a departure from such principles: We were not able to obtain sufficient appropriate audit evidence as it relates to travel and entertainment expenses for the year ended December 31, 2019. We were unable to determine whether any adjustments were necessary. For the year ended December 31, 2020, we were able to obtain the sufficient appropriate audit evidence for the financial statements to conform with accounting principles generally accepted in the United States of America. In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Mosquito Shield Franchise Company as of December 31, 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mosquito Shield Franchise Corporation'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 Mosquito Shield Franchise Corporation'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.

*Wald & Company P.C.*

Wald & Company, P.C.  
Quincy, MA  
September 9, 2021



**Mosquito Shield Franchise Corporation**  
**Balance Sheets**  
December 31, 2020 and 2019

	2020	2019
<b>Current assets</b>		
Cash and cash equivalents	\$ 867,693	\$ 149,120
Accounts receivable, net of allowance	313,239	51,612
Inventory	40,682	16,123
Due from related parties	158,638	104,494
Contract asset	156,947	10,638
Prepaid expenses	2,813	11,211
<b>Total current assets</b>	1,540,012	343,198
<b>Property and equipment, net</b>	37,011	55,596
<b>Noncurrent assets</b>		
Intangible assets, net	442,076	415,310
Contract asset LT	1,233,189	-
<b>Total noncurrent assets</b>	1,675,265	415,310
<b>Total assets</b>	\$ 3,252,288	\$ 814,104
<b>Liabilities and Stockholder's Equity</b>		
	2020	2019
<b>Current liabilities</b>		
Accounts payable	\$ 332,354	\$ 27,714
Accrued expenses	52,434	35,893
Credit cards payable	20,250	32,210
Deferred revenue	23,758	47,718
Contract liability	293,550	125,800
Note payable	114,320	138,722
<b>Total current liabilities</b>	836,666	408,057
<b>Long-term liabilities</b>		
Contract liability	1,859,695	130,500
Accrued interest	48,342	38,785
Related party note payable	225,149	225,149
Notes payable	28,394	73,764
<b>Total long-term liabilities</b>	2,161,580	468,198
<b>Total liabilities</b>	2,998,246	876,255
<b>Stockholder's equity</b>		
Common stock, \$0.001 par, 1,000 shares authorized, issued & outstanding	1	1
Additional paid in capital	573,930	573,930
Accumulated deficit	(319,889)	(636,082)
<b>Total stockholder's equity</b>	254,042	(62,151)
<b>Total liabilities &amp; stockholder's equity</b>	\$ 3,252,288	\$ 814,104

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
**Statements of Income and Accumulated Deficits**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
Revenues		
Initial franchise fees	\$ 350,549	\$ 179,800
Product sales	571,949	496,823
Royalties	1,013,094	858,614
Brand fund income	133,330	108,423
Van build-out	186,384	129,683
Software	37,447	9,645
Sales center income	157,930	-
Other	81,902	146,908
Total revenues	2,532,585	1,929,896
Cost of revenues		
Initial franchise costs	10,491	5,402
Product	347,872	328,667
Van build-out	133,830	85,349
Software	122,318	92,584
Cost of revenues	614,511	512,002
Gross profit	1,918,074	1,417,894
Operating expenses		
Sales and marketing	235,482	240,543
Selling expenses: Commissions	158,314	-
Travel and entertainment	78,004	99,066
Payroll	595,024	438,133
Professional fees	60,289	41,868
Employee benefits	50,636	40,796
Rent	47,770	46,620
Call center expenses	195,017	155,295
Amortization	69,772	46,387
Depreciation	18,585	12,072
Utilities	28,614	25,242
Payroll Taxes	64,068	43,342
Bad debt	3,898	2,859
Other operating expenses	78,854	43,800
Total operating expenses	1,684,327	1,236,023
Operating income	233,747	181,871
Other income (expense)		
PPP loan forgiveness income	110,000	-
Interest	(27,554)	(40,385)
Total other income (expense)	82,446	(40,385)
Net income	316,193	141,486
Accumulated deficit, beginning of year	(636,082)	(467,963)
Price period adjustment-ASC 606	-	(309,605)
Accumulated deficit, end of year	\$ (319,889)	\$ (636,082)

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net income	\$ 316,193	\$ 141,486
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	88,357	58,459
Net cash provided by changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(261,627)	28,734
Increase (decrease) in inventory	(24,559)	(2,261)
Decrease (increase) in contract asset	(1,379,498)	857
Decrease (increase) in due from related party	(54,144)	(9,226)
Decrease (increase) in prepaid expenses	8,398	(1,601)
(Decrease) increase in accounts payable	304,640	11,733
(Decrease) increase in accrued expenses	16,541	24,782
(Decrease) increase in credit cards payable	(11,960)	(23,396)
(Decrease) increase in accrued interest	9,557	(3,501)
(Decrease) increase in contract liability	-	(64,800)
(Decrease) increase in deferred revenue	1,872,985	30,843
Net cash provided by operating activities	<u>884,883</u>	<u>192,109</u>
Cash flows from investing activities:		
Cash payments for asset purchases	<u>(96,538)</u>	<u>(30,000)</u>
Net cash used by investing activities	<u>(96,538)</u>	<u>(30,000)</u>
Cash flows from financing activities:		
Payments on related party note	-	(25,564)
Proceeds on notes payables	75,000	100,000
Payments on notes payables	(144,772)	(161,890)
Decrease in additional paid in capital	-	(1,200)
Net cash provided by (used in) financing activities	<u>(69,772)</u>	<u>(88,654)</u>
Net increase in cash	<u>718,573</u>	<u>73,455</u>
Cash and cash equivalents, beginning of year	<u>149,120</u>	<u>75,665</u>
Cash and cash equivalents, end of year	<u>\$ 867,693</u>	<u>\$ 149,120</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	\$ 27,554	\$ 40,385

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 1 - Summary of Significant Accounting Policies**

*Organization*

Mosquito Shield Franchise Corporation (the Franchisor) is engaged in the business of selling and overseeing franchises that offer mosquito, tick, flea, deer, geese management and other pest control services for residential, commercial, and municipal customers. The Franchisor was incorporated in 2012 under the laws of Delaware. As of December 31, 2020 and 2019, there was only one class of shareholders and the Franchisor is owned 100% by David Briggs, President.

*Adoption of New Accounting Standard*

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

We adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. We applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for revenue recognition, trade and other receivables, contract costs and contract liabilities, and deferred costs as detailed below. The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in our 2019 financial statements. The \$309,605 cumulative effect of our transition to ASC 606 is reflected as an adjustment to January 1, 2019 accumulated deficit. Following are the line items from our balance sheet as of December 31, 2019 that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<b><u>Assets:</u></b>			
Contract Asset	\$ (857)	\$ 11,495	\$ 10,638
<b><u>Liabilities:</u></b>			
Contract Liability	\$ (64,800)	\$ 321,100	\$ 256,300
<b><u>Equity:</u></b>			
Deficit	\$ (326,477)	\$ 309,605	\$ (636,082)

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**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**

The following are the line items from the statement of income and statement of cash flows for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<b><u>Revenues:</u></b>			
Sales	\$ 115,000	\$ 64,800	\$ 179,800
<b><u>Expenses:</u></b>			
Contract costs	37,547	857	38,314
Net Income	\$ 77,543	\$ 63,943	\$ 141,486
<b><u>Cash Flow:</u></b>			
Net Income	77,543	63,943	141,486
Change in Contract Asset	0	(10,638)	(10,638)
Change in Contract Liability	\$ 0	\$ 256,300	\$ 256,300

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

The Franchisor considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

*Inventory*

Inventory consists of proprietary spray materials and equipment parts and are stated at cost, using the first-in-first-out method. Inventory for proprietary materials amounted to \$12,472 and \$12,004 as of December 31, 2020 and 2019, respectively. Inventory for equipment parts amounted to \$28,210 and \$4,119 as of December 31, 2020 and 2019, respectively.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Fixed Assets*

Fixed assets are stated at cost. Depreciation is computed using the double-declining balance method over the assets' useful lives, which range from 3 to 15 years.

*Intangible Assets*

Intangible assets are amortized on the straight-line basis over their estimated useful lives, which range from 3 to 15 years. If the intangible asset is deemed to have an indefinite life, it is not amortized.

The original Mosquito Shield™ trademarks, are owned by a related party, Mosquito Shield I.L.C, and are not reflected in the assets of the Franchisor.

*Long-Lived Assets*

In accordance with "Accounting for the Impairment or Disposal of Long-lived Assets," the Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable.

*Accounts Receivable*

The Franchisor uses an aging policy to account for bad debt allowances and specific identification to write off receivables. Accounts receivable is written off when it is deemed more likely than not that the receivable will not be collected. Allowance for bad debts was \$- and \$5,052 as of December 31, 2020 and 2019, respectively.

*Income Taxes*

The Financial Accounting Standards Board ("FASB") issued Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes," as codified by the FASB Accounting Standards Codification ("ASC") Topic 740; Subtopic 10 requires all taxpayers to analyze all material positions they have taken or plan to take in all tax returns that have been filed or should have been filed with all taxing authorities for years 2019, 2018, and 2017 still subject to challenge by those taxing authorities. If the position taken is "more-likely-than-not" to be sustained by the taxing authority on its technical merits and if there is more than a 50% likelihood that the position would be sustained if challenged and considered by the highest court in the relevant jurisdiction, the tax consequences of that position should be reflected in the taxpayer's GAAP financial statements. In light of the rapid changes to state economic nexus laws, the Company is evaluating potential tax obligations resulting from this shifting regulation landscape without the benefit of substantial case law or precedent.

Because the "S" Corporation is a pass-through entity it ordinarily does not have to pay income taxes. Effective for tax years beginning on or after January 1, 2009, a pass-through entity that engages in business in Massachusetts must deduct and withhold Massachusetts taxes from a member's share of Massachusetts-source income, unless either the entity or member qualifies for an exception

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**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Franchise Fee Revenue and Deferred Revenue*

The Franchisor recognizes franchise fee revenue in accordance with Financial Accounting Standards Board (FASB) ASC 606. The Company has determined that the franchise fees charged relate to a single performance obligation. Based on this determination the franchise revenue is being recognized over time (typically five to ten year franchise agreements) consistent with the rules for symbolic intellectual property. Incremental costs incurred in obtaining the franchise contracts are capitalized as an asset and amortized over the franchise contract life. This is categorized as a contract liability. The Company also collected monies from franchisee owners for reimbursement of owners meeting fees advanced by the company for the 2021 meeting. For December 31, 2020 and 2019 deferred revenue totaled \$23,758 and \$47,718 respectively related to the meeting.

*Royalty Fees*

The Franchisor collects a royalty from its franchisees beginning January 1st following the franchise's first season of operation. The amount collected is based on a sliding cumulative revenue scale pursuant to the franchise agreement.

*Sales and Marketing Expenses*

Advertising and other sales and marketing activities, reported as operating expenses, for December 31, 2020 and 2019 totaled \$235,482 and \$240,543, respectively. Costs associated with advertising are charged to expense as incurred.

*Brand Fund Fees*

The Brand Fund is maintained and administered by the Franchisor and used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which will enhance the image of the franchise. Contributions to the Brand Fund for the years ended December 31, 2020 and 2019 were \$133,330 and \$108,423, respectively.

*Financial Statement Presentation*

Certain prior year amounts and disclosures have been changed to conform to the current year presentation.

**Note 2 - Leases**

The Franchisor leases office space located in North Attleboro, Massachusetts as a tenant at will. Rent expense for the years ended December 31, 2020 and 2019 totaled \$47,770 and \$46,620, respectively.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 3 – Contingencies**

From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. There are no pending significant legal proceedings to which the company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company's financial position.

**Note 4 – Franchise Agreements**

During the calendar year 2020 and 2019, a total of thirty-seven and five franchise agreements were executed, respectively. There were eighty-seven and fifty franchises operating as of December 31, 2020 and 2019, respectively. The sole owner of the Franchisor owned and operated two franchises as of December 31, 2020 and 2019, respectively.

Management expects all of the franchises sold through December 31, 2020 to be operating by the opening of the 2021 season.

**Note 5 – Notes Payable**

On March 6, 2017, the Franchisor entered into a note with Horizon Keystone Financial for \$11,083 with 14.68% interest. Interest and principal payments are \$250 over 60 months with the note maturing on April 6, 2022.

On May 10, 2017, the Franchisor entered into a note with Needham Bank for \$150,000 with 5.00% interest. Interest and principal payments are \$2,835.97 over 60 months with the note maturing on May 10, 2022.

On August 20, 2019, the Franchisor entered into a note with Mercedes-Benz Financial Services for \$31,543.81 with 3.99% interest. Interest and principal payments are \$581.71 payable monthly over 60 months with the note maturing September 4, 2024.

On March 25, 2020, the Franchisor entered into a note with Massachusetts Growth Capital Corporation for \$75,000 with 3.00% interest. Interest and principal payments are \$2,500 payable monthly over 30 months with the note maturing October 1, 2023. The payments were scheduled to begin on October 1, 2020 but they have been suspended by the issuer until April 2021 due to COVID-19.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 5 – Notes Payable (continued)**

Subsequent maturities of the notes payables for the year ended December 31, 2020 are as follows:

2021	\$ 61,277
2022	43,414
2023	32,874
2024	5,149
Thereafter	0
Total	\$142,714

**Note 6 - Related Party**

The Franchisor has a related party relationship with NiCorb Inc. (“NiCorb”), the original Mosquito Shield operating corporation which is wholly owned by David Briggs. NiCorb is not a contractual franchisee of the Franchisor, however it operates under the same business model as the franchisees. NiCorb currently operates one franchise location under its umbrella. NiCorb remits brand fund fees and royalties to the Franchisor. NiCorb has been in operation since 2001. The balance due from Nicorb at December 31, 2020 and 2019 was \$156,138 and \$104,494, respectively.

The Franchisor has a related party relationship with MoShield Properties, LLC. MoShield Properties was formed in 2020 to purchase property to be used as the Franchisor’s headquarters. The balance due from MoShield Properties LLC at December 31, 2020 was \$2,500.

Revenue from corporate owned franchises consists of \$8,556 and \$6,210 to the Brand Fund, \$25,669 and \$27,319 in royalties and software, and product sales of \$31,442 and \$16,956 during the years ended December 31, 2020 and 2019, respectively.

The Franchisor has an unsecured note payable to DFB with a balance as of December 31, 2020 and 2019 of \$225,149 and \$225,149, respectively. The note bears interest at a rate of 3% and is payable as a single balloon payment on December 30, 2020 but was extended until December 30, 2025. Accrued interest on the note at December 31, 2020 and 2019 totaled \$48,342 and \$38,785 respectively.

Subsequent maturities of the related party payables for the year ended December 31, 2020 are as follows:

2025	\$273,491
Total	\$273,491



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 7 – Property and Equipment**

Property and equipment is comprised of the following at December 31, 2020 and 2019:

	2020	2019
Equipment	\$50,621	\$50,621
Furniture and fixtures	79,652	79,652
Leasehold improvements	34,945	34,945
	<u>165,218</u>	<u>165,218</u>
Less: accumulated depreciation	128,207	109,622
Net property and equipment	<u>\$37,011</u>	<u>\$55,596</u>

The depreciation expense for the years ended December 31, 2020 and 2019 amounted to \$18,585 and \$12,072, respectively.

**Note 8 – Intangible Assets**

Intangible assets at December 31, 2020 and 2019:

	2020	2019
Website	178,192	121,654
Franchise development	356,490	356,490
Customer lists	211,660	171,660
	<u>746,342</u>	<u>649,804</u>
Less: accumulated amortization	304,266	234,494
Net intangible assets	<u>\$442,076</u>	<u>\$415,310</u>

The amortization expense for the years ended December 31, 2020 and 2019 amounted to \$69,772 and \$46,387, respectively.

**Note 9 – Paycheck Protection Program Loan and forgiveness**

In April 2020, Mosquito Shield Franchise Corporation applied for a paycheck protection loan based on the payroll of the Company. Proceeds representing two and one-half times the average monthly payroll in the amount of \$ 110,000 were remitted to the Company in 2020. Under standards established under the CARES Act, The Paycheck Protection Loan is fully forgivable if the proceeds are used for eligible payroll costs during the "covered period". Mosquito Shield Franchise Corporation met the forgiveness requirements before the end of the calendar year, and it was fully forgiven on December 15, 2020 so the proceeds are being fully recognized as income in 2020.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2020 and 2019

**Note 10 – Simple IRA Retirement Plan**

The Company began to sponsor a SIMPLE IRA retirement plan in April 2020 covering all employees. The Company matches employees contributions up to a maximum of three percent of the eligible employee's compensation. The Company contributed \$8,357 in matching SIMPLE IRA contributions for the year ended December 31, 2020.

**-Note 11 – Subsequent Events**

Subsequent events are transactions or events that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. The Franchisor has evaluated subsequent events through February 18, 2021, which is the date the financial statements were available to be issued. The Company expects the economic uncertainties resulting from COVID-19 pandemic to negatively impact its operating results. However, the related financial statement impact and duration cannot be reasonably estimated at this time.



**Mosquito Shield Franchise Corporation**  
North Attleboro, Massachusetts

Audited Financial Statements  
December 31, 2021 and 2020





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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Mosquito Shield Franchise Corporation  
North Attleboro, Massachusetts

### Opinion

We have audited the accompanying financial statements of Mosquito Shield Franchise Corporation (a Delaware corporation)(an S Corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, statement of stockholder's equity/deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mosquito Shield Franchise Corporation as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mosquito Shield Franchise Corporation's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mosquito Shield Franchise Corporation'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

*Wald & Company PC*

Wald & Company, P.C.  
Quincy, Massachusetts  
February 21, 2022



**Mosquito Shield Franchise Corporation**  
**Balance Sheets**  
December 31, 2021 and 2020

	2021	2020
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,388,816	\$ 867,693
Accounts receivable, net of allowance	58,465	313,239
Inventory	35,192	40,682
Due from related parties	891,962	158,638
Contract asset	774,831	156,947
Prepaid expenses	10,154	2,813
<b>Total current assets</b>	<b>3,159,420</b>	<b>1,540,012</b>
<b>Property and equipment, net</b>	<b>35,881</b>	<b>37,011</b>
<b>Noncurrent assets</b>		
Intangible assets, net	557,925	442,076
Contract asset LT	6,295,683	1,233,189
<b>Total noncurrent assets</b>	<b>6,853,608</b>	<b>1,675,265</b>
<b>Total assets</b>	<b>\$ 10,048,909</b>	<b>\$ 3,252,288</b>
<b>Liabilities and Stockholder's Equity</b>		
	2021	2020
<b>Current liabilities</b>		
Accounts payable	\$ 50,462	\$ 332,354
Accrued expenses	37,143	52,434
Credit cards payable	39,501	20,250
Deferred revenue	122,686	23,758
Contract liability	1,012,005	293,550
Note payable	14,378	114,320
<b>Total current liabilities</b>	<b>1,276,175</b>	<b>836,666</b>
<b>Long-term liabilities</b>		
Contract liability	7,895,421	1,859,695
Accrued interest	59,249	48,342
Related party note payable	225,149	225,149
Notes payable	11,781	28,394
<b>Total long-term liabilities</b>	<b>8,191,600</b>	<b>2,161,580</b>
<b>Total liabilities</b>	<b>9,467,775</b>	<b>2,998,246</b>
<b>Stockholder's equity</b>		
Common stock, \$0.001 par, 1,000 shares authorized, issued & outstanding	1	1
Additional paid in capital	573,930	573,930
Retained earnings (deficit)	7,203	(319,889)
<b>Total stockholder's equity</b>	<b>581,134</b>	<b>254,042</b>
<b>Total liabilities &amp; stockholder's equity</b>	<b>\$ 10,048,909</b>	<b>\$ 3,252,288</b>

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
**Statements of Income**  
December 31, 2021 and 2020

	2021	2020
<b>Revenues</b>		
Initial franchise fees	\$ 731,375	\$ 350,549
Product sales	896,187	571,949
Royalties	1,263,833	1,013,094
Brand fund income	173,105	133,330
Van build-out	782,676	186,384
Marketing	1,583,954	-
Software	105,000	37,447
Sales center income	315,750	157,930
Other	20,912	81,902
<b>Total revenues</b>	5,872,792	2,532,585
<b>Cost of revenues</b>		
Initial franchise costs	6,240	10,491
Product	643,608	347,872
Van build-out	439,136	133,830
Software	304,485	122,318
<b>Cost of revenues</b>	1,393,469	614,511
<b>Gross profit</b>	4,479,323	1,918,074
<b>Operating expenses</b>		
Sales and marketing	1,516,386	235,482
Selling expenses: Commissions	478,093	158,314
Travel and entertainment	124,531	78,004
Payroll	957,181	595,024
Professional fees	150,657	60,289
Employee benefits	85,189	50,636
Rent	48,200	47,770
Call center expenses	470,540	195,017
Amortization	95,928	69,772
Depreciation	12,227	18,585
Utilities	29,123	28,614
Payroll Taxes	97,714	64,068
Bad debt	-	3,898
Other operating expenses	123,706	78,854
<b>Total operating expenses</b>	4,189,475	1,684,327
<b>Operating income</b>	289,848	233,747
<b>Other income (expense)</b>		
Nontaxable grant income	75,000	110,000
Interest income	3,549	-
Interest expense	(15,905)	(27,554)
<b>Total other income (expense)</b>	62,644	82,446
<b>Net income</b>	352,492	316,193

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
Statement of Stockholders' Equity  
December 31, 2021 and 2020

	<u>Retained Earnings</u>	<u>Common Stock</u>	<u>Additional Paid-in-Capital</u>	<u>Total Stockholders' Equity</u>
Balance at December 31, 2019	(636,082)	\$ 1	573,930	\$ (62,151)
Comprehensive income:				
Net income	316,193			316,193
Distributions	-			-
Balance at December 31, 2020	<u>(319,889)</u>	<u>1</u>	<u>573,930</u>	<u>254,042</u>
Comprehensive income:				
Net income	352,492			352,492
Distributions	<u>(25,400)</u>			<u>(25,400)</u>
Balance at December 31, 2021	<u>\$ 7,203</u>	<u>\$ 1</u>	<u>\$ 573,930</u>	<u>\$ 581,134</u>

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
**Statements of Cash Flows**  
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net income	\$ 352,492	\$ 316,193
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108,155	88,357
Forgiveness of debt	(75,000)	-
Net cash provided by changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	222,929	(261,627)
Increase (decrease) in inventory	5,490	(24,559)
Decrease (increase) in contract asset	(5,680,378)	(1,379,498)
Decrease (increase) in due from related party	(697,930)	(54,144)
Decrease (increase) in prepaid expenses	(7,341)	8,398
(Decrease) increase in accounts payable	(281,892)	304,640
(Decrease) increase in accrued expenses	(15,291)	16,541
(Decrease) increase in credit cards payable	19,251	(11,960)
(Decrease) increase in accrued interest	10,907	9,557
(Decrease) increase in deferred revenue	6,853,109	1,872,985
Net cash provided by operating activities	<u>814,501</u>	<u>884,883</u>
Cash flows from investing activities:		
Cash payments for asset purchases	<u>(222,875)</u>	<u>(96,538)</u>
Net cash used by investing activities	<u>(222,875)</u>	<u>(96,538)</u>
Cash flows from financing activities:		
Proceeds on notes payables	-	75,000
Payments on notes payables	(41,554)	(144,772)
Owner distributions	<u>(25,400)</u>	<u>-</u>
Net cash used in financing activities	<u>(66,954)</u>	<u>(69,772)</u>
Net increase in cash	<u>524,672</u>	<u>718,573</u>
Cash and cash equivalents, beginning of year	<u>867,693</u>	<u>149,120</u>
Cash and cash equivalents, end of year	<u>\$ 1,392,365</u>	<u>\$ 867,693</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	<u>\$ 15,905</u>	<u>\$ 27,554</u>

See auditors' report and accompanying notes to financial statements

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**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 1 - Summary of Significant Accounting Policies**

*Organization*

Mosquito Shield Franchise Corporation (the Franchisor) is engaged in the business of selling and overseeing franchises that offer mosquito, tick, flea, deer, geese management and other pest control services for residential, commercial, and municipal customers. The Franchisor was incorporated in 2012 under the laws of Delaware. As of December 31, 2021 and 2020, there was only one class of shareholders and the Franchisor is owned 100% by David Briggs, President.

*Adoption of New Accounting Standard*

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance." We adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

The Franchisor considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. The Company maintains its cash balances in three financial institutions located in Massachusetts. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2021 and 2020, approximately \$1,300,000 and \$567,000, was in excess of the FDIC-insured limit.

*Inventory*

Inventory consists of proprietary spray materials and equipment parts and are stated at cost, using the first-in-first-out method. Inventory for proprietary materials amounted to \$22,818 and \$12,472 as of December 31, 2021 and 2020, respectively. Inventory for equipment parts amounted to \$12,374 and \$28,210 as of December 31, 2021 and 2020, respectively.

*Fixed Assets*

Fixed assets are carried at cost less accumulated depreciation and amortization. Depreciation is computed using the double-declining balance method over the assets' useful lives, which range from 3 to 15 years.





**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Long-Lived Assets*

In accordance with "Accounting for the Impairment or Disposal of Long-lived Assets," the Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable.

*Accounts Receivable*

The Franchisor uses an aging policy to account for bad debt allowances and specific identification to write off receivables. Accounts receivable is written off when it is deemed more likely than not that the receivable will not be collected. Allowance for bad debts was \$- and \$- as of December 31, 2021 and 2020, respectively.

*Income Taxes*

The Company accounts for uncertain tax positions in accordance with FASB ASC 740 – *Income Taxes*, which requires all taxpayers to analyze all material positions they have taken or plan to take in all tax returns that have been filed or should have been filed with all taxing authorities for years 2020, 2019, and 2018 still subject to challenge by those taxing authorities. If the position taken is "more-likely-than-not" to be sustained by the taxing authority on its technical merits and if there is more than a 50% likelihood that the position would be sustained if challenged and considered by the highest court in the relevant jurisdiction, the tax consequences of that position should be reflected in the taxpayer's GAAP financial statements. Management is not aware of any uncertain tax positions.

Because the "S" Corporation is a pass-through entity it ordinarily does not have to pay income taxes. Effective for tax years beginning on or after January 1, 2009, a pass-through entity that engages in business in Massachusetts must deduct and withhold Massachusetts taxes from a member's share of Massachusetts-source income, unless either the entity or member qualifies for an exception.

*Franchise Fee Revenue and Deferred Revenue*

The Franchisor recognizes franchise fee revenue in accordance with Financial Accounting Standards Board (FASB) ASC 606. The Company has determined that the franchise fees charged relate to a single performance obligation. Based on this determination the franchise revenue is being recognized over time (typically five-to-ten-year franchise agreements) consistent with the rules for symbolic intellectual property. This is categorized as a contract liability. The contract liability totaled \$8,907,426 and \$2,153,245 for the years ended December 31, 2021 and 2020, respectively.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Franchise Fee Revenue and Deferred Revenue*

Incremental costs incurred in obtaining the franchise contracts are capitalized as an asset and amortized over the franchise contract life. For the years ended December 31, 2021 and 2020 the contract assets totaled \$7,070,514 and \$1,390,136 respectively.

The Company also collected monies from franchisee owners for reimbursement of owners meeting fees advanced by the company for the 2022 meeting. For December 31, 2021 and 2020 deferred revenue totaled \$122,686 and \$23,758 respectively related to the meeting.

*Royalty Fees*

The Franchisor collects a royalty from its franchisees each week. The franchisee is charged a percentage of the gross sales. The percentage is based on the franchise agreement.

*Sales and Marketing Expenses*

Advertising and other sales and marketing activities, reported as operating expenses, for December 31, 2021 and 2020 totaled \$1,516,386 and \$235,482, respectively. Costs associated with advertising are charged to expense as incurred.

*Brand Fund Fees*

The Brand Fund is maintained and administered by the Franchisor and used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which will enhance the image of the franchise. Contributions to the Brand Fund for the years ended December 31, 2021 and 2020 were \$173,105 and \$133,330, respectively.

*Financial Statement Presentation*

Certain prior year amounts and disclosures have been changed to conform to the current year presentation.

**Note 2 - Leases**

The Franchisor leases office space located in North Attleboro, Massachusetts as a tenant at will. Rent expense for the years ended December 31, 2021 and 2020 totaled \$48,200 and \$47,770, respectively.

**Note 3 – Contingencies**

From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. There are no pending significant legal proceedings to which the company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company's financial position.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 4 – Franchise Agreements**

During the calendar year 2021 and 2020, a total of two hundred-eight and thirty-seven franchise agreements were executed, respectively. There were two hundred ninety-one and eighty-seven franchises operating as of December 31, 2021 and 2020, respectively. The sole owner of the Franchisor owned and operated two and two franchises as of December 31, 2021 and 2020, respectively.

**Note 4 – Franchise Agreements**

Management expects all of the franchises sold through December 31, 2021 to be operating by the opening of the 2022 season.

**Note 5 – Notes Payable**

On March 6, 2017, the Franchisor entered into a note with Horizon Keystone Financial for \$11,083 with 14.68% interest. Interest and principal payments are \$250 over 60 months with the note maturing on April 6, 2022.

On May 10, 2017, the Franchisor entered into a note with Needham Bank for \$150,000 with 5.00% interest. Interest and principal payments are \$2,835.97 over 60 months with the note maturing on May 10, 2022.

On August 20, 2019, the Franchisor entered into a note with Mercedes-Benz Financial Services for \$31,543.81 with 3.99% interest. Interest and principal payments are \$581.71 payable monthly over 60 months with the note maturing September 4, 2024.

Subsequent maturities of the notes payables for the year ended December 31, 2021 are as follows:

2022	\$ 14,378
2023	6,631
2024	5,150
Thereafter	0
Total	<u>\$26,159</u>

**Note 6 - Related Party**

The Franchisor has a related party relationship with NiCorb Inc. ("NiCorb"), the original Mosquito Shield operating corporation which is wholly owned by David Briggs. NiCorb currently operates one franchise location under its umbrella. NiCorb remits brand fund fees and royalties to the Franchisor. NiCorb has been in operation since 2001. The balance due from NiCorb and related franchises at December 31, 2021 and 2020 was \$283,614 and \$156,138, respectively.

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**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 6 – Related Party (Continued)**

The Franchisor has a related party relationship with MoShield Properties, LLC. MoShield Properties was formed in 2020 to purchase property to be used as the Franchisor's headquarters. The balance due on the promissory note to MoShield Properties LLC at December 31, 2021 and 2020 was \$608,348 and \$2,500, respectively. The note is a \$700,000 line of credit with interest accruing at 5% and all principal and interest due on January 1, 2023.

Revenue from corporate owned franchises consists of \$8,944 and \$8,556 to the Brand Fund, \$26,833 and \$25,669 in royalties and software, and product sales of \$29,599 and \$31,442 during the years ended December 31, 2021 and 2020, respectively.

The Franchisor has an unsecured note payable to DFB with a balance as of December 31, 2021 and 2020 of \$225,149 and \$225,149, respectively. The note bears interest at a rate of 3% and was originally payable as a single balloon payment on December 30, 2020. The note was extended until December 30, 2025. Accrued interest on the note at December 31, 2021 and 2020 totaled \$59,249 and \$48,342, respectively.

Subsequent maturities of the related party payables for the year ended December 31, 2021 are as follows:

2025	\$284,398
Total	\$284,398

**Note 7 – Property and Equipment**

Property and equipment is comprised of the following at December 31, 2021 and 2020:

	2021	2020
Equipment	\$55,917	\$50,621
Furniture and fixtures	85,453	79,652
Leasehold improvements	34,945	34,945
	176,315	165,218
Less: accumulated depreciation	140,434	128,207
Net property and equipment	\$35,881	\$37,011

The depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$12,227 and \$18,585, respectively.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 8 – Intangible Assets**

Intangible assets at December 31, 2021 and 2020:

	2021	2020
Website	178,192	178,192
Domain name	116	116
Software	211,774	-
Trademark	8,614	8,614
Franchise development	347,760	347,760
Customer lists	211,660	211,660
	958,119	746,342
Less: accumulated amortization	400,194	304,266
Net intangible assets	\$557,925	\$442,076

The amortization expense for the years ended December 31, 2021 and 2020 amounted to \$95,928 and \$69,772, respectively.

**Note 9 – Nontaxable grant income**

In March 2020, Mosquito Shield Franchise Corporation applied for a Massachusetts Growth Capital Corporation for a loan pursuant to the Small Business Recovery Loan Fund in the amount of \$75,000. In order to provide further assistance to small businesses negatively impacted by the COVID-19 pandemic and to further accelerate economic recovery in the state. Mosquito Shield Franchise Corporation's loan was fully forgiven on July 1, 2021, so the amount of \$75,000 is being fully recognized as income in 2021.

In 2020 the Company received \$110,000 as a Paycheck Protection Loan under the CARES Act. Mosquito Shield Franchise Corporation met the forgiveness requirements before the end of the calendar year and the loan was fully forgiven on December 15, 2020 and the proceeds recognized as income in that year.

**Note 10 – Simple IRA Retirement Plan**

The Company began to sponsor a SIMPLE IRA retirement plan in April 2020 covering all employees. The Company matches employees contributions up to a maximum of three percent of the eligible employee's compensation. In December 31, 2021 and 2020, the Company contributed \$16,434 and \$8,357, respectively, in matching SIMPLE IRA contributions.



**Mosquito Shield Franchise Corporation**  
Notes to Financial Statements  
December 31, 2021 and 2020

**Note 11 – Concentration of Credit Risk**

The corporation is engaged primarily in the sale of franchises. The company sells to individuals across the United States and has no single customer representing over 10% of its sales. The credit risk from trade receivables is not considered concentrated.

**Note 12 – Subsequent Events**

Subsequent events are transactions or events that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. The Franchisor has evaluated subsequent events through February 21, 2022, which is the date the financial statements were available to be issued. The Company expects the economic uncertainties resulting from COVID-19 pandemic to negatively impact its operating results. However, the related financial statement impact and duration cannot be reasonably estimated at this time.





April 15, 2022

Wald & Company, P.C. consents to the use in the Franchise Disclosure Document issued by Mosquito Shield Franchise Corporation ("Franchisor"), on April 15, 2022, as it may be amended, of our report dated February 21, 2022, relating to the financial statements of the Franchisor for the periods ending December 31, 2021, and December 31, 2020.

Sincerely,

*Wald & Company, P.C.*  
Wald & Company P.C.



September 9, 2021

Letter concerning revised Audit Opinion for  
Mosquito Shield Corporation Inc Year Ended  
December 31, 2020 Financial Statements

To Whom it may concern:

Historically the documentation supporting travel and entertainment for the Company was not sufficient to audit. This is not to say the charges were not legitimate, just not totally verifiable from an audit standpoint. This fact was re-emphasized to the management of the Company in the prior year and unbeknownst to us they took the necessary steps to correct the issue.

Because of the COVID environment our review of the 2020 financials with management was done remotely and did not address the issue and the opinion went unchanged. Management subsequently pointed out to us that they had indeed been collecting the appropriate documentation for 2020 and believed Wald & Company PC could positively opine on it.

In August 2021 we performed substantive audit procedures on the 2020 travel and entertainment expenses and found that the documentation was in order and provided sufficient audit evidence to provide an unqualified audit opinion.

Enclosed please find the audited financials with the revised unqualified audit opinion. No actual figures were impacted on the financials. If you need more clarification please do not hesitate to call me at the telephone number below.

Sincerely,

A handwritten signature in black ink, appearing to read 'John P. Fahey', is written over a light blue horizontal line.

John P Fahey, CPA

Principal



Right Answers, Right Here.



**TANNER**

Accountants & Advisors

**Mosquito Shield Franchise, LLC**

**Financial Statements**

**Years Ended December 31, 2022, 2021, and 2020**

**Together with Independent Auditor's Report**



## Independent Auditors' Report

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To the Members of  
Mosquito Shield Franchise, LLC

We have audited the accompanying financial statements of Mosquito Shield Franchise, LLC (the Company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, equity, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mosquito Shield Franchise, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of the Company as of and for the years ended December 31, 2021 and 2020, were audited by other auditors whose report dated February 21, 2022, expressed an unmodified opinion on those statements.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Mosquito Shield Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*Tanner LLC*

April 5, 2023

3300 N. Triumph Blvd., Suite 410, Lehi, UT 84043

## Balance Sheets

As of December 31,

	2022	2021	2020
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	\$ 598,200	\$ 1,388,816	\$ 867,693
Accounts receivable	24,117	58,465	313,239
Inventory	100,456	35,192	40,682
Prepaid and other current assets	143,098	10,154	2,813
Contract assets, current portion	1,016,079	774,831	156,947
Total current asset	1,881,950	2,267,458	1,381,374
<b>Non-current assets:</b>			
Due from related parties	40,278	891,962	158,638
Note receivable, net of current portion	122,000	-	-
Property and equipment, net	60,923	35,881	37,011
Contract asset, net of current portion	7,554,782	6,295,683	1,233,189
Goodwill, net	11,112,032	-	-
Intangibles, net	16,860,556	557,925	442,076
Total non-current asset	35,750,571	7,781,451	1,870,914
Total assets	\$ 37,632,521	\$ 10,048,909	\$ 3,252,288
<b>Liabilities and Equity</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 132,125	\$ 89,963	\$ 352,604
Accrued expenses	1,694	37,143	52,434
Note payable, current portion	10,176	14,378	114,320
Deferred revenue, current portion	1,290,327	1,134,691	317,308
Total current liabilities	1,434,322	1,276,175	836,666
<b>Long-term liabilities:</b>			
Accrued interest	-	59,249	48,342
Deferred revenue, net of current portion	9,316,398	7,895,421	1,859,695
Related-party note payable	-	225,149	225,149
Notes payable, net of current portion	26,852	11,781	28,394
Total long-term liabilities	9,343,250	8,191,600	2,161,580
Total liabilities	10,777,572	9,467,775	2,998,246
Commitments and Contingencies (Note 11)			
<b>Equity:</b>			
Common stock, \$0.001 par, 1,000 shares authorized, issued, and outstanding	-	1	1
Additional paid in capital	-	573,930	573,930
Retained earnings	-	7,203	(319,889)
Member's equity	26,854,949	-	-
Total equity	26,854,949	581,134	254,042
Total liabilities and equity	\$ 37,632,521	\$ 10,048,909	\$ 3,252,288

See accompanying notes to financial statements.

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*Statements of Operations*

	For the period from March 12 to December 31, 2022 (Post-Acquisition)	For the period from January 1 to March 11, 2022 (Pre-Acquisition)	For the year ended December 31, 2022 (Combined)	For the year ended December 31, 2021 (Pre-Acquisition)	For the year ended December 31, 2020 (Pre-Acquisition)
Revenues	\$ 4,544,022	\$ 699,015	\$ 5,243,037	\$ 5,872,792	\$ 2,532,585
Cost of revenues	1,032,740	285,436	1,318,176	1,393,469	614,511
<b>Gross Profit</b>	<b>3,511,282</b>	<b>413,579</b>	<b>3,924,861</b>	<b>4,479,323</b>	<b>1,918,074</b>
Selling and marketing expense	1,015,761	214,329	1,230,090	1,994,479	393,796
General and administrative expense	1,767,215	528,326	2,295,541	2,086,841	1,202,174
Depreciation and amortization	1,903,958	34,807	1,938,765	108,155	88,357
Total operating expenses	4,686,934	777,462	5,464,396	4,189,475	1,684,327
<b>Operating income (loss)</b>	<b>(1,175,652)</b>	<b>(363,883)</b>	<b>(1,539,535)</b>	<b>289,848</b>	<b>233,747</b>
Other income (expense)					
Other income (expense)	6,007	215	6,222	78,549	110,000
Interest expense	(2,609)	-	(2,609)	(15,905)	(27,554)
Total other income (expense)	3,398	215	3,613	62,644	82,446
<b>Net income (loss)</b>	<b>\$ (1,172,254)</b>	<b>\$ (363,668)</b>	<b>\$ (1,535,922)</b>	<b>\$ 352,492</b>	<b>\$ 316,193</b>

See accompanying notes to financial statements.

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## Statements of Equity

For the Period from March 12 to December 31, 2022, for the Period from January 1 to March 11, 2022, and for the years ended December 31, 2021 and 2020

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated deficit)	Member's Equity	Total Equity
	Shares	Amount				
<b>(Pre-acquisition)</b>						
Balance as of January 1, 2020	1,000	\$ 1	\$ 573,930	\$ (636,082)	\$ -	\$ (62,151)
Net income	-	-	-	316,193	-	316,193
Balance as of December 31, 2020	1,000	1	573,930	(319,889)	-	254,042
Distributions	-	-	-	(25,400)	-	(25,400)
Net income	-	-	-	352,492	-	352,492
Balance as of December 31, 2021	1,000	1	573,930	7,203	-	581,134
Distributions	-	-	-	(1,001,190)	-	(1,001,190)
Net loss	-	-	-	(363,668)	-	(363,668)
Balance as of March 11, 2022 (Predecessor)	1,000	1	573,930	(1,357,655)	-	(783,724)
Removal of predecessor equity	(1,000)	(1)	(573,930)	1,357,655	-	783,724
Member contribution	-	-	-	-	27,905,862	27,905,862
Balance as of March 11, 2022 (Successor)	-	\$ -	\$ -	\$ -	\$ 27,905,862	\$ 27,905,862
<b>(Post-acquisition)</b>						
Balance as of March 12, 2022 (Successor)	-	\$ -	\$ -	\$ -	\$ 27,905,862	\$ 27,905,862
Member contribution	-	-	-	-	121,341	121,341
Net loss	-	-	-	-	(1,172,254)	(1,172,254)
Balance as of December 31, 2022	-	\$ -	\$ -	\$ -	\$ 26,854,949	\$ 26,854,949

See accompanying notes to financial statements.

3

**Statements of Cash Flows**

	For the period from	For the period from	For the year ended	For the year ended	For the year ended
	March 12, 2022 through December 31, 2022	January 1, 2022 through March 11, 2022	December 31, 2022	December 31, 2021	December 31, 2020
	(Post-Acquisition)	(Pre-Acquisition)	(Combined)	(Pre-Acquisition)	(Pre-Acquisition)
<b>Cash Flows from Operating Activities:</b>					
Net income (loss)	\$ (1,172,254)	\$ (363,668)	\$ (1,535,922)	\$ 352,492	\$ 316,193
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	1,903,958	34,807	1,938,765	108,155	88,357
Forgiveness of debt	-	-	-	(75,000)	-
Gain on sale of asset	(6,222)	-	(6,222)	-	-
Net cash provided by changes in operating assets and liabilities:					
Decrease (Increase) in accounts and notes receivable	591,105	(739,757)	(148,652)	222,929	(261,637)
Decrease (Increase) in inventory	(65,264)	-	(65,264)	5,490	(24,559)
Decrease (Increase) in prepaid and other assets	(71,944)	(57,640)	(129,584)	(7,341)	8,398
Decrease (Increase) in contract asset	(692,753)	(807,594)	(1,500,347)	(5,680,378)	(1,379,498)
Decrease (Increase) in due from related party	(40,278)	31,846	(8,432)	(697,930)	(54,144)
(Decrease) Increase in accounts payable and accrued expenses	(403,063)	436,617	33,554	(277,932)	309,221
(Decrease) Increase in accrued interest	-	-	-	10,907	9,557
(Decrease) Increase in deferred revenue	295,038	1,281,575	1,576,613	6,853,109	1,872,985
Net cash provided by (used in) operating activities	338,323	(183,814)	154,509	814,501	884,883
Cash flows from investing activities:					
Purchase of property and equipment	(4,051)	(2,246)	(6,297)	(226,424)	(96,538)
Proceeds from the sale of property and equipment	16,111	-	16,111	-	-
Net cash used in investing activities	12,060	(2,246)	9,814	(226,424)	(96,538)
Cash flows from financing activities:					
Proceeds on notes payables	-	-	-	-	75,000
Payments on notes payables	(22,774)	(52,316)	(75,090)	(41,554)	(144,772)
Member contributions	121,341	-	121,341	-	-
Owner distributions	-	(1,001,190)	(1,001,190)	(25,400)	-
Net cash used in financing activities	98,567	(1,053,506)	(954,939)	(66,954)	(69,772)
Net increase in cash	448,950	(1,239,566)	(790,616)	521,123	718,573
Cash, beginning of period	149,250	1,388,816	1,388,816	867,693	149,120
Cash, end of period	\$ 598,200	\$ 149,250	\$ 598,200	\$ 1,388,816	\$ 867,693
<b>Supplemental disclosures of cash flow information</b>					
Cash paid during the period for interest	\$ 2,609	\$ -	\$ 2,609	\$ 15,905	\$ 27,554
<b>Purchase Transaction:</b>					
Fair value of assets acquired and liabilities assumed in the acquisition of the Company on March 11, 2022 - see Note 3.					

See accompanying notes to financial statements.

4

## *Notes to Financial Statements*

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### **1. Summary of Significant Accounting Policies**

#### ***Organization***

Mosquito Shield Franchise, LLC (the Company) was created on March 11, 2022 when Mosquito Shield Finance Corporation, an S Corporation incorporated in 2012 under the laws of Delaware and predecessor to the Company, was converted to an LLC. The Company is engaged in the business of selling and overseeing franchises that offer mosquito, tick, and other pest control services for residential, commercial, and municipal customers. On March 11, 2022, the predecessor was acquired by FS PEP Holdco, LLC, a Delaware limited liability company, and the Company became a wholly owned subsidiary of FS PEP Holdco, LLC. At acquisition date, the Company elected to apply push down accounting to reflect the effects of the business combination on its standalone financial statements

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key management estimates include allowances for doubtful accounts, useful lives for property and equipment, fair value of assets and liabilities assumed, impairment of goodwill and intangibles, and estimated rebates.

#### ***Concentrations of Credit Risk***

The Company maintains its cash in bank deposit accounts which balances, at times, exceed federally insured limits. The Company has not experienced a loss or lack of access to its invested cash; however, no assurance can be provided that access to the Company's invested cash will not be impacted by adverse conditions in the financial markets.

In the normal course of business, the Company provides credit terms to its customers and generally requires no collateral. A significant customer is one who has a material impact on the Company's accounts receivable or annual revenues. There were no significant customers that made up the revenue or accounts receivable for the years ended December 31, 2022, 2021, and 2020.

#### ***Accounts Receivable***

Accounts receivable are stated at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts. The allowance is based on past collectability and customer relationships. Amounts are written off only after considerable collection efforts have been made and the amounts are determined to be uncollectible. As of December 31, 2022, 2021 and 2020, no allowance for doubtful accounts was necessary.

#### ***Note Receivable***

Note receivable represents a note issued to the Company on January 13, 2022, in the amount of \$244,000. This note is due in installments as follows: \$30,000 up front, \$31,000 due on September 31, 2022, \$61,000 due annually on September 1, 2023, 2024, and 2025. The note is interest free and the Company determined that any imputed interest would be immaterial. As of December 31, 2022, the remaining balance owed to the Company under this note was \$183,000. The current portion of the note receivable is included in prepaid and other current assets on the accompanying balance sheets.

#### ***Inventory***

Inventory consists of proprietary spray materials and equipment parts, including backpacks and van build-out components, and are stated at cost, using the first-in-first-out method. Inventory for proprietary spray materials amounted to \$26,333, \$12,004 and \$10,439 as of December 31, 2022, 2021, and 2020, respectively. Inventory for equipment parts amounted to \$74,123, \$4,119 and \$3,423 as of December 31, 2022, 2021, and 2020, respectively.

#### ***Contract Assets***

The Company incurs broker or sales commissions paid to third parties to obtain franchise agreements with franchisees. The costs of commissions paid to franchise brokers are incremental contract costs. The Company capitalizes expenses that are incremental contract costs. Capitalized contract assets are amortized over the term of the franchise agreement to which the costs relate.



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**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated economic useful lives of the assets or over the related lease terms (if shorter) as follows:

Equipment & vehicles	5 years
Furniture & fixtures	7 years
Leasehold improvements	15 years

Expenditures that materially increase values or capacities or extend useful lives of property and equipment are capitalized. Routine maintenance, repairs, and renewal costs are expensed as incurred. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation and amortization are removed from the related accounts and any gain or loss is reflected in the statement of operations.

**Goodwill and Intangible Assets**

Goodwill and other intangible assets consist of franchise agreements, trade name, and goodwill, and are the result of the acquisition of the Company by FS PEP Holdco on March 11, 2022 (Note 3).

Intangible assets with definite lives are amortized over their estimated useful lives using the straight-line method as follows:

Goodwill	10 years
Trade name	15 years
Franchise agreements	15 years

**Long-Lived Assets**

The Company reviews its property and equipment, and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. If it is determined that the estimated undiscounted future cash flows are not sufficient to recover the carrying value of the asset, an impairment loss is recognized in the consolidated statement of operations for the difference between the carrying value and the fair value of the asset. Management does not consider any of the Company's assets to be impaired as of December 31, 2022, 2021, and 2020.

**Revenue Recognition**

The Company recognizes revenue from franchise agreements, the sale of products and installations, and from vendor rebates received. The Company recognizes revenue when it satisfies a performance obligation in an amount reflecting the consideration to which it expects to be entitled.

The Company applies a five-step approach in determining the amount and timing of revenue to be recognized: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract, and (5) recognizing revenue when the performance obligation is satisfied.

**Franchise Fees and Deferred Revenue**

The Franchisor recognizes franchise fee revenue in accordance with Financial Accounting Standards Board (FASB) ASC 606. The Company has determined that the franchise fees charged relate to a single performance obligation, and that the pre-opening services are not distinct, therefore, initial franchise fees are deferred and recognized over the life of the franchise agreement (typically ten years). This is categorized as deferred revenue on the accompanying balance sheets.

#### *Royalty and Brand Fund Fees*

The Company collects fees from its franchisees each week for royalties and brand fund. The royalty is charged based on a percentage of the franchisee's gross sales. The brand fund fees are also charged based on a percentage of the franchisee's gross sales. The brand fund is maintained and administered by the Company and consists of advertising funds received from franchisees that is to be exclusively to meet certain costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which will enhance the image of the franchise. Revenue related to the brand fund for the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, and for the years ended December 31, 2021, and 2020 were \$200,043, \$12,571, \$173,105, and \$133,330, respectively.

#### *Products and Services*

The Company collects fees from its franchisees related to trainings, software development, van build out, and product sales. These products and services are considered distinct and are recognized at the point in time when the product has been delivered, or the service has been rendered.

The Company's lines of revenue are as follows for the years ended December 31:

Type - Method of Recognition	For the period	For the period	Year ended	Year ended	Year ended
	from March 12 to December 31, 2022	from January 1 to March 11, 2022	December 31, 2022	December 31, 2021	December 31, 2020
	(Post-Acquisition)	(Pre-Acquisition)	(Combined)	(Pre-Acquisition)	(Pre-Acquisition)
Royalties and brand fund - over time	\$ 1,599,977	\$ 110,848	\$ 1,710,825	\$ 1,436,938	\$ 1,146,424
Franchise fees - over time	1,008,856	230,017	1,238,873	731,375	350,549
Services - point in time	744,254	146,948	891,202	2,787,380	381,761
Products - point in time	1,135,009	72,141	1,207,150	896,187	571,949
Other	55,926	139,061	194,987	20,912	81,902
<b>Total revenue</b>	<b>\$ 4,544,022</b>	<b>\$ 699,015</b>	<b>\$ 5,243,037</b>	<b>\$ 5,872,792</b>	<b>\$ 2,532,585</b>

#### *Sales and Marketing Expenses*

Costs associated with advertising are charged to expense as incurred. Advertising and other sales and marketing activities, reported as operating expenses, for the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, and for the years ended December 31, 2021, and 2020 totaled \$256,224, \$55,733, \$1,516,386 and \$235,482, respectively.

#### *Shipping and Handling Costs*

The Company classifies freight billed to customers related to product sales as sales revenue and the related freight costs as cost of sales.

#### *Income Taxes*

The Company is a pass-through entity and, therefore, it does not generally have to pay income taxes. Management believes they have not taken any tax positions that would adversely impact the Company's financial position. Penalties and interest associated with the Company's tax positions are classified as operating expenses. There were no interest or penalties for the years ended December 31, 2022, 2021, and 2020.

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**Recently Adopted Accounting Standards**

As of January 1, 2022, the Company adopted Accounting Standards Codification Topic 842 – *Leases* (ASC 842). The adoption of ASC 842 did not have a significant impact on the Company. As part of the adoption of ASC 842, the Company elected to apply the practical expedient to account for short-term leases by recognizing the lease payment in the statement of operations on a straight-line basis over the term of the lease.

**Reclassification**

Certain amounts in the 2021 and 2020 financial statements have been reclassified to conform to current year presentation.

**Subsequent Events**

The Company has evaluated events and transactions for potential recognition or disclosure through April 5, 2023, which is the date the financial statements were available to be issued.

**2. Franchise Agreements**

Franchise agreements provide for payment of initial franchise fees, as well as continuing royalties and brand fund fees to the Company based upon a percent of sales.

The change in the Company's franchisee-owned and Company-owned franchises were as follows as of and for the year ended December 31:

	2022	2021	2020
System-wide			
Franchisee owned - beginning of year	291	87	50
Franchises opened	78	207	41
Franchises transferred	9	-	-
Franchises closed	(24)	(3)	(4)
Franchisee owned - end of year	345	291	87
Company owned - end of year	-	2	2
Total system-wide	345	293	89

The company owned franchises represent locations that were previously owned by the Company, but were not included in the acquisition (see Note 3). These locations remained owned by the former owner of the Company and were sold to third parties in 2022.

**3. Acquisition**

On July 23, 2021, FS PEP Holdco, LLC acquired 100% of the equity interests in the Company. The total purchase price of the acquisition was \$27,905,862. The Company will continue to operate under the Mosquito Shield brand. Results of franchise operations were included in the Company's statement of operations from the acquisition date. The transactions were accounted for using the purchase method of accounting, and the Company has elected to apply push down accounting. The purchase consideration has been allocated based on an assessment of the fair market values of the assets acquired and liabilities assumed. The excess of the purchase price over the fair value of the net assets gives rise to goodwill which reflects value resulting from the marketing advantages and operating efficiencies created by the business combination. In relation to this acquisition, the Company elected to early adopt Accounting Standards Update 2021-08, *Business Combinations* (ASU 2021-08). ASU 2021-08 allows a Company to recognize and measure contract assets and contract liabilities in accordance with ASC 606, *Revenue from Contracts with Customers*. Accordingly, the contract assets and deferred revenue were recognized at carryover value from the predecessor, rather than at fair value.

The following table sets forth the allocation of the purchase consideration to the tangible and intangible assets acquired and liabilities assumed:

Cash	\$	118,452
Accounts receivable		584,222
Inventory, prepaid and other assets		102,986
Note receivable		214,000
Property and equipment		75,942
Contract assets		7,878,108
Trade name		6,600,000
Franchise agreements		11,200,000
Goodwill		12,067,365
Accounts payable and accrued expenses		(563,724)
Notes payable		(59,802)
Deferred revenue		(10,311,687)
Total purchase price	\$	27,905,862

#### 4. Property and Equipment

Property and equipment consisted of the following as of December 31:

	2022	2021	2020
Equipment & vehicles	\$ 47,965	\$ 55,917	\$ 50,621
Furniture and fixtures	6,943	85,453	79,652
Leasehold improvements	15,196	34,945	34,945
	70,104	176,315	165,218
Less: accumulated depreciation and amortization	(9,181)	(140,434)	(128,207)
Property and equipment, net	\$ 60,923	\$ 35,881	\$ 37,011

The depreciation expense for the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, and for the years ended December 31, 2021, and 2020 amounted to \$9,181, \$5,364, \$12,227, and \$18,585, respectively.

## 5. Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following as of December 31:

	2022	2021	2020
Franchise agreements	\$ 11,200,000	\$ -	\$ -
Trade name	6,600,000	-	-
Goodwill	12,067,365	-	-
Franchise development	-	347,760	347,760
Software	-	211,777	-
Customer lists	-	211,660	211,660
Website	-	178,192	178,192
Trademark	-	8,614	8,614
Domain name	-	116	116
	29,867,365	958,119	746,342
Less: accumulated amortization	(1,894,777)	(400,194)	(304,266)
Goodwill and intangibles, net	\$ 27,972,588	\$ 557,925	\$ 442,076

The amortization expense for the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, and for the years ended December 31, 2021, and 2020 amounted to \$1,894,777, \$29,443, \$95,928, and \$69,772, respectively.

Future amortization of goodwill and intangibles are as follows:

Years ending December 31,	
2023	\$ 2,393,404
2024	2,393,404
2025	2,393,404
2026	2,393,404
2027	2,393,404
Thereafter	16,005,568
	\$ 27,972,588

## 6. Leases

The Company leases office space under short-term lease arrangements expiring in 2023 and 2024. Short-term lease expense for the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, and for the years ended December 31, 2021, and 2020 totaled \$62,280, \$16,320, \$48,200 and \$47,770, respectively.

## 7. Notes Payable

As of December 31, 2022, 2021, and 2020, the Company had various notes payable outstanding. These notes are summarized as follows:

In March 2017 the Franchisor entered into a note with Horizon Keystone Financial for \$11,083 with 14.68% interest. Interest and principal payments are \$250 over 60 months with the note matured on April 6, 2022. This was paid off in full during the acquisition, see Note 3.

In May 2017 the Franchisor entered into a note with Needham Bank for \$150,000 with 5.00% interest. Interest and principal payments are \$2,835.97 over 60 months with the note maturing on May 10, 2022. This was paid off in full during the acquisition, see Note 3.

In August 2019 the Franchisor entered into a note with a financial institution for the purchase of a vehicle in the amount of \$31,544 bearing interest at 3.99% per annum. Interest and principle payments of \$581.71 are payable monthly with the note maturing September 4, 2024. The vehicle financed by this note was sold in May 2022 for the remaining amount loan.

In March 2022 the Company entered into a note with a financial institution for the purchase of a vehicle in the amount of \$43,179. The note bears interest at a rate of 6.54%, requires monthly principle and interest payments of \$848, and matures in February 2027.

Future maturities of the notes payables as of December 31, 2022 are as follows:

Years ending December 31,	
2023	\$ 10,176
2024	10,176
2025	10,176
2026	10,176
2027	1,696
	<u>42,400</u>
Less: amounts representing interest	<u>(5,372)</u>
	37,028
Less: current portion	<u>(10,176)</u>
	<u>\$ 26,852</u>

#### 8. Related Party Transactions

Since the acquisition (see Note 3), the Company periodically pays expenses on behalf of its parent company and other affiliated entities under common ownership, which contribute to the management and franchise development of the Company. Additionally, affiliated companies may also incur expenses on behalf of the Company. As of December 31, 2022, the Company had a receivable from related parties in the amount of \$40,278. As of December 31, 2022, 2021, and 2020, the Company had payables to related parties of \$63,923, \$0, and \$0, respectively, which were included in accounts payable on the accompanying balance sheets.

The Company has a related party relationship with an entity that is owned by the former owner of the Company, who is a current shareholder of the parent. Under this relationship, the entity is not a contractual franchisee of the Franchisor, however it operates under the same business model as the franchisees. This entity currently operates one franchise location under its umbrella and remits brand fund fees and royalties to the Company. The balance due from this related party at December 31, 2022, 2021 and 2020 was \$0, \$283,614, and \$156,138, respectively.

As of December 31, 2021 and 2020, the Company had an unsecured note payable to a related party controlled by the former owner with a balance of \$225,149 and \$233,290, respectively. The note bore interest at a rate of 3% and was payable as a single balloon payment on December 30, 2020 but was extended until December 30, 2025. Accrued interest on the note as of December 2021 and 2020 totaled \$59,249 and \$38,342 respectively. The note was not assumed in the acquisition (see Note 3).

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**9. Grant Income**

In March 2020, the Company applied for a Massachusetts Growth Capital Corporation loan pursuant to the Small Business Recovery Loan Fund in the amount of \$75,000. The Company's loan was fully forgiven on July 1, 2021, with the amount being recognized in other income. In 2020 the Company received \$110,000 as a Payroll Protection Loan under the CARES Act (PPP Loan). The Company met the forgiveness requirement and the loan was fully forgiven on December 15, 2020 with the amount being recognized in other income.

**10. Retirement Plans**

In 2021 and 2020 the Company sponsored a simple IRA retirement plan covering all employees. Under the IRA plan the Company matched employee contributions up to 3% of eligible compensation. During the years ended December 31, 2021 and 2020 the Company contributed \$16,434 and \$8,357, respectively, in matching contributions. In 2022 the Company switched to a 401(k) retirement plan. During the period from March 12 to December 31, 2022, for the period from January 1 to March 11, 2022, the Company contributed matching contributions to the plan of \$21,169 and \$2,417, respectively.

**11. Commitments and Contingencies**

The Company is involved in legal proceedings from time to time arising in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's financial position, results of operations, or liquidity.

**EXHIBIT E**

**FRANCHISE AGREEMENT**

**MOSQUITO SHIELD**

**FRANCHISE AGREEMENT**



**MOSQUITO SHIELD  
DATA SHEET**

Franchisee: \_\_\_\_\_  
(Individual(s) and \_\_\_\_\_  
Entity, if applicable) \_\_\_\_\_

Spouse Guarantor(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Territory Count: \_\_\_\_\_

Territory/Territories Description: See attached Map and/or List of Zip Codes \_\_\_\_\_

Initial Franchise Fee: \_\_\_\_\_

**The terms of this Data Sheet are incorporated into the attached Franchise Agreement.**

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Attachment 1 – Acknowledgement Statement

Attachment 2 – Approved Location and Area of Primary Responsibility

**Attachment 2-1 – APR Map**

**Attachment 3 – Minimum Royalty**

**Attachment 4 – Confidentiality and Non-Competition Agreement**

**Attachment 5 – Spouse Guaranty**

**Attachment 6 – Disclosure of Franchisee Owners**

## **MOSQUITO SHIELD FRANCHISE AGREEMENT**

This Franchise Agreement (“Agreement”) is made and entered into this day of \_\_\_\_\_, by and between Mosquito Shield Franchise, LLC, a Delaware limited liability company, with its principal business address at 500 E. Washington Street, Suite 24, North Attleboro, MA. 02760 (referred to in this Agreement as “we”, “us” or “our”) and the Franchisee identified on the attached Data Sheet (referred to in this Agreement as “you” or “your”).

### **RECITALS:**

**WHEREAS**, we have expended and continue to expend considerable time and effort in the development of a distinctive format and system (the “System”) for businesses that offer and sell mosquito, tick, flea and other pest control services for residential and commercial customers, and municipalities, and such other complementary products and services as we may specify from time to time;

**WHEREAS**, the distinguishing characteristics of the System include, without limitation, a unique combination of process and application, including access to our proprietary mosquito, tick, and flea treatment product and control materials, each of which includes natural ingredients, including the Mosquito Shield Protection Blend (described below), and distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which may be changed, improved and further developed by us from time to time;

**WHEREAS**, the System is identified by means of certain trade names, service marks, trademarks, logos, and indicia of origin, including, but not limited to, “MOSQUITO SHIELD,” as are now designated and may hereafter be designated by us in writing for use in connection with the System (collectively, the “Proprietary Marks”);

**WHEREAS**, our affiliate has developed a proprietary mosquito treatment product which includes use of natural ingredients (“Mosquito Shield Protection Blend”) for mosquito, tick, and flea maintenance, and other control materials for use in the System;

**WHEREAS**, we continue to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance, and service;

**WHEREAS**, you desire to enter into the business of operating a MOSQUITO SHIELD Business under our System and Proprietary Marks, and wish to enter into an agreement with us for that purpose, and to receive the training and other assistance we provide in connection therewith; and

**WHEREAS**, you understand and acknowledge the importance of our high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications.

**NOW, THEREFORE**, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, agree as follows:

## **1. GRANT**

1.1 Grant of Franchise. We grant to you the right, and you undertake the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a MOSQUITO SHIELD business under the Proprietary Marks and the System (the “MOSQUITO SHIELD Business” or “Franchised Business”), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at our sole discretion, solely in connection therewith and only at the location set forth in Section 1.2 hereof.

1.2 Approved Location. You shall operate the MOSQUITO SHIELD Business only at a location and adjacent or separate storage facility(ies) approved by us (the “Approved Location”), which may include your home, a storage unit, warehouse space, or comparable location we approve. The exact street address of the Approved Location is set forth in Attachment 2. You shall not relocate the MOSQUITO SHIELD Business without our prior written approval. We shall have the right, in our sole discretion, to withhold approval of relocation.

1.3 Your Area of Primary Responsibility. You shall operate the MOSQUITO SHIELD Business only within the area identified by the map and written description in Attachment 2 (“Area of Primary Responsibility” or “APR”). Except as otherwise provided in this Agreement, during the term of this Agreement, we shall not establish or operate, nor license any other person to establish or operate a MOSQUITO SHIELD business under the System and the Proprietary Marks at any location within your APR. We retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights therein:

1.3.1 To establish and operate, and license others to establish and operate, a MOSQUITO SHIELD business under the System and the Proprietary Marks at any location outside your APR, notwithstanding the proximity to your APR or the Approved Location;

1.3.2 To sell or distribute, or license others to sell or distribute, directly or indirectly, any products, including those products sold through the MOSQUITO SHIELD System, through channels of distribution other than a MOSQUITO SHIELD business (including, without limitation, the Internet), at any location whether within or outside your APR under any proprietary marks (including the Proprietary Marks);

1.3.3 Upon payment of a \$5,000 Complementary Product/Service Fee, to establish and operate another complementary business under the System within your APR.

1.3.3 To sell or distribute, or license others to sell or distribute, directly or indirectly, any products and services, including those products and services sold through the MOSQUITO SHIELD System, using proprietary marks other than the Proprietary Marks;

1.3.4 To acquire, be acquired by, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any business of any kind, including any business that offers products or services similar to those offered by you under the System and Proprietary Marks; and

1.3.5 To terminate the territorial protection described in Section 1.3 hereof if you fail to attain or exceed the Minimum Gross Sales requirements set forth in Section 7.3 hereof. The foregoing remedy shall be in addition to any other remedies we may have under this Agreement.

1.4 National Accounts. We reserve the right to enter into agreements with national and/or regional commercial customers that have locations both within and outside your Area of Primary Responsibility (“National Accounts”). We will give you the right to service any location of a National Account within your APR on the terms upon which we and the National Account have agreed. If, for any reason, you elect not to service a National Account that is offered to you, we may, in our discretion, service such National Account or appoint any other franchisee to service such National Account. If you enter into an agreement to provide services to a National Account, which includes locations within the area of primary responsibility of another MOSQUITO SHIELD franchisee, you must give such franchisee a right of first refusal to service the National Account within such franchisee’s APR.

1.5 Alternate Channels of Distribution. You shall offer and sell products only from the MOSQUITO SHIELD Business and only in accordance with the requirements of this Agreement and the procedures set forth in the Operations Manual, as defined in Section 3.5 below. You shall only offer or sell products and services under the System to retail customers for their use and not for resale.

1.6 Supplementing the System. You acknowledge that we may, in our sole discretion, supplement, improve, change, and otherwise modify the System from time to time, including, but not limited to, the addition of insect, pest and/or termite treatment, control, and extermination services. You agree to comply with all of our requirements in that regard, including, without limitation, offering and selling new or different products or services as specified by us. You acknowledge that we may, in our sole discretion, add or modify complementary service and product lines that serve a similar customer base. Your right to offer complementary service and products lines is subject to our approval, which may be conditioned on: your compliance with this Agreement, payment of an additional fee and execution of an any ancillary document we may require.

## **2. TERM AND RENEWAL**

2.1 Term. This Agreement shall be in effect upon our acceptance and execution and, except as otherwise provided herein, the term of this Agreement shall be ten (10) years

from the date first above written, unless this Agreement is sooner terminated pursuant to its terms.

2.2 Renewal. Upon the expiration of the term of this Agreement, you may, subject to the following conditions, renew this Agreement for the length our then-current initial term, provided that the renewal term shall be no less than five (5) years. We may require, in our sole discretion, that any or all of the following conditions be met prior to such renewal:

2.2.1 You shall give us written notice of your election to renew no fewer than eight (8) months nor more than twelve (12) months prior to the end of the then-current term;

2.2.2 You shall make or provide for, in a manner satisfactory to us, such renovation and modernization of the premises of the MOSQUITO SHIELD Business, which shall include any storage facilities used to store products in connection with the Franchised Business (“Premises”) as we may reasonably require, including, without limitation, purchase of additional or replacement vehicles, equipment and renovation or modification of vehicles and signs to reflect the then-current standards and image of the System;

2.2.3 You shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or our subsidiaries or affiliates; and, in our reasonable judgment, you shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 You and your affiliates shall have satisfied all monetary obligations due and owed by you to us and our subsidiaries and affiliates, and to the MOSQUITO SHIELD Brand Fund (as defined in Section 3.10 below), and shall have timely met those obligations throughout the term of this Agreement;

2.2.5 You shall present evidence satisfactory to us that you have the right to remain in possession of the Premises for the duration of the renewal term or shall obtain our approval, which may be withheld in our sole discretion, of a new location for the MOSQUITO SHIELD Business for the duration of the renewal term;

2.2.6 You shall have met the Minimum Gross Revenue requirement for Year 5 described in Section 7.3 below.

2.2.7 You shall, at our option, execute our then-current form of franchise agreement (but only for such renewal terms as are provided by this Agreement) and other ancillary agreements (including, without limitation, any required personal guaranty by you or your spouse), which shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including, without limitation, increasing your required royalty fees, advertising contributions, and other fees, as determined by us, except that you shall not be required to pay an initial franchise fee and your Area of Primary Responsibility shall remain the same;

2.2.8 You shall execute a general release, in a form prescribed by us, of any and all claims, known or unknown, that you might have against us or our subsidiaries or affiliates, and their respective officers, directors, agents, or employees;

2.2.9 You shall comply with our then-current qualification and training requirements;

2.2.10 You shall pay us a renewal fee (“Renewal Fee”) in an amount equal to One Thousand Dollars (\$1,000); and

2.2.11 You shall be current with respect to your obligations to any lessor, suppliers, and any others with whom you do business.

### **3. OUR DUTIES**

3.1 Specifications. We shall furnish to you, at no charge to you, standards and specifications for the operation of a MOSQUITO SHIELD Business, including requirements for application equipment and other equipment, image, signs and procedures. You acknowledge that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act or similar rules governing public accommodations or commercial facilities for persons with disabilities).

3.2 Training. We shall provide the training as set forth in Section 6 hereof.

3.3 On-Site Assistance. Upon your request, or as we determine to be appropriate, and at our discretion, we may provide you with on-site training and assistance at your MOSQUITO SHIELD Business location.

3.4 Advertising and Promotional Materials. We shall make available to you advertising and promotional materials for your opening advertising, and other materials from time to time. You shall reproduce such materials at your expense as provided in Section 12 hereof.

3.5 Operations Manual. We shall either provide you, on loan, one copy of our confidential operations manuals (the “Operations Manual”), or provide you with electronic access to the Operations Manual, as more fully described in Section 9 hereof.

3.6 Products. We or one of our affiliates shall make available for sale to you the Mosquito Shield Protection Blend and Tick Shield Protection Blend, and such additional products we designate for use in the System from time to time at our then-current price(s) for such products as described in the Operations Manual or otherwise in writing from time to time.

3.7 Equipment. We will customize your Vehicle(s) and provide initial equipment for use with them (including our custom dual-tank rapid refill system, two (2) custom backpack blowers, shelving, storage, first-aid and spill kits and external graphics) for the fees described in Section 4.5 below. We shall provide to you a list of initial equipment and related products



and accessories for the MOSQUITO SHIELD Business for purchase from our affiliate or a supplier we designate.

3.8 Ongoing Advice. During the term of this Agreement, we will furnish guidance to you from time to time, as we deem appropriate in our sole discretion, on the following matters concerning the System: standards, specifications and operating procedures and methods to be utilized; purchasing required and recommended goods, equipment, materials, supplies and services; advertising and marketing programs; employee training; and administrative bookkeeping and accounting procedures. At your request, we will furnish additional guidance and assistance relating to the operation of the business and, in such a case, we may, in our discretion, charge the per diem fees and charges we establish from time to time in the Operations Manual or otherwise in writing.

3.9 Software. We will permit you to use the Required Software as described in Sections 4.4 and 8.4 hereof.

3.10 MOSQUITO SHIELD Brand Fund. We shall establish and administer a brand promotion fund (“Brand Fund”) for advertising, marketing and public relations programs and materials as we deem necessary and appropriate in our sole discretion in the manner set forth in Section 12 hereof.

3.11 Call Center. We will arrange for you to use a national call center to handle inbound sales calls (“Call Center”). If we require it, you must use the Call Center for all calls. You shall pay Call Center fees at the then-current rates, which we reserve the right to increase at any time.

3.12 Inspections. We shall conduct, as we deem advisable in our sole discretion, inspections of the Premises and your operation of the MOSQUITO SHIELD Business at any time during your regular business hours and with or without notice to you.

3.13 Performance by Designee. You acknowledge and agree that any duty or obligation imposed on us by this Agreement may be performed by any designee, employee, or agent of us, as we may direct.

#### **4. FEES**

4.1 Initial Franchise Fee. You shall pay to us, on execution of this Agreement, a non-refundable initial franchise fee in the amount set forth on the Data Sheet (the “Initial Franchise Fee”). The entire Initial Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to enter into this Agreement with others.

4.2 Royalty Fee. You shall pay to us each week a continuing royalty fee equal to 7% of your weekly Gross Sales, subject to the annual Minimum Royalty set forth on Attachment 3. “Gross Sales” means all revenues you derive from operating your MOSQUITO SHIELD Business conducted upon, from or with respect to the MOSQUITO SHIELD

Business, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall include, without limitation, monies or credit received from the sale of products, from tangible property of every kind and nature, promotional or otherwise. Gross Sales does not include good faith refunds, adjustments, discounts, credits and allowances actually made by your MOSQUITO SHIELD Business. Discounts, however, shall not exceed 25% of your standard retail prices, and any sale that has been discounted in excess of 25% of your standard retail price shall be included in Gross Sales at an amount no less than 75% of your standard retail price. Gross Sales shall also exclude any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

4.3 Brand Promotion Expenditures and Contributions. You shall make monthly expenditures and contributions for advertising and brand promotion as specified in Section 12 hereof.

4.4 Platforms Setup Fees. You shall pay us or our affiliate a one-time operations platforms setup fee of One Thousand Five Hundred Dollars (\$1,500), on execution of this Agreement.

4.5 Vehicle Customization. If required, you shall pay us the then-current fee for customization of each Vehicle, half of which shall be payable within thirty (30) days of execution of this Agreement and the balance on our delivery of the customized Vehicle to you. You may not customize your Vehicle yourself, and you are not allowed to modify or add to your Vehicle in any capacity, including but not limited, to interior components and external graphics, without our prior approval, which may be withheld in our sole discretion. If we do approve a customization request, you are required to carry a minimum insurance policy of \$3,000,000, and shall provide evidence thereof prior to use of the Vehicle in your MOSQUITO SHIELD Business. It is a material default of this Agreement to customize your Vehicle in violation of our requirements. Any non-conforming Vehicle shall be immediately removed from service upon our notice to you.

4.6 Call Center Fees. You shall pay to us or a third party Call Center, as we direct, fees for all calls handled by the Call Center, according to the Call Center's then-current fee schedule. Call Center fees are subject to change without notice.

4.7 Payments. All payments to us required by Sections 4.2 and 4.3 hereof shall be paid to us, based on the Gross Sales, on a weekly basis by Wednesday of each week, from the preceding week (Monday through Sunday). All weekly payments to us required by Section 4.4 hereof shall be paid to us by Wednesday of each week. All such payments shall be made by electronic fund transfer or direct deposit. We reserve the right to change the frequency and/or due date of any payments at any time in our discretion. Any payment or electronic payment not actually received by us as described in this Section 4.7 above shall be deemed overdue. If any payment is overdue by thirty (30) days or more, you shall pay us immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until received by us, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by applicable law, whichever is less. In addition, if any weekly report required by Section 11 below is not received when due for any reason, all payments owed by you for such week shall be deemed overdue until such reports are received by us, regardless of whether payment was actually made, and you shall be responsible for

applicable interest as described in this Section 4.7. Entitlement to such interest shall be in addition to any other remedies we may have. You shall not be entitled to set off any payments required to be made under this Section 4 against any monetary claim you may have against us. However, you acknowledge and agree that we have the right to set off any amounts that we may be required to pay to you under this Franchise Agreement against amounts that you or your owners owe to us.

4.8 Bank Account. You shall deposit all revenues from operation of the MOSQUITO SHIELD Business into one bank account within two (2) days of receipt, including without limitation cash, checks, credit card receipts or the value of other forms of payment. We have the right to require, in the Operations Manual or otherwise in writing, that you make Royalty payments and other payments required under Section 4.7(b) (and Section 4.7(a) if not paid as described therein) and all other payments required under this Agreement directly to a bank or such other financial institution account specified by us, at the times and with the frequency designated by us, by electronic funds transfer, direct deposit, or such other means as we may specify from time to time, notwithstanding any other provisions of this Agreement, and you agree to comply with such requirement. To facilitate this method of payment, you shall furnish us, our bank, or other financial institution, and any other recipient of payment, with such information and authorizations as may be necessary to permit such payment in such manner. You shall bear all expenses, if any, associated with such authorizations and payments. You agree to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer, as we require. In the event you change banks or accounts for the bank account required by this Section 4.8, you shall, prior to such change, provide such information and documentation as required in this Section 4.8. Your failure to provide such information concerning the bank account required by this Section 4.8 or any new account, or your withdrawal of authorization as required hereunder for whatever reason shall be a breach of this Agreement. We shall have the right to charge you an insufficient funds fee of One Hundred Dollars (\$100) per occurrence for any required payment by you hereunder that is not paid due to insufficient funds in your bank account.

## **5. OPENING OF FRANCHISED BUSINESS**

5.1 Business Development. You shall develop, maintain, renovate or construct, and equip, the MOSQUITO SHIELD Business at your own expense. You shall comply with any and all specifications that we provide for the Premises and for a MOSQUITO SHIELD Business, including requirements for image, vehicles, equipment, signs and other procedures.

5.2 Licensing. You shall be responsible, at your own expense, for obtaining and complying with all zoning classifications, permits, certifications, and clearances required for the lawful construction and operation of the MOSQUITO SHIELD Business, including, but not limited to, control materials application and storage licenses, permits, certifications, certificates of occupancy, local noise abatement regulations and ordinances, and other business licenses that may be required by federal, state or local laws, ordinances, or regulations, or that may be necessary or advisable owing to any restrictive covenants relating to the Premises or required by the lessor.

5.3 Commencement Criteria. You agree not to commence operation of the MOSQUITO SHIELD Business until:

5.3.1 You and your employees have completed the Initial Training Program to our satisfaction;

5.3.2 You have acquired Vehicle(s) that we have customized for operating the Franchised Business and occupied the Premises approved by us;

5.3.3 All amounts then due to us or our affiliates have been paid;

5.3.4 We have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request; and

5.3.5 We have been furnished with such evidence as we reasonably request that you possess such necessary control materials, application equipment and other equipment and initial inventory as we require for you to operate the MOSQUITO SHIELD Business pursuant to our Operations Manual.

5.4 Opening Deadline. You shall commence operation of the MOSQUITO SHIELD Business not later than one hundred eighty (180) days after the date of execution of this Agreement. The parties agree that time is of the essence in the opening of the MOSQUITO SHIELD Business and that your failure to open the MOSQUITO SHIELD Business within the time period described in this Section 5.4 shall be considered a material breach and default under this Agreement and will entitle us to terminate this Agreement pursuant to Section 15 hereof.

## 6. TRAINING

6.1 Initial Training Program. Before the MOSQUITO SHIELD Business commences operations, the following individuals shall attend and successfully complete to our satisfaction the initial training program (“Initial Training Program”): (a) you (or, if you are a corporation, partnership or limited liability company, your managing shareholder, partner or member); (b) your operations manager who will be primarily responsible for the management of the Franchised Business (“Operations Manager”) (if different than the individual described in (a) above); and (c) a technician who is licensed to apply control materials in the APR (if different than the individual(s) described in (a) or (b) above). We shall have the right to approve those persons who attend the Initial Training Program and to require fewer or additional persons to attend the Initial Training Program as we determine in our discretion. In the event you (or, if you are a corporation, partnership or limited liability company, your managing shareholder, partner or member) fail, in our judgment, to successfully complete the Initial Training Program, to our satisfaction, we have the right to terminate this Agreement pursuant to Section 15 hereof. The Initial Training Program will take place at our headquarters or such other location(s) that we designate, including through the Internet.

6.2 Subsequent Employees. Any person subsequently employed by you in the position of Operations Manager or technician shall also attend and complete the Initial Training Program, to our satisfaction, within thirty (30) days of his or her hire, and you shall pay us the then-current training fee designated in the Operations Manual or otherwise in writing from time to time by us. We reserve the right also to require you to pay us fees for training your new employees hired after your MOSQUITO SHIELD Business commences operations. If your Operations Manager ceases employment at the Franchised Business for any reason, you shall hire a replacement within thirty (30) days or such other time period as we specify in the Operations Manual or otherwise in writing.

6.3 Additional Programs. You (or your managing shareholder, partner or member) and your employees who attend the Initial Training Program or who are designated from time to time shall attend such additional huddles, meetings, conferences, courses, seminars and other training programs as we may reasonably require from time to time. We reserve the right to require you (or your managing shareholder, partner or member) and your employees to attend an annual national or regional meeting, seminar or convention for MOSQUITO SHIELD franchisees for training or business purposes. We reserve the right to charge an attendance fee for such annual meeting, seminar or convention. You shall be responsible for any such fee and for any and all expenses incurred by you or your employees in connection with attending such annual meeting, seminar or convention, including, without limitation, the costs of transportation, lodging, meals, and wages. Notwithstanding your failure to attend any such annual meeting, seminar or convention, you are required to pay the attendance fee, including but not limited to, your share of expenses to conduct the meeting. You will pay us a \$1,000 Annual Conference Registration Deposit, due within seven (7) days of executing this Agreement, which will be applied to the actual attendance fee for your first attendance at the first annual conference available to you after you have completed your training. If any portion of this deposit is not required as part of that annual conference attendance or registration fee, it will be credited to you on your invoice following the annual conference.

6.4 Training Fee and Expenses. All training programs required by this Agreement shall be at such times and places as may be designated by us. We shall furnish the Initial Training Program to three (3) people at no additional fee or other charge. If you request additional training, or we require you to receive additional training based on the performance of you and/or the Franchised Business, you shall pay us our then-current training fee, plus our out-of-pocket expenses if travel to the Franchised Business is deemed necessary by us. You shall be responsible for any and all expenses incurred by you or your employees in connection with attending the Initial Training Program and all other such programs, including, without limitation, the costs of transportation, lodging, meals, and wages.

## **7. YOUR DUTIES**

7.1 Operating Standards. You understand and acknowledge that every detail of the System and the Franchised Business is important to you, us, and other MOSQUITO SHIELD businesses in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchised businesses operating under the System, to protect and enhance our reputation and goodwill, to promote and protect the value of the Proprietary Marks, and other reasons.

7.2 Adherence to Standards and Specifications. To ensure that the highest degree of quality and service is maintained, you shall operate the MOSQUITO SHIELD Business in strict conformity with such methods, standards, and specifications as we may from time to time prescribe in the Operations Manual or otherwise in writing. You agree:

7.2.1 To maintain in sufficient supply, as we may prescribe in the Operations Manual or otherwise in writing, and to use at all times, only such types of control materials and brands and/or models of other products, equipment (including, but not limited to, control materials application equipment and one or more Vehicle(s) for use in the Franchised Business, bearing the signage we require, the tools, and the computer hardware and software, inclusive of all associated call center, telephone, and call tracking services), materials and supplies from a supplier or suppliers designated or approved by us that conform to our written standards and specifications, and to refrain from deviating therefrom by the use of nonconforming items, without our prior written consent; we have the right to designate ourselves or an affiliate to be an approved supplier, or the only approved supplier, of any products, equipment, and other supplies. We reserve the right to charge you for the amount of Mosquito Shield and Tick Shield Protection Blends that should be used annually based on our required rates for the total number of customers you serve;

7.2.2 To sell or offer for sale only the mosquito, tick, and flea services and products as have been expressly approved for sale in writing by us; to refrain from any deviation from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any services, products, merchandise, and equipment which we may, in our discretion, disapprove in writing at any time;

7.2.3 To purchase all equipment, materials, products, supplies and services from suppliers as we approve and designate in the Operations Manual or otherwise in writing from time to time;

7.2.4 To refrain from selling or providing any services or products at any type of location prohibited by us in the Operations Manuals or otherwise in writing from time to time;

7.2.5 To refrain from offering or selling general landscaping or lawn care services, except to the extent your Existing Business offers such services, as approved by us;

7.2.6 To refrain from selling or advertising any services or products hereunder on the Internet without our prior, written approval;

7.2.7 To follow our standards, specifications, and procedures for providing customers periodic management and other pest control services under our form of MOSQUITO SHIELD customer contract for one-time application of such services; to require such customers to pay by credit card; and for providing commercial customers services as described in the Operations Manual or otherwise in writing from time to time;

7.2.8 To use, in the operation of the Franchised Business, such standards, specifications, and procedures as prescribed by us, which may relate to any one or more of the following with respect to the MOSQUITO SHIELD Business:

- 7.2.8.1 To use our standard Terms of Service Agreement;
- 7.2.8.2 Replacement of obsolete or worn out equipment;
- 7.2.8.3 Terms and conditions of the sale and delivery of, and terms and methods of payment for goods, services, including direct labor, materials and supplies that you obtain from us, our affiliates or others;
- 7.2.8.4 Sales, marketing, advertising and promotional programs and materials and media used in such programs;
- 7.2.8.5 Staffing levels for the MOSQUITO SHIELD Business; communication to us of the identities of the MOSQUITO SHIELD Business' technicians and other personnel; qualifications, training, dress and appearance of employees; and other matters relating to managing the MOSQUITO SHIELD Business;
- 7.2.8.6 Days and hours of operation of the MOSQUITO SHIELD Business;
- 7.2.8.7 Participation in market research and testing of goods and services;
- 7.2.8.8 Acceptance of credit cards, other payment systems and check verification services;
- 7.2.8.9 Adhering to good business practices and observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and
- 7.2.8.10 Regulation of such other aspects of the operation and maintenance of the MOSQUITO SHIELD Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and MOSQUITO SHIELD businesses.

7.3 Minimum Gross Sales and Royalty. You shall attain or exceed the Minimum Gross Sales and pay the Minimum Royalty set forth on Attachment 3 each twelve (12) month period during the term of this Agreement (starting on the date your Franchised Business opens and ending on each anniversary date thereof) If you fail to meet any of the Minimum Gross Sales requirements and pay the Minimum Royalty, we may collect the difference between the actual royalty paid and the required amount. In addition, we have the right: (a) to reduce the size of your APR; (b) to eliminate your APR as a protected area as described in Section 1.3 above; or (c) to terminate this Agreement pursuant to Section 15 hereof. If we reduce or eliminate your APR, we shall have the right to operate and/or license others to operate in that area which is no longer part of your APR. You acknowledge that the Minimum Royalty requirements are not a representation, estimation, or projection of your Gross Sales, earning potential, profits, or expenses you may incur in connection with the Franchised Business.

7.4 Providing Services Outside Your APR. You shall not provide services to, solicit, or actively market to customers in the area of primary responsibility of any other MOSQUITO SHIELD business, whether owned and operated by us or another franchisee, except with our prior written consent. You must follow the procedures specified in the Operations Manual (and/or coordinate with us) for referring sales or customers located within the area of primary responsibility of other MOSQUITO SHIELD businesses.

7.5 Vehicle(s). You shall purchase at least one (1) Vehicle for operation of the Franchised Business, which shall contain such racking systems, tank system, shelving, and external graphics as we require in the Operations Manual or in writing from time to time. Franchisee shall only utilize Vehicle(s) customized by Franchisor. Franchisee shall have one (1) technician operating in each Vehicle at all times. You agree to operate the minimum number of Vehicles necessary to achieve the Minimum Gross Sales required in Section 7.3. Franchisee shall not use any personal vehicles (other than Vehicles) in operating the Franchised Business.

7.6 Fixtures, Furnishings, and Office Equipment. You shall purchase and install, at your expense, all fixtures, furnishings, office equipment (including, without limitation, a facsimile machine, telephone(s), computer, printer, and cash register or point-of-sale recording system), décor, and signs as we may reasonably direct from time to time. If you operate your business from any location other than your personal residence, you shall refrain from installing or permitting to be installed on or about the Premises, without our prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved by us.

7.7 Sources of Products. You must purchase, lease, and use all equipment and software that we approve and require for the Franchised Business, including, but not limited to, the computer hardware and software, tools, and the MOSQUITO SHIELD Vehicle (in the model and bearing the signage we require), all as described in the Operations Manual.

7.7.1 You acknowledge and agree that the Mosquito Shield Protection Blend and control products for mosquitos, fleas and ticks are our proprietary products and are essential to the Franchised Business. You must purchase the Mosquito Shield Protection Blend and other Mosquito Shield products only from us, our affiliate or other designated supplier(s) we specify.

7.7.2 All equipment and products sold or offered for sale at the MOSQUITO SHIELD Business shall meet our then-current standards and specifications, as established in the Operations Manual or otherwise in writing. Except as otherwise provided in Section 7.7.1, you shall purchase all equipment and products used or offered for sale at the MOSQUITO SHIELD Business for which we have established standards or specifications solely from approved suppliers (including distributors and other sources) which demonstrate, to our continuing reasonable satisfaction, the ability to meet our standards and specifications, and who have been approved by us in the Operations Manual or otherwise in writing. If you desire to purchase products from a party other than an approved supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We shall have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing



facility that we designate. You shall pay a charge not to exceed the reasonable cost of the evaluation and testing. We shall use our best efforts, within ninety (90) days after our receipt of such completed request and completion of such evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. You shall not sell or offer for sale any products of the proposed supplier until you receive our written approval of the proposed supplier. We may from time to time revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to sell any disapproved products and cease to purchase from any disapproved supplier. You agree that you shall use products purchased from approved suppliers solely for the purpose of operating the MOSQUITO SHIELD Business and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require us to make available to prospective suppliers standards and specifications that we, in our sole discretion, deem confidential. Notwithstanding the above, we reserve the right, in our business judgment, to require you to purchase any or all approved products, equipment, merchandise, or services used in the MOSQUITO SHIELD Business solely from us or our affiliate. We also reserve the right to receive a rebate or other benefit from approved suppliers based on purchases by you.

7.8 Direct Supervision. During operating hours, the MOSQUITO SHIELD Business shall be under the direct supervision of one of your principals, or another individual who has satisfactorily completed the Initial Training Program, which we reserve the right to approve in our sole discretion. At least one (1) individual who has completed our Initial Training Program shall be operating the MOSQUITO SHIELD Business during all hours of operation specified by us in writing in the Operations Manual or otherwise in writing from time to time. All technicians who apply control material products shall be duly licensed to do so and shall have completed our Initial Training Program. You shall take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet such minimum standards, including, without limitation, such attire as we may reasonably require, as we may establish from time to time in the Operations Manual. You and your employees shall handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from our name and goodwill. You shall be solely responsible for all employment decisions and functions of the MOSQUITO SHIELD Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

7.9 Storage Space. You shall maintain sufficient storage space to store your purchased products during the term of this Agreement.

7.10 Financing. You agree, at your own expense, to secure all financing required to develop and operate the MOSQUITO SHIELD Business.

7.11 Licensing and Permits. You agree, at your own expense, to research the requirements for and obtain all permits and licenses required to operate the MOSQUITO SHIELD Business.

7.12 Inventory. At the time the MOSQUITO SHIELD Business opens, you shall stock the initial inventory of Mosquito Shield Protection Blend and other control materials,

application equipment, or other equipment, materials, products, and supplies as prescribed by us in the Operations Manual or otherwise in writing. Thereafter, you shall stock and maintain all types of control materials, equipment and approved products in quantities sufficient to meet reasonably anticipated customer demand. You agree to immediately notify us if an approved supplier substitutes an unapproved product in place of an approved product. We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we cannot deliver, or cause to be delivered, or if our affiliates or designated sources or approved suppliers cannot deliver, all of your orders for goods, merchandise, equipment, supplies, etc. where such things are out-of-stock or discontinued.

7.13 Inspections. You shall permit us and our agents to enter upon the Premises and customers' homes and premises at any time during regular business hours, with or without notice, for the purpose of conducting inspections. In connection with such inspections, we shall have the right to speak with you, any of your employees or customers; take audio or video recordings and photographs; remove samples of any goods, materials or supplies for testing and analysis; and conduct such other activities as we deem appropriate in our sole discretion. You shall cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request, including presenting customers with such evaluation forms as we may periodically prescribe, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If deficiencies are detected during any inspection, and we subsequently conduct a re-inspection in our sole discretion, you shall be responsible for our costs and expenses of such re-inspection. Should you, for any reason, fail to correct any deficiencies within a reasonable time as determined by us, we shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by us and to charge you a reasonable fee for our expenses in so acting, payable to us upon demand. The foregoing shall be in addition to such other remedies we may have.

7.14 Advertising and Promotional Materials. You shall ensure that all graphics, signs, advertising and promotional materials, decorations and other items specified by us bear the Proprietary Marks in the form, color, location, and manner prescribed by us. We reserve the right to require all advertising and promotional materials to be ordered directly through us, an affiliate or approved supplier.

7.15 Maintenance of Premises and Vehicle. You shall maintain the Premises (including any adjacent public areas and storage facility) and Vehicle(s) in a clean, orderly condition and in excellent repair; and, in connection therewith, you shall, at your own expense, make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and graphics as we may reasonably direct.

7.16 Refurbishment. We reserve the right to require you to refurbish, once every five (5) years, the Vehicles and other equipment, at your expense, to conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new MOSQUITO SHIELD businesses. Such

refurbishment may include, without limitation, installation of new equipment, vehicles, new graphics, remodeling, redecoration and modifications to existing improvements.

7.17 Changes to the System. You shall not implement any change, amendment or improvement to the System without our express prior written consent. You shall notify us in writing of any change, amendment or improvement in the System which you propose to make, and shall provide to us such information as we request regarding the proposed change, amendment or improvement. You acknowledge and agree that we shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to you.

7.18 Compliance with Lease. You shall comply with all the terms of your lease or sublease(s), if any exists, for the Premises and all other agreements affecting the operation of the MOSQUITO SHIELD Business; shall promptly furnish us a copy of your lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with your landlord and/or lessor; and shall refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Premises.

7.19 Safety and Health Standards. You shall meet and maintain the highest safety and health standards and ratings applicable to the operation of the MOSQUITO SHIELD Business. You shall furnish to us immediately upon the receipt thereof, a copy of all safety and health inspection reports and any violation or citation which indicates your failure to maintain federal, state, or local safety or health standards in the operation of the MOSQUITO SHIELD Business. Your failure to cure such violations within twenty-four (24) hours shall constitute grounds for immediate termination pursuant to Section 15.3.5 herein. We shall also have the right, but not the obligation, to enter the Premises, without notice, at any time during regular business hours to cure any safety or health violation at the MOSQUITO SHIELD Business and require you to reimburse us for all out-of-pocket costs and expenses incurred by us to affect such cure.

7.20 Franchise Advisory Council. We reserve the right, in our sole discretion, to require you to become a member of and participate actively in a franchise advisory council (“Franchise Advisory Council”) in your area. You shall participate actively in the Franchise Advisory Council as we designate and participate in all Franchise Advisory Council meetings approved by us. We reserve the right to amend the governing documents for the Franchise Advisory Council from time to time, in our sole discretion, at any time. We, in our sole discretion, will determine the topic areas to be considered by the Franchise Advisory Council. The purposes of the Franchise Advisory Council shall include, but are not limited to, exchanging ideas and problem-solving methods, advising us on expenditures for system-wide advertising, and coordinating franchisee efforts. Amounts and expenditures may vary from time to time due to variations in Franchise Advisory Council participation and costs, as determined by the Franchise Advisory Council, and as approved by us. We shall have the right to change, or dissolve the Franchise Advisory Council at any time in our sole discretion.

7.21 Restrictions on Prices. To enhance the competitive position and consumer acceptance for Mosquito Shield products and services for the benefit of the System overall, we may exercise rights with respect to the pricing of products and services to the

fullest extent permitted by then-applicable law. We shall have the right to specify the prices of the services offered, sold, and advertised by you, unless it is per se unlawful to do so. We also shall have the right to establish minimum prices and/or maximum prices of the services offered, sold, and advertised by you, unless it is per se unlawful to do so. You shall strictly adhere to the lawful prices established by us. We retain the right to modify the prices from time to time in our reasonable discretion. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Mosquito Shield Business.

## **8. PROPRIETARY MARKS AND TECHNOLOGY**

8.1 Our Representations. We represent with respect to the Proprietary Marks:

8.1.1 Our affiliate, Mosquito Shield, LLC, is the owner of all right, title, and interest in and to the Proprietary Marks;

8.1.2 We have the right to use, and to license others to use, the Proprietary Marks; and

8.1.3 We have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

8.2 Your Use of the Marks. With respect to your use of the Proprietary Marks, you agree that:

8.2.1 You shall use only the Proprietary Marks designated by us, and shall use them only in the manner that we authorize and permit;

8.2.2 You shall use the Proprietary Marks only for the operation of the MOSQUITO SHIELD Business and only at the Approved Location and on the Vehicle, or in advertising or promotional materials for the MOSQUITO SHIELD Business used at or conducted from the Approved Location;

8.2.3 Unless otherwise authorized or required by us, you shall operate and advertise the MOSQUITO SHIELD Business only under the name “MOSQUITO SHIELD” and shall use all Proprietary Marks without prefix or suffix; you shall not use the Proprietary Marks as part of your corporate or other legal name;

8.2.4 During the term of this Agreement, and any renewal or extension hereof, you shall identify yourself as the owner of the MOSQUITO SHIELD Business (in the manner required by us) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing;

8.2.5 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights and will entitle us to exercise all of our rights under this Agreement in addition to all rights available at law or in equity;

8.2.6 You shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us;

8.2.7 You shall execute any documents deemed necessary by us to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

8.2.8 You shall promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We or our affiliate shall defend you against any third party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts; and

8.2.9 You shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks, or any portion thereof, or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 Acknowledgments. You expressly understand and acknowledge that:

8.3.1 Mosquito Shield, LLC, is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and we have the right to use, and license others to use, the Proprietary Marks;

8.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

8.3.3 During the term of this Agreement and after its expiration or termination, you shall not directly or indirectly contest the validity of the ownership of, or our right to use and to license others to use, the Proprietary Marks;

8.3.4 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks;

8.3.5 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to you or any of your principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

8.3.6 Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted hereunder to you is nonexclusive, and we have and retain the rights, among others: (a) to use the Proprietary Marks ourselves in connection with selling services, products, and merchandise; (b) to grant other licenses for the Proprietary Marks; (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks; and (d) to grant licenses thereto without providing any rights therein to you.

8.3.7 We reserve the right, in our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the Businesses operating thereunder. You agree promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of modifying your signs, advertising materials, graphics and any other items which bear the Proprietary Marks to conform therewith. Your use of any such modified or substituted proprietary marks shall be governed by the terms of this Agreement to the same extent as the Proprietary Marks.

#### 8.4 Computer System and Required Software.

8.4.1 We shall have the right to specify or require that you use certain brands, types, makes, and/or models of communications, computer systems, computer software and hardware, including without limitation: (a) back office, mobile devices, point of sale systems, data, audio, and video, systems for use at the Franchised Business; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and © physical, electronic, and other security systems (collectively, the “Computer System”).

8.4.2 You shall use and access such computer software programs that we designate from time to time in writing or in the Manuals in connection with the Computer System (the “Required Software”), which you shall install and/or access at your expense, and which may be obtained from us or from approved or designated third party suppliers/vendors at rates established by such third party suppliers/vendors, which may be changed on the terms agreed upon with them, and with notice of such changes as may be communicated directly to you or be communicated to us with our notice to you delivered within a reasonable time thereafter. We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) updates, supplements, modifications, or enhancements to the Required Software, which you shall install at your expense; and (b) the tangible media upon which you shall record data; and (c) the database file structure of the Computer System. You shall pay all fees and expenses for continuing access to Required Software, which may include update or supplement installation costs and regularly recurring access fees. We may, as outlined in the Operations Manual, require you to use certain designated software for accounting or bookkeeping purposes. Your use of such software is a condition to your franchise, and in connection with such use, you must furnish to us no less than Viewing access to such software, together with all required reports as set forth herein. If we designate required accounting

software, you must use such software from any designated vendor(s) as set forth in the Operations Manual. Such software use may include fees paid directly to such vendor(s), on such terms that they set.

8.4.3 At our request, you shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. We shall have the right at any time to remotely retrieve and use such data and information from your Computer System or Required Software that we deem necessary or desirable. You expressly agree to strictly comply with our standards and specifications for all items associated with your Computer System (including without limitation from your mobile devices used in the Vehicle) and any Required Software in accordance with our standards and specifications. You agree, at your own expense, to keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. You agree that your compliance with this Section 8.4 shall be at your sole cost and expense.

8.5 Data. All data you provide to us, that is uploaded to our system from your system, and/or that is downloaded from your system to our system, is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. In addition, all other data created or collected by you in connection with the System, or in connection with your operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by us during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and solely for your use in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

8.6 Privacy. Subject to commercial standards of reasonableness based upon local business practices, we may, from time-to-time, specify in the Operations Manual (or otherwise in writing) the information that you shall collect and maintain on the Computer System installed at the Franchised Business, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including, without limitation, data pertaining to or otherwise about customers) is and shall be our exclusive property. You acknowledge and agree that your use of this data is limited to your operation of the MOSQUITO SHIELD Business only and for no other purpose. You shall use this data in strict accordance with this Agreement and our requirements. You shall abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information. You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

8.7 Extranet. We may, but are not obligated to, establish an Extranet. The term “Extranet” means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet. If we do establish an Extranet, then you shall comply with our requirements (as set forth in the Operations Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Operations

Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware (including, but not limited to, telecommunications capacity) as may be required to connect to and utilize the Extranet. We shall have the right to require you to install a video, voice and data system that is accessible by both we and you on a secure Internet website, in real-time, all in accordance with our then-current written standards as set forth in the Operations Manual or otherwise in writing. You shall comply with our requirements (as set forth in the Operations Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require.

8.8 Websites and Online Presence. Unless otherwise approved in writing by us or set forth in the Operations Manual, you shall not establish a separate Website in connection with the Franchised Business. However, we shall have the right to establish one or more webpages within our Website, which is currently [www.mosshield.com](http://www.mosshield.com) but may be changed by us in our sole discretion. You shall update and add content to such webpage(s) from time to time as we direct. We shall have the right to restrict your ability to edit its webpage(s) in our sole discretion. The term “Website” means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, other social media profiles, websites, domains, listings, or other presences, including on-line blogs and forums (“Networking Media Sites”). You may not establish accounts or “pages,” or maintain an active presence, on any Networking Media Sites without our prior written approval. If granted approval, you must include us as an administrator and grant us full access to your Networking Media Sites and accounts. You shall not make any posting or other contribution to a Networking Media Site relating to us, the System, the Proprietary Marks, or the Franchised Business that (a) is derogatory, disparaging, or critical of us, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the Proprietary Marks, or (d) violates our policies relating to the use of Networking Media Sites. We shall have the right to require that you not have any Website other than the webpage(s), if any, made available on our Website. However, if we approve a separate Website for you (which we are not obligated to approve; and, which approval, if granted, may later be revoked by us), then each of the following provisions shall apply:

8.8.1 You specifically acknowledge and agree that any Website owned, established, or maintained by or for your benefit shall be deemed “advertising” under this Agreement and will be subject to, among other things, our prior review and approval. Notwithstanding, the costs to establish and maintain this Website shall not apply toward your required minimum advertising expenditure requirements set forth in Section 12.1 or Section 12.2 hereof;

8.8.2 Before establishing any Website, you shall submit to us, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner we may reasonably require;



8.8.3 If approved, you shall not materially modify such Website without our prior written approval as to such proposed modification;

8.8.4 You shall comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing;

8.8.5 If required by us, you shall establish such hyperlinks to our Website and other Websites as we may request in writing; and

8.8.6 You must include us as an administrator and grant us full access to your Website.

8.8.7 In consideration of the granting of a franchise to you and other valuable consideration given by us, you assign to us all telephone numbers, websites, domains, social media profiles, Google My Business directory listings, and any other collateral, profiles, online presences, or other 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 customers 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 \_\_\_\_\_.

8.9 Domain Names. You acknowledge and agree that if we grant our approval for your use of a generic, national, and/or regionalized domain name, we shall have the right to own and control said domain name at all times and may license it to you for the term of this Agreement on such terms and conditions as we may reasonably require (including, but not limited to, the requirement that you reimburse us our costs for doing so). If you already own any domain names, or hereafter register any domain names, then you agree that you shall notify us in writing and assign said domain names to us and/or a designee that we specify in writing.

8.10 Online Use of Proprietary Marks and E-mail Solicitations. You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium, except as set forth in the Operations Manual. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such email advertisements or solicitations; and (b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”).

8.11 No Outsourcing without Prior Written Approval. You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without our prior written approval. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is provided by us. The provisions of this Section 8.11 are in addition to and not instead of any other provision of this Agreement.

8.12 Changes to Technology. You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Agreement were periodically revised by us for that purpose.

## **9. CONFIDENTIAL OPERATIONS MANUAL**

9.1 Standards of Operation. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you shall operate the MOSQUITO SHIELD Business in accordance with the standards, methods, policies, and procedures specified in the Operations Manual. Upon your completion of the Initial Training Program to our satisfaction, we will either lend you one (1) paper copy of our Operations Manual or provide you with electronic access to the Operations Manual (via Internet, extranet, or other electronic means) for your use during the term of this Agreement only. The Operations Manual may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and videotapes.

9.2 Confidentiality. You shall treat the Operations Manual, any other manuals created for or approved for use in the operation of the MOSQUITO SHIELD Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential pursuant to Section 10 below. You shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Exclusive Property. The Operations Manual shall remain the sole property of us and shall be kept in a secure place on the Premises. If any paper copy of the Operations Manual provided by us is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then-applicable charge.

9.4 Revisions to Operations Manual. We may from time to time revise the contents of the Operations Manual, and you expressly agree to comply with each new or changed standard. You shall ensure that the Operations Manual is kept current at all times. We have the right to maintain all or any portions of the Operations Manual in written or electronic form, including, without limitation, on one or more Website. If we maintain the Operations Manual in electronic form or on one or more Website, you agree (a) to install, maintain, and upgrade continually throughout the term of this Agreement and as required by us in the

Operations Manual and in writing from time to time, at your sole expense, the highest-speed Internet connection available to provide access to such portions of the Operations Manual; (b) to make one copy of such portion of the Operations Manual and to maintain such copies and their contents as secret and confidential; and (c) you and none of your principals or employees shall make any electronic copy of any portion of the Operations Manual. In the event of any dispute as to the contents of the Operations Manual, the terms of the master electronic copy (or, if unavailable, the paper copy) maintained by us at our home office shall be controlling.

## **10. CONFIDENTIAL INFORMATION**

10.1 Confidential Information. You shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation, the Operations Manual, the Mosquito Shield Protection Blend, control products or their ingredients, knowledge of specifications for and suppliers of certain goods, services, equipment, materials and supplies, product costs, accounting methods, including both paper and electronic spreadsheets, knowledge of the operating results and financial performance of other MOSQUITO SHIELD businesses, your customer lists, customer accounts, and customer information, whether developed by us, you independently, or with our assistance, management tools, or advertising which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement (“Confidential Information”). You shall divulge such Confidential Information only to such of your employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Confidentiality Agreements. You shall require your Operations Manager, technicians, and other personnel having access to any of our Confidential Information to execute non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by, affiliation or independent contractor relationship with you at the MOSQUITO SHIELD Business. Such covenants shall be in the form attached hereto as Attachment 4.

10.3 Irreparable Injury. You acknowledge that any failure to comply with the requirements of this Section 10 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys’ fees incurred by us in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, or such other relief sought by us.

## **11. ACCOUNTING AND RECORDS**

11.1 Weekly Gross Sales. You shall record all sales on a point-of-sale recordkeeping and control system designated by us, or on any other equipment specified

by us in the Operations Manual or otherwise in writing. We shall have the right to access any business information or data collected and generated on your point-of-sale system and we may require you to use an accountant approved by us in advance. If we request in writing, you shall maintain a weekly record of all Gross Sales on a spreadsheet provided by us, or by such other means designated by us at our sole discretion and shall provide us with such weekly record no later than the fifth (5<sup>th</sup>) day of each calendar month, or as frequently as requested, in the form we prescribe, via facsimile or electronically.

11.2 Other Reports. If we request in writing, you shall, at your expense, submit to us in the form we prescribe, the following reports, financial statements, and other data:

11.2.1 Within five (5) days after their filing, copies of all signed sales tax returns for the MOSQUITO SHIELD Business and, upon request from us, copies of the canceled checks for the required sales taxes;

11.2.2 Within thirty (30) days after the end of each fiscal quarter, an unaudited profit and loss statement for the MOSQUITO SHIELD Business for the immediately preceding fiscal quarter and a year-to-date balance sheet and profit and loss statement as of the end of such fiscal quarter;

11.2.3 Within ninety (90) days after the end of the MOSQUITO SHIELD Business' fiscal year, reviewed annual profit and loss and source and use of funds statements and a reviewed balance sheet for the MOSQUITO SHIELD Business as of the end of such fiscal year signed by you or your principal operating officer or operating partner;

11.2.4 Within ten (10) days after our request, exact, signed original copies of federal and state income tax returns of the MOSQUITO SHIELD Business and other tax returns, and such other forms, records, books and other information that we may periodically require;

11.2.5 Within thirty (30) days after the end of each calendar month, a copy of the MOSQUITO SHIELD Business' monthly operating account bank statement;

11.2.6 Within five (5) days of your receipt, you must provide us a copy of any legal notices, legal claims, legal demands, legal proceedings, legal actions, or other litigation, regulatory or administrative proceedings, or similar matters involving you or potentially relating to or relevant to us; and

11.2.7 Such other forms, reports, records, information, and data as we may reasonably designate from time to time or as may be described in the Operations Manual.

11.3 Recordkeeping. You shall prepare, and shall preserve for at least three (3) years from the dates of their preparation complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by us in the Operations Manual or otherwise from time to time in writing, including but not limited to: (a) receipts journals; (b) disbursements and weekly payroll journals and schedules; (c) general ledgers; (d) monthly bank statements, daily deposit slips, and cancelled check©(e) all tax returns; (f) suppliers' invoices (paid and unpaid); (g) monthly fiscal period balance sheets and fiscal period profit and loss statements; and (h)

such other records as we may from time to time require in the Operations Manual or otherwise in writing.

11.4 Inspection and Audit. We, along with our designated agents, shall have the right at any time during regular business hours to examine, copy, and/or personally review at our expense, your books, records, accounts, and tax returns. We shall have the right at all reasonable times to remove such books, records, accounts and tax returns for copying. We shall also have the right, at any time, to have an independent audit made of your books and records. If an inspection or audit should reveal that any income or sales have not been reported or have been understated by two percent (2%) or more in any report to us, then you shall immediately pay to us the amount underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, plus all of our costs and expenses in connection with the inspection or audit, including, without limitation, travel costs, lodging and wage expenses, and reasonable accounting and legal fees and costs. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or otherwise at law or in equity.

Failure to deliver any of the required or requested records including books, tax returns, banking or other financial institution statements, records of other businesses owned, records of revenue or business done, invoices, receipts, or other reports will result in you incurring a per-day fee for non-reporting in the amount of \$25.00 per report or record, per day. When you have made delivery of the requested records or reports, such fee shall cease to be incurred.

## **12. ADVERTISING AND PROMOTION**

Recognizing the value of advertising, marketing, and promotion, and the importance of the standardization of advertising, marketing, and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 Opening and Initial Advertising and Promotion. You shall conduct local marketing and promotion for the opening of the MOSQUITO SHIELD Business within the first sixty (60) days that the MOSQUITO SHIELD Business is in operation (or at such other time as we require in writing), and shall expend, for such purpose, a minimum of Thirty-Five Thousand Dollars (\$35,000) or more, in our discretion, if your MOSQUITO SHIELD Business includes multiple territories or has an extended season. In addition, you shall expend Five Thousand (\$5,000) to Fifteen Thousand Dollars (\$15,000) in the same calendar year for additional local marketing and promotion. You are also required to purchase a trade show display and promotional materials within ninety (90) days of signing this Agreement. Such initial local marketing and promotion will utilize the marketing and public relations programs and media and advertising materials we have furnished to you or approved. We have the right, in our sole discretion, to specify the form, manner, and timing of such

advertising and promotion. The initial local marketing expenditures are in addition to the expenditures required by Sections 12.2 and 12.3.

12.2 Local Marketing, Advertising, and Promotion. In addition to the advertising required under Sections 12.1 and 12.3 hereof, in each calendar year after the first calendar year that your MOSQUITO SHIELD Business is open for business, you must spend a minimum of the greater of (a) Thirty-Five Thousand Dollars (\$35,000) or (b) five percent (5%) of Gross Sales, on local marketing, advertising, and promotion in such manner as we may, in our sole discretion, direct in the Operations Manual or otherwise in writing from time to time. Upon our request, you shall provide satisfactory evidence of all local advertising and promotion expenditures in such manner as we shall direct in the Operations Manual or otherwise in writing from time to time. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts into the Brand Fund.

12.3 MOSQUITO SHIELD Brand Fund. During the term of this Agreement, you shall contribute monthly 2% of Gross Sales for the preceding month to the Brand Fund. Amounts due under this Section 12.3 shall be payable in the same manner as the Royalty fee described in Section 4.5. All contributions to the Brand Fund shall be in addition to the expenditures required by Sections 12.1 and 12.2 hereof. The Brand Fund shall be maintained and administered by us as follows:

12.3.1 We shall direct all advertising, marketing, and promotional programs, and have sole discretion over all aspects of such programs, including but not limited to concepts, materials, and media used in such programs, and the placement and allocation thereof. You agree and acknowledge that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and that we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to make expenditures in your geographical area, or to ensure that you benefit directly or on a pro rata basis from expenditures or activities of the Brand Fund;

12.3.2 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including, but not limited to, the costs of preparing and conducting radio, television, print, and Internet-based advertising campaigns; developing, maintaining, and updating a World Wide Web site for the MOSQUITO SHIELD brand and System on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; purchasing point-of-purchase materials; and providing promotional and other marketing materials and services to the businesses operating under the System. The Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved by us in advance, which products, services, or improvements we shall have the right to determine will promote general public awareness of and favorable support for the System. The Brand Fund may furnish you with samples of advertising, marketing, and promotional materials and formats and other materials at no additional cost to you when we, in our sole discretion, deem appropriate;

12.3.3 You shall contribute to the Brand Fund, in accordance with this Section 12.3. The Brand Fund will not be used to defray any of our general operating expenses, except we retain the right to obtain reimbursement from the Brand Fund for our out-of-pocket costs and expenses incurred in administering the Brand Fund, for monies contributed to the Brand Fund to reimburse us for administrative costs and overhead incurred by us in any activities related to the administration of the Brand Fund and its programs, and a pro rata portion of the salaries of personnel who spend time on Brand Fund-related matters. The Brand Fund and any earnings thereon shall not otherwise inure to our benefit. We may spend, on behalf of the Brand Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all MOSQUITO SHIELD businesses to the Brand Fund in that year and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be used to pay advertising costs before other assets of the Brand Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Brand Fund and furnish the statement to you upon written request. We have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate and such successor entity will have all of the rights and duties specified herein. We shall maintain separate bookkeeping accounts for the Brand Fund.

12.3.4 You acknowledge that the Brand Fund is not a trust or one of our assets and that we are not a fiduciary to you with respect to, or a trustee of, the Brand Fund or the monies therein; and

12.3.5 The Brand Fund is intended to be of perpetual duration. However, we maintain the right to terminate, or suspend for a period of time at our discretion, the Brand Fund. The Brand Fund may not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to its contributors on the basis of their respective contributions.

12.4 Advertising Cooperative. We reserve the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”), and to determine whether a Cooperative is applicable to the MOSQUITO SHIELD businesses. If a Cooperative has been established in your area prior to opening the MOSQUITO SHIELD Business, you shall become a member of the Cooperative no later than thirty (30) days after opening the MOSQUITO SHIELD Business. If a Cooperative is established subsequent to your opening of the MOSQUITO SHIELD Business, you shall become a member of the Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If your MOSQUITO SHIELD Business is within the area of primary responsibility of more than one Cooperative, you shall not be required to be a member of more than one Cooperative within that APR.

12.4.1 Each Cooperative shall be organized and governed in a form and manner, shall commence operation on a date, and shall operate pursuant to written governing documents, all of which must be approved in advance by us in writing;

12.4.2 Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising;

12.4.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials shall be submitted to us in accordance with the procedures set forth in Section 12.9 hereof;

12.4.4 Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; provided, however, that you shall not be required to contribute to any Cooperative in excess of Twenty-Five Thousand Dollars (\$25,000) per calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Your payments made under this Section 12.4.4 shall be credited towards the expenditures you are required to make under Section 12.2 hereof and shall be in addition to the requirements of Section 12.1 and 12.3 hereof;

12.4.5 Each member franchisee shall submit to the Cooperative, no later than the first Friday of each month, for the preceding fiscal month, its contribution as provided in Section 12.4.4 hereof, together with such other statements or reports as may be required by us or by the Cooperative with our prior approval. All contributions to the Cooperative shall be forwarded by the Cooperative to us, and we shall expend such monies as directed by the duly elected representative of the Cooperative;

12.4.6 We, in our sole discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating the reasons supporting such exemption. Our decision concerning such request for exemption shall be final; and

12.4.7 We shall have the power to require the Cooperative to be formed, changed, dissolved, or merged.

12.5 Advertising Materials. All advertising and promotion by you shall be in such media and of such type and format as we may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as we may specify. You shall not use any advertising or promotional plans or materials unless and until you have received written approval from us as described in Section 12.6. We reserve the right to require that all advertising and promotions be ordered directly through us, an affiliate or approved supplier.

12.6 Approval of Advertising Materials. You shall submit to us samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that you desire to use and that have not been prepared or previously approved by us within the preceding six (6) months (as provided in Section 21 hereof), for our prior approval. You shall not use such plans or materials until they have been approved in writing by us. If written notice of disapproval is not received by you from us within fourteen (14) days of the date of receipt by us of such samples or materials, we shall be deemed to have approved them. If we require it, you must order all advertising and promotion through us, our affiliate or our designated supplier.



## 13. INSURANCE

13.1 Minimum Insurance Requirements. You shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at your expense, an insurance policy or policies protecting you, us, and the parties' respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the MOSQUITO SHIELD Business, including, but not limited to, commercial general liability insurance (including products/completed operations), personal injury coverage, public liability insurance, property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of the MOSQUITO SHIELD Business and its contents), specialty coverage to protect against injury or death from product application, casualty insurance, business interruption insurance, statutory workers' compensation and employer's liability insurance, and automobile insurance coverage for all Vehicle(s) and other vehicles used in connection with the operation of the MOSQUITO SHIELD Business. Such policy or policies shall be written by a responsible carrier or carriers acceptable to us with an AM Best rating of "A" or higher. The commercial general liability policy shall name us and our subsidiaries and affiliates as additional insureds, specifically including additional insured rights within the completed operations coverage grant and including coverage that indemnifies us and holds us harmless. All other policies shall provide us with thirty (30) days' notice of cancellation. All policies shall provide at least the types and minimum amounts of coverage specified in the Operations Manual. We shall have the right, from time to time, to make such changes in minimum policy limits and endorsements in the Operations Manual or otherwise in writing as it may determine in its reasonable discretion.

13.2 Non-waiver. Your obligation to obtain and maintain the policy or policies in the amounts specified in the Operations Manual shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 20.3 of this Agreement.

13.3 Franchisor Entitled to Recover. All public liability and property damage policies shall contain a provision that we, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents or employees by reason of the negligence of you or your servants, agents or employees.

13.4 Certificates of Insurance. Prior to the commencement of any operations under this Agreement, and thereafter at least thirty (30) days prior to the expiration of any policy, you shall deliver to us Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to us in the event of material alteration to or cancellation of the coverages evidenced by such Certificates.

13.5 Our Right to Procure Insurance. Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in the Operations Manual or otherwise in writing, we shall have the right and authority (but not the obligation) to procure and maintain such insurance in your name and to charge the same to you, which charges, together with our reasonable expenses in so acting, shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

## 14. TRANSFER OF INTEREST

14.1 Our Right to Transfer. We shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any of our designated assignee(s) shall become solely responsible for all of our obligations under this Agreement from the date of assignment. You shall execute such documents of attornment or other documents as we may request.

14.2 Your Conditional Right to Transfer. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or, if you are a corporation, partnership, or limited liability company, your principals') business skill, financial capacity and personal character. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in you or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the Franchised Business without our prior written consent. Any purported assignment or transfer not having our written consent required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which we may immediately terminate without opportunity to cure pursuant to Section 15.2.7 of this Agreement. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

14.3 Conditions of Transfer. You shall notify us in writing of any proposed transfer of this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the Franchised Business, at least forty-five (45) days before such transfer is proposed to take place. We shall not unreasonably withhold our consent to any transfer. We may, in our sole discretion, require any or all of the following as conditions of its approval:

14.3.1 That all of your accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

14.3.2 That you and your affiliates are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or your affiliates and us or our affiliates;

14.3.3 That the consideration or payment terms offered by a proposed Transferee are not excessive or unreasonable, based on the Gross Sales or the gross sales of other MOSQUITO SHIELD businesses, in our reasonable business judgment;

14.3.4 That the transferor shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and their respective officers, directors, agents, shareholders, and employees;

14.3.5 That the transferor and transferee have executed a mutual general release, relieving all claims against each other, excluding only such claims relating to any provision or covenant of this Agreement which imposes obligations beyond the expiration of this Agreement;

14.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

14.3.7 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) demonstrate to our satisfaction that it meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; has adequate financial resources and capital to operate the Franchised Business;

14.3.8 That the transferee execute, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, our then-current form of franchise agreement and other ancillary agreements (including a personal guaranty to be executed by the transferee's principals and/or spouse) as we may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee, brand fund contribution and other fees, as determined by us, except that the transferee shall not be required to pay any initial franchise fee and your Area of Primary Responsibility shall remain the same;

14.3.9 That you remain liable for all of the obligations to us in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by us to evidence such liability;

14.3.10 That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to us), at the transferee's expense, have successfully completed any training programs then in effect upon such terms and conditions as we may reasonably require and pay us the then-current training fee;

14.3.11 That we approve the terms and conditions of the transfer agreement between you and transferee;

14.3.12 That transferee does not finance more than eighty-five percent (85%) of the total purchase price, and that transferee expressly, in writing, subordinates all third-party interests (other than that of your primary lender) in the Franchised Business to our interests; and

14.3.13 That you pay to us a transfer fee equal to Ten Thousand Dollars (\$10,000.00); however, in the case of a transfer to a corporation or limited liability company formed by you, and in which you own all of the shares or membership interest, for the convenience of ownership (as determined by us in our sole discretion), no such transfer fee shall be required. Note, any sales commission owed as a result of your transfer shall remain your obligation, in addition to the Transfer Fee.

14.4 No Security Interest. You shall not grant a security interest in the MOSQUITO SHIELD Business or in any of the assets of the MOSQUITO SHIELD Business without our express written consent. If we consent to such security interest, such consent shall be conditioned on, among other things, the secured party's agreement that in the event of any default by you under any documents related to the security interest, we shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any of default by you, and, in the event we exercise such option, any acceleration of indebtedness due to your default shall be void. In the event we cure any such default by you, you shall reimburse us all amounts paid by us to cure the default, plus all costs and expenses incurred by us to cure such default, and you shall be deemed in default of this Agreement.

14.5 Our Right of First Refusal. If any party holding any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, you shall notify us as provided in Section 14.3 hereof, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of our election to purchase. If we elect not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by us at our expense, and the appraiser's determination shall be binding.

14.6 Death or Incapacity. Upon the death, physical or mental incapacity of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of

such person shall transfer such interest to a third party approved by us within six (6) months after such death or incapacity. We shall have the right to determine, in our reasonable business judgment, the mental or physical incapacity of you or of any individual holding an interest in you. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by us within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, we may terminate this Agreement, pursuant to Section 15.2.7 hereof.

14.7 Non-waiver. Our consent to a transfer of any interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

## **15. DEFAULT AND TERMINATION**

15.1 Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you or opportunity to cure, if: You become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law should be instituted by or against you; a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Notice Without Opportunity to Cure. In addition to the foregoing, upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner provided under Section 23 hereof):

15.2.1 If you fail to open and operate the MOSQUITO SHIELD Business within the time limits provided in Section 5.4 hereof;

15.2.2 If you or the other individuals identified in Section 6.1 fail to complete the Initial Training Program to our satisfaction, or fail to attend additional training as described in Section 6.3 hereof;

15.2.3 If you customize or otherwise alter your Vehicle without our prior approval;

15.2.4 If you at any time cease to operate or otherwise abandon the Franchised Business for five (5) or more consecutive days, or lose the right to possession of the Premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; however, if, through no fault of your own, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you shall have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld;

15.2.5 If you fail to attain or exceed the Minimum Gross Sales requirements set forth in Section 7.3 hereof;

15.2.6 If you, or any of your principals, officers, or directors, are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein; or if you or any of your principals, officers, or directors, commit any acts or engage in any behavior that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein, including but not limited to conduct that is fraudulent, unfair, unethical, or deceptive;

15.2.7 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business;

15.2.8 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business is made to any third party without our prior written consent, or otherwise contrary to the terms of Section 14 hereof;

15.2.9 If an approved transfer is not effected within the time provided following death or mental or physical incapacity, as required by Section 14.6 hereof;

15.2.10 If you fail to comply with the covenants in Section 17.2 hereof or fail to obtain execution of the covenants required under Section 10.2 hereof;

15.2.11 If, contrary to the terms of Sections 9 or 10 hereof, you disclose or divulge the contents of the Operations Manual or other confidential information provided to you by us;

15.2.12 If you intentionally under-report Gross Sales;

15.2.13 If you knowingly maintain false books or records or submit any false reports or other documentation (including your application for this franchise) to us;

15.2.14 If you misuse or make any unauthorized or improper use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated therewith or our rights therein; or if you fail to utilize the Proprietary Marks solely in the manner and for the purposes directed by us;

15.2.15 If you refuse to permit us to inspect the Premises, or the books, records or accounts of you upon demand as provided for herein;

15.2.16 If you, after curing any default pursuant to Section 15.3 hereof, commit the same default again, whether or not cured after notice;

15.2.17 If you sell our use products not previously approved by us, or purchase any product from a supplier not previously approved by us;

15.2.18 If you (or any of your owners) have made any material misrepresentation to us or any other party or omission in connection with your purchase of the Franchised Business;

15.2.19 If we cure any default by you pursuant to Section 14.4 hereof;

15.2.20 If you have insufficient funds in your bank account to pay any amount payable hereunder on three (3) or more occasions in any twelve (12) month period;

15.2.21 If you commit three (3) or more curable defaults in any twelve (12) month period, whether or not timely cured; or

15.2.22 If you commit two (2) or more of the same default in any twelve (12) month period, whether or not timely cured.

15.3 Notice with Opportunity to Cure. Except as otherwise provided in Sections 15.1 and 15.2 of this Agreement, upon any other default by you, we shall give you written notice of such default (in the manner set forth under Section 23 hereof) and an opportunity to cure such default within thirty (30) days (or such shorter period specified below) of your receipt of such notice. We shall have the right to terminate this Agreement immediately upon notice to you if you fail to cure any default to our satisfaction, and provide proof thereof, within the thirty (30) day period (or such shorter period specified below). If applicable law requires a longer cure period, such period shall apply to our notice. Defaults which are susceptible of cure hereunder include the following illustrative events:

15.3.1 If you fail to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Operations Manual, or fail to carry out the terms of this Agreement in good faith;

15.3.2 If you fail, refuse or neglect promptly to pay any monies owing to us or our affiliates when due, or to submit the financial or other information required by us under this Agreement; cure for such default must be made within a ten-day (10-day) period;

15.3.3 If you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Operations Manual, or otherwise in writing;

15.3.4 Except as provided in Section 15.2.7 hereof, if you fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement;

15.3.5 If, upon inspection by us or a government health inspector, your MOSQUITO SHIELD Business is in violation of the health, safety, or sanitation standards prescribed by us in this Agreement, the Operations Manual, or otherwise in writing, or is in violation of any health or safety law, codes, or regulation;

15.3.6 If you act, or fail to act, in any manner which is inconsistent with or contrary to your lease or sublease for the Premises, or in any way jeopardize your right to renewal of such lease or sublease;

15.3.7 If you engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks (you shall have seven (7) days from your receipt of written notice to cure such default); or

15.3.8 If you fail to comply with all applicable laws, rules and regulations related to the operation of the MOSQUITO SHIELD Business (including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the MOSQUITO SHIELD Business).

15.3.9 Where there is more than one agreement in existence between the parties (or their respective affiliates), you agree that we have the right to treat a material breach or default of any one agreement as a material breach or default of all or any of the other agreements and any such material breach or default of any one agreement shall be treated, in respect of any of the other agreements as a material breach or default of each such agreement

15.4 Limitation of Services or Benefits. If you receive a notice of default issued pursuant to either Section 15.2 or Section 15.3 and fail to cure such default within the time period permitted in such notice, we shall have the right, in our sole discretion, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder in lieu of exercising our right to terminate this Agreement pursuant to its terms, including, without limitation:

15.4.1 To modify or eliminate your Area of Primary Responsibility;

15.4.2 To restrict you or any of your staff attendance at any initial training, continuing training, meetings, workshops, or conventions;

15.4.3 To refuse or permit our affiliate to sell or furnish to you any supplies, products, or advertising and promotional materials used in the Franchised Business;

15.4.4 To refuse to provide you ongoing advice about the operation of the MOSQUITO SHIELD Business;

15.4.5 To refuse any request by you to approve a new supplier; and



15.4.6 To refuse any request by you to approve the use of any advertising or promotional materials.

You agree to hold us harmless with respect to any action taken by us pursuant to this Section 15.4; and you further agree that we shall not be liable for any loss, expense, or damage incurred by you or the MOSQUITO SHIELD Business because of any action we take pursuant to this Section 15.4. Nothing in this Section 15.4 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between the parties; including, without limitation, the right to terminate this Agreement under Sections 15.1, 15.2, and 15.3 hereof. You acknowledge and agree that our exercise of our rights pursuant to this Section 15.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between the parties, and shall not be deemed a breach of any provision of this Agreement by us. Any services or benefits removed, curtailed, or limited pursuant to this Section 15.4 may be reinstated at any time by us in our sole discretion and you hereby agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. You acknowledge and agree that, if we limit any services or benefits under this Section 15.4, you shall continue to pay timely all fees and payments required under this Agreement and any other agreement between you and us, including, without limitation, any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

15.5 In addition to our right to terminate this Agreement and our rights under Section 15.4 above, and not in lieu of such rights or any other rights we may have against you, upon a failure to cure any default within the applicable time period, we have the right, but not the obligation, to enter upon the Premises and exercise complete authority with respect to the operation of the Franchised Business, including the servicing of all existing customers of the Franchised Business, until such time as we determine, in our sole discretion, that the default has been cured, and you are otherwise in compliance with this Agreement. In the event we exercise the rights described in this Section 15.5, you must reimburse us for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchised Business, including, without limitation, costs of personnel for supervising and staffing the Franchised Business and their travel and lodging accommodations. If we undertake to operate the Franchised Business pursuant to this Section, you agree to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of our operation of the Franchised Business.

## **16. OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement for any reason, all rights granted hereunder to you shall forthwith terminate, and:

16.1 Cease Operations. You shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former MOSQUITO SHIELD franchisee. Immediately upon the expiration or termination hereof, you shall dispose of, and not sell, any MOSQUITO SHIELD products, equipment or other items sold hereunder.

16.2 Cease Use of Confidential Information and Proprietary Marks. You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, and all Proprietary Marks and distinctive forms, slogans, signs, symbols, colors, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles that display the Proprietary Marks. You shall de-identify the Premises, the Vehicle(s), and any other vehicles so that there is no use or display of the Proprietary Marks after the effective date of termination or expiration.

16.3 Cancellation of Registrations. You shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by you which contains the mark “MOSQUITO SHIELD”, or any other Proprietary Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Assignment of Lease. You shall, at our option, assign to us any interest which you have in any lease or sublease for the Premises. In the event we do not elect to exercise our option to acquire the lease or sublease for the Premises, you shall make such modifications or alterations to the Premises (including, without limitation, the changing of, and the assigning to us of, the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of the MOSQUITO SHIELD Business under the System, and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with the requirements of this Section 16.4, we shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of you, which expense you agree to pay upon demand.

16.5 Subsequent Use of Proprietary Marks Prohibited. You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in our sole discretion, is likely to cause confusion, mistake or deception, or which, in our sole discretion, is likely to dilute our rights in and to the Proprietary Marks. You further agree not to utilize any designation of origin, description or representation (including but not limited to reference to MOSQUITO SHIELD, the System or the Proprietary Marks) which, in our sole discretion, suggests or represents a present or former association or connection with us, the System or the Proprietary Marks.

16.6 Payment. You shall promptly pay all sums owing to us and our affiliates. In the event of termination due to your default, such sums shall include all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by you and on the Premises operated hereunder at the time of default.

16.7 Return Operations Manual and Confidential Information. You shall immediately deliver to us the Operations Manual, paper and electronic spreadsheets and checklists and all other records, correspondence and instructions containing confidential information relating to the operation of the MOSQUITO SHIELD Business, including, but not limited to, computer software, customer lists, and customer information, all of which are acknowledged to be our property, and shall retain no copy or record of any of the foregoing, with the exception of your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

16.8 Websites. You shall cease use of any MOSQUITO SHIELD business domain name, URL, or home page address, and shall not establish any Website using any similar or confusing domain name, URL, and/or home page address.

16.9 Our Option to Purchase Equipment. We shall have the option, to be exercised within thirty (30) days after termination, to purchase from you any or all of the equipment, signs, inventory, materials, supplies and fixtures related to the operation of the MOSQUITO SHIELD Business at fair market value or at sixty percent (60%) of your original investment, whichever is less; provided, however, that we shall purchase any unopened Mosquito Shield Protection Blend at your purchase price and any opened Mosquito Shield Protection Blend shall only be disposed of in an compliance with all applicable environmental laws and regulations. If the parties cannot agree within such time on the price of any such items, such price shall be determined by agreement of two (2) appraisers, with you and us each selecting one (1) appraiser. In the event the two (2) appraisers cannot agree, they shall choose a third appraiser, whose determination shall be binding. If we elect to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from you, and the cost of the appraisal, if any, against any payment therefor.

16.10 Compliance with Covenants. You shall comply with the covenants contained in Sections 10.1 and 17.3 of this Agreement.

16.11 Assignment of Customer Contracts. You agree to assign all of your customer accounts and contracts to us or to our designee within fifteen (15) days after the effective date of termination or expiration of this Agreement. The assignment shall permit us to collect and retain customer payments past due, in addition to customer payments owed after the date of assignment.

## 17. COVENANTS

17.1 Best Efforts. You covenant that, during the term of this Agreement, except as otherwise approved in writing by us, you (or, if you are a corporation, partnership or limited liability company, one of your principals, general partners or members) shall devote full time, energy, and best efforts to the management and operation of the MOSQUITO SHIELD Business.

17.2 In-Term Covenants. You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training and confidential

information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques used by us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any MOSQUITO SHIELD business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

17.2.2 Own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any pest control business, or complementary service/product line which: (a) is the same as, or substantially similar to, a MOSQUITO SHIELD business or any MOSQUITO SHIELD complementary service/product line that is or is under discussion to be offered at such time; or (b) offers to sell or sells mosquito, tick, flea, or other pest control services or complementary services/products, equipment, products or items which are the same as, or substantially similar to, any of the services, equipment, product or other items offered by a MOSQUITO SHIELD business or MOSQUITO SHIELD complementary service/product line. The prohibitions in this Section 17.2 shall not apply to interests in or activities performed in connection with any other MOSQUITO SHIELD franchise you own or an Existing Business approved by us.

17.3 Post-Term Covenants. You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous, uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Section 14 of this Agreement, (b) expiration of this Agreement, (c) termination of this Agreement (regardless of the cause for termination), or (d) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17.3 (the “Restriction Period”), either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any pest control business or complementary business that: (a)(i) is the same as, or substantially similar to, a MOSQUITO SHIELD business or or MOSQUITO SHIELD complementary service/product line; or (ii) offers to sell or sells mosquito, tick, flea, or other pest control services or complementary services/products, equipment, products or items which are the same as, or substantially similar to, any of the services, equipment, product or other items offered by a MOSQUITO SHIELD business or MOSQUITO SHIELD complementary service/product line; and (b) is, or is intended to be, located at or within:

17.3.1 your Area of Primary Responsibility;

17.3.2 Twenty (20) miles of the Approved Location; or

17.3.3 Twenty (20) miles of any business operating under the System and the Proprietary Marks, or

You further covenant that, except as otherwise approved in writing by us, during the Restriction Period, you shall not divert or attempt to divert any past, present or prospective business or customer of any MOSQUITO SHIELD business (including yours) to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

The prohibitions of Sections 17.2.2 and 17.3 shall not apply to your interests in or operation of a MOSQUITO SHIELD Business under a written Franchise Agreement.

17.4 No Application to Equity Securities. Sections 17.22 and 17.3 shall not apply to ownership by you of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

17.6 Compliance with Anti-Terrorism Laws. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the “Executive Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Executive Order. Accordingly, you represent and warrant to us that as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you, are designated under the Executive Order as a person with whom business may not be transacted by us, and that you (a) do not, and hereafter shall not, engage in any terrorist activity; (b) are not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (c) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

17.7 No Defense. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 17. You agree to pay all costs and expenses (including reasonable attorneys’ fees) incurred by us in connection with the enforcement of this Section 17.

17.8 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 17 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

such covenant that imposes the maximum duty on you permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 17.

17.9 Irreparable Injury. You acknowledge that your violation of any of the terms of this Section 17 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 this Section 17.

17.10 Our Costs and Expenses. You shall pay us all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provision of this Section 17.

## **18. CORPORATE, PARTNERSHIP OR LIMITED LIABILITY COMPANY FRANCHISEE**

18.1 Franchisee Corporation. If you are a corporation, you shall comply with the following requirements:

18.1.1 You shall be newly organized and your charter shall at all times provide that its activities are confined exclusively to operating the Franchised Business;

18.1.2 Copies of your Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to us;

18.1.3 You shall maintain stop-transfer instructions against the transfer on your records of any equity securities; and shall issue no certificates for voting securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with Mosquito Shield Franchise, LLC, dated . Reference is made to the provisions of the said Franchise Agreement and to the Articles and Bylaws of this Corporation.

Notwithstanding the above, the requirements of this Section 18.1.3 shall not apply to a "publicly-held corporation." A "publicly-held corporation" for purposes of this Agreement shall mean a corporation registered pursuant to the Securities and Exchange Act of 1934; and

18.1.4 You shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of you and shall furnish the list to us upon request.

18.2 Franchisee Partnership. If you or any of your successors or assignees are a partnership, you shall comply with the following requirements:

18.2.1 You shall be newly organized and shall furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto;

18.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

18.2.3 You shall prepare and furnish to us, upon request, a list of all your general and limited partners.

18.3 Franchisee Limited Liability Company. If you or any of your successors or assignees are a limited liability company, you shall comply with the following requirements:

18.3.1 You shall be newly organized and the articles of incorporation must at all times provide that your activities are confined exclusively to operating the Franchised Business;

18.3.2 You shall furnish us with a copy of the articles of organization and operating agreement as well as such other governing documents as we may reasonably request, and any amendments thereto;

18.3.3 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

18.3.4 You shall prepare and furnish to us, upon request, a list of your members or parties that hold any ownership interest in you.

18.4 Guaranty. If any Franchisee Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, the form attached hereto as Attachment 5.

18.5 Disclosure. If you are a corporation, partnership or limited liability corporation, you must complete the Disclosure of Franchisee Owners attached to this Franchise Agreement as Attachment 6. You shall notify us of any changes to any of your shareholders, partners or members ("Franchisee Owners"). You acknowledge that a change in the identity or ownership percentage of any Franchisee Owner shall constitute a Transfer and is governed by Section 14 of this Agreement.

## **19. TAXES, PERMITS, AND INDEBTEDNESS**

19.1 Payment of Taxes. You shall promptly pay when due all taxes levied or assessed, including, without limitation, employer's portion of employment-related taxes (FICA, Medicare and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by you in the operation of the Franchised Business.

19.2 Contesting Taxes. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises or any Vehicle, or any improvements thereon.

19.3 Permits and Licenses. You shall comply with all federal, state, and local laws, rules, and regulations, including without limitation, the applicable provisions of the ADA regarding the design and operation of the Franchised Business and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, occupancy licenses, sales tax permits, construction permits, health permits, building permits, handicap permits and fire clearances.

19.4 Notification of Adverse Action. You shall immediately notify us in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

## **20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

20.1 Independent Contractor. The parties agree that this Agreement does not create a fiduciary relationship between them for any purpose, and acknowledge that you shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement with us. You agree to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Premises and in or on the Vehicle(s), the content of which we reserve the right to specify or approve. You acknowledge and agree that our usual business is the offering and selling rights to operate MOSQUITO SHIELD businesses using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to MOSQUITO SHIELD franchisees, and, accordingly, our usual business is different from your usual business of operating a MOSQUITO SHIELD pest control business.

20.2 No Authority to Contract. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall we be liable by reason of any act or omission by you in your operation of the business franchised hereunder or for any claim or judgment arising therefrom against you or us.



20.3 Indemnification. You shall indemnify and hold us and our affiliates, and their respective officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with your operation of the MOSQUITO SHIELD Business, the business conducted under this Agreement, the Vehicle(s), the Approved Location, or your breach of this Agreement, including, but not limited to, those alleged to be caused by our negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event we incur any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agree that your indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude us from choosing our own legal counsel to represent us in any lawsuit or other dispute resolution.

## **21. APPROVALS AND WAIVERS**

21.1 Approval and Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefor, and such approval or consent must be obtained in writing.

21.2 No Warranties or Guarantees. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No Waiver. No failure by us to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms hereof. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission by us to exercise any power or right arising out of any breach of default by you of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Our subsequent acceptance of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants, or conditions of this Agreement.

## **22. GRANT OF SECURITY INTEREST**

As security for the payment of all amounts from time to time owing by you to us under this Agreement and all other agreements between the parties, and performance of all obligations

to be performed by you, you hereby grant to us a security interest in all of the assets of your MOSQUITO SHIELD Business, including, without limitation, all equipment, Vehicle(s), furniture, and fixtures, as well as all proceeds of the foregoing, customer contracts and accounts receivable (the "Collateral"). You warrant and represent that the security interest granted hereby is prior to all other security interests held by financial institutions, if any. You agree not to remove the Collateral, or any portion thereof, from the Premises without our prior written consent. Upon the occurrence of any event entitling us to terminate this Agreement or any other agreement between the parties, we shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the Franchised Business is located, including, without limitation, the right to take possession of the Collateral. You agree to execute and deliver to us financing statements or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of receipt by you of such documents from us. Any notices delivered or mailed in accordance with Section 23 hereof at least fifteen (15) days prior to disposition of the Collateral, or any portion thereof, and, in reference to a private sale, need state only that you intend to negotiate such a sale.

### **23. NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including, without limitation, private delivery or courier service), which shall not include electronic communication, such as email, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Us: Mosquito Shield Franchise, LLC  
500 E. Washington Street, #24  
North Attleboro, MA 02760  
Attn: Michael Moorhouse, President

Notices to You: at the address specified on the Data Sheet

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

### **24. ENTIRE AGREEMENT**

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between the parties concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced you to execute this Agreement. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in

writing. Nothing in this Agreement or in any related agreement between you and us is intended to disclaim the representations in our Franchise Disclosure Document or any exhibits or attachments thereto.

## **25. SEVERABILITY AND CONSTRUCTION**

25.1 Severability. If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

25.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to Sections 10, 17, and 26.

25.3 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, shareholders, agents, and employees, and such of our successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.

25.4 Promises and Covenants. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

25.5 Captions and Headings. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

## **26. APPLICABLE LAW AND DISPUTE RESOLUTION**

26.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Utah. In the event of any conflict of law, the laws of Utah shall prevail, without regard to the application of Utah conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Utah and if you are located outside of Utah and such provision would be enforceable under the laws of the state

in which you are located, then such provision shall be interpreted and construed under the laws of that state.

**26.2 Mediation.** Except as otherwise provided herein, if a dispute arises out of or relates to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the making, interpretation, or performance of either party under this Agreement, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association before resorting to litigation or some other dispute resolution procedure. Such mediation shall take place before a sole mediator at a location nearest to our principal business address or at such other location as determined by us in our sole discretion. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between the parties. The parties hereto agree that mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of you that is more than forty five (45) days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of our confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of this Agreement or (e) any action by us to enforce the covenants set forth in Section 17 of this Agreement.

**26.3 Jurisdiction and Venue.** Any action that is not subject to, or cannot be resolved through, mediation under Section 26.2, whether or not arising out of, or relating to, this Agreement shall be brought exclusively in Utah County, Utah. You hereby irrevocably consent to the exclusive jurisdiction and venue therein and waive all objections to personal jurisdiction or venue for purposes of this Section 26.3 and agree that nothing in this Section 26.3 shall be deemed to prevent us from removing an action from state court to federal court.

**26.4 No Exclusivity.** No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

**26.5 Injunctive Relief.** Nothing herein contained (including, without limitation, Sections 26.2 and 26.3 above) shall bar our right to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause us loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

**26.6 Limitation of Claims.** You agree that any and all claims by you against us arising out of, or relating to, this Agreement may not be commenced by you unless brought before the earlier of (a) the expiration of one (1) year after the act, transaction, or occurrence upon which such claim is based, or (b) one (1) year after this Agreement expires or is terminated for any reason. You agree that any claim or action not brought within the period required under this Section 26.6 shall forever be barred as a claim, counterclaim, defense, or set off.

26.7 Our Costs and Expenses. Except as expressly provided by Section 26.2 hereof, you shall pay all expenses, including attorneys' fees and costs, incurred by us, our affiliates, and our successors and assigns (a) to remedy any of your defaults of, or enforce any of our rights under, this Agreement; (b) to effect termination of this Agreement; and (c) to collect any amounts due under this Agreement.

26.8 WAIVER OF RIGHT TO A JURY AND PUNITIVE DAMAGES. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

26.8.1 THE PARTIES BOTH EXPRESSLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY OR AGAINST EITHER PARTY; AND

26.8.2 THE PARTIES BOTH EXPRESSLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT WE SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

26.9 NO CLASS ACTIONS. NEITHER WE NOR YOU SHALL SEEK TO LITIGATE OR OTHERWISE PROCEED AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN YOU AND US AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, YOU OR US, UNLESS BOTH YOU AND WE CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

## **27. FORCE MAJEURE**

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, and/or other

casualties; and/or (d) our inability and/or the inability of our affiliates or suppliers to manufacture, purchase, and/or cause delivery of the Mosquito Shield Protection Blend or of any other products used in the operation of the MOSQUITO SHIELD Business; provided, however, that you shall remain obligated to promptly pay all fees due and owing to us hereunder, without any delay or extension.

## **28. ACKNOWLEDGMENTS**

You shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Your acknowledgements are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

*Remainder of Page Intentionally Blank*

The parties hereto have duly executed this Franchise Agreement on the date first above written.

FRANCHISOR:  
MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**ATTACHMENT 1**

**FRANCHISE DATA SHEET**

1. The Effective Date set forth in the introductory paragraph of the Franchise Agreement is:
  
2. The Franchise Owner(s) set forth in the introductory paragraph of the Franchise Agreement \_\_\_\_\_ is:  
  
a(n) individual(s)/business (circle one) with an address of:  
\_\_\_\_\_
  
3. Number of Territories:\_\_\_\_\_.
  
4. The Initial Franchise Fee, referenced in Section 4(a) of the Agreement shall be:  
  
 (check as applicable) \$\_\_\_\_\_
  
- (check as applicable) \$\_\_\_\_\_, Franchisee qualifies for the VetFran program discount as an honorably discharged United States veteran or their spouse.

**FRANCHISOR:**

**FRANCHISEE:**

**MOSQUITO SHIELD FRANCHISE, LLC**

\_\_\_\_\_

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

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

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

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

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

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

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

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



**Attachment 2**

**APPROVED LOCATION & AREA OF PRIMARY RESPONSIBILITY**

(a) **Approved Location.** You, as Franchisee, shall establish and operate your MOSQUITO SHIELD Business at the location set forth below:

(b) **Area of Primary Responsibility.** Your Area of Primary Responsibility is the area described below and you shall operate the MOSQUITO SHIELD Business only within the area set forth below, as described in this Agreement, and as described in the map attached hereto as Attachment 2-1:

(c) **Acknowledgement.** We have not made, and do not make, any representation or forecast about your Approved Location or Area of Primary Responsibility or the success or profitability of your MOSQUITO SHIELD Business.

The parties hereto have duly executed this Attachment on the date(s) set forth herein.

FRANCHISOR:  
MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**Attachment 2-1**

**MAP OF AREA OF PRIMARY RESPONSIBILITY**

**Attachment 3**

**MINIMUM ROYALTIES AND GROSS SALES REQUIREMENTS**

\*For 4 or more territories, Minimum Royalty and Minimum Gross Sales requirements are:

12 - Month Period	Minimum Royalty 4+ Territories	Minimum Required Gross Sales 4+ Territories
1	7% of Minimum Required Gross Sales (next column)	\$45,000 multiplied by the number of territories purchased
2	7% of Minimum Required Gross Sales (next column)	\$120,000 multiplied by the number of territories purchased
3	7% of Minimum Required Gross Sales (next column)	\$220,000 multiplied by the number of territories purchased
4	7% of Minimum Required Gross Sales (next column)	\$340,000 multiplied by the number of territories purchased
5+	7% of Minimum Required Gross Sales (next column)	\$450,000 multiplied by the number of territories purchased

## Attachment 4

### **CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

*Directions.* Each Franchisee employee with access to Franchisor's Confidential Information shall complete and sign one copy of this Confidentiality and Non-Competition Agreement and the Franchisee shall return it to the Franchisor. In consideration of your position or independent contractor relationship with the above Franchisee, you, the undersigned, hereby acknowledge and agree that:

1. **Confidentiality Agreement.** The Franchisee operates a franchised MOSQUITO SHIELD Business (the "Franchised Business") under a franchise agreement with Mosquito Shield Franchise, LLC (the "Franchisor"). During the term of your employment or independent contractor relationship with the Franchisee and for all time thereafter, you agree not to communicate, divulge, or use for the benefit of any person or entity (such as a partnership, association, limited liability company, corporation, or other entity) any confidential information, knowledge, or know-how concerning the training you receive and the methods of operation of the Franchised Business that may be communicated to you by virtue of your employment, affiliation, or independent contractor relationship with the Franchisee. Any and all information, knowledge, know-how, techniques, and other data that the Franchisor designates as confidential shall be deemed confidential for purposes of this Confidentiality and Non-competition Agreement (the "Agreement.")

o. **Non-Competition Agreement.** You agree you will receive certain valuable information about the Franchisor's system of operation (the "System"), and this information would not have been given to you, without your execution of this Agreement. You covenant that while you are employed by, or have an independent contractor relationship with, the Franchisee and for a continuous uninterrupted period of two (2) years beginning when your employment, affiliation or independent contractor relationship with the Franchisee ends, you shall not in any way (directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity): (a) divert or attempt to divert any present or prospective business or customer of any MOSQUITO SHIELD business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor's marks or its System; or (b) own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any business which: (i) is the same as, or substantially similar to, a MOSQUITO SHIELD business; or (ii) offers to sell or sells mosquito, tick, flea, or other pest control services, equipment, products or items which are the same as, or substantially similar to, any of the services, products or other items offered by a MOSQUITO SHIELD business.

p. **Exceptions to the restrictions in this Paragraph 2.** After your termination of employment, affiliation, or independent contractor relationship with the Franchisee, the restrictions in this Paragraph 2 apply only to such a business located within the Area of Primary Responsibility of the Franchisee's MOSQUITO SHIELD business (which you

acknowledge has been explained to you), twenty (20) miles of the Franchisee's MOSQUITO SHIELD business; or twenty (20) miles of any other MOSQUITO SHIELD business. The Franchisor has the right, but not the obligation, at any time, to reduce the scope of any covenant in this Paragraph 2 or any portion of any covenant in this Paragraph 2, without your consent, effective immediately upon receipt by you of written notice; and you shall comply immediately with any covenant as so modified, which shall be fully enforceable without regard to any other provision of this Agreement.

**q. Third-party beneficiary.** You acknowledge and agree that the Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely or jointly with the Franchisee at the Franchisor's sole discretion. Any violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm, and, therefore, the Franchisor or the Franchisee, or both, may apply for the issuance of an injunction preventing you from violating this Agreement in addition to any other remedies it or they may have hereunder, at law or in equity.

**r. Governing law.** This Agreement shall be construed under the laws of the Commonwealth of Utah. Except as provided in Paragraph 3 above, the only way this Agreement can be changed is in a writing signed by the Franchisor, the Franchisee and you.

I have read and understand this Confidentiality and Non-competition Agreement. I agree to be bound by this Confidentiality and Non-competition Agreement. I have a copy of this Confidentiality and Non-competition Agreement.

Witness: \_\_\_\_\_

\_\_\_\_\_

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

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

Phone Number: \_\_\_\_\_

Name and Location of Franchisee of Whom You Are an Employee or Independent

Contractor:

\_\_\_\_\_

Position Held: \_\_\_\_\_

## Attachment 5

### SPOUSE GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on \_\_\_\_\_ (the “Effective Date”) to Mosquito Shield Franchise, LLC, a Delaware limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with \_\_\_\_\_, a(n) \_\_\_\_\_ and \_\_\_\_\_ (collectively “Franchisee”).

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

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

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 10 and 17 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

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

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

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

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

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

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

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

IN WITNESS WHEREOF, Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

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

**Attachment 6**

**DISCLOSURE OF FRANCHISEE OWNERS**

**(To be completed only if Franchisee is a Corporation, Partnership, or LLC)**

Under Section 18.5 of the Franchise Agreement:

**1. Franchisee Owners.** You acknowledge and agree that the following is a complete list of all of the shareholders, partners, or members of Franchisee and the percentage interest of each individual as of the date of the Franchise Agreement:

<u>Name</u>	<u>Position</u>	<u>Percent Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**2. Changes in Franchisee Owners.** You agree to notify in writing the Franchisor of any changes to the Franchisee Owners.



Attachment 7 – General Release  
**WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (“Release”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2022 by Mosquito Shield Franchise, LLC, a Delaware limited liability company (“Franchisor” or “Releasee”) and [Name], an individual (individually and collectively referred to herein as “Releasor” and together with Releasee, the “Parties”).

**WHEREAS**, Franchisor and Releasor have entered into a Franchise Agreement (“Agreement”) pursuant to which Releasor was granted the right to own and operate a Mosquito Shield business;

**WHEREAS**, Releasor has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, to a transferee, and Franchisor has consented to such transfer. and

**WHEREAS**, as a condition to Franchisor’s consent to the transfer, Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor’s consent to the transfer, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Releasor. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Releasor are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

Except as is set forth in this Agreement, or except as provided for under applicable state law, inclusive of the provisions of the Washington Franchise Investment Protection Act found at RCW 19.100, the parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to the Released Parties, and shall extend to all matters, claims, demands, actions, or causes of action of any kind or nature whatsoever which the Releasor may have against

the Released Parties. In furtherance of this intention, the parties acknowledge that they have read and understand the significance and consequences of Section 1542 of the Civil Code of the State of California (and any similar statutes and principles of law in California and other jurisdictions) which provides as follows:

“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.”

Nevertheless, Releasor hereby waives and relinquishes every right or benefit which it has under Section 1542 of the Civil Code of the State of California (and any similar statute and principle of law), and under any similar law of any other applicable jurisdiction, and understands the consequences of such waiver and assumes full responsibility for any injuries, damages, and losses which it may incur in connection with this release. Releasor acknowledges that it may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely, and forever settle and release the Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release, notwithstanding the existence of any such additional or different facts.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor’s express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Utah.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys’ fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

IN WITNESS WHEREOF, RELEASORS have executed this General Release as of the date first above written.

**RELEASORS:**

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[Name]

---

[Name]

By:

Exhibit D  
Certificate of Conversion

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "MOSQUITO SHIELD FRANCHISE CORPORATION" TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "MOSQUITO SHIELD FRANCHISE CORPORATION" TO "MOSQUITO SHIELD FRANCHISE, LLC", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF FEBRUARY, A.D. 2022, AT 1:47 O`CLOCK P.M.



5240067 8100V  
SR# 20220725587

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in black ink, appearing to read "JBULLOCK", written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 202782109  
Date: 02-28-22

**EXHIBIT F**  
**DEPOSIT AGREEMENT**

## DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (this “Agreement”) is made and entered into as of \_\_\_\_\_ (the “Effective Date”) by and between Mosquito Shield Franchise, LLC, a Delaware limited liability company located at 500 E. Washington Street, #24, North Attleboro, Massachusetts, 02760 (“Franchisor”), and \_\_\_\_\_ (“Depositor”), an individual residing at \_\_\_\_\_. Franchisor and Depositor are sometimes referred to herein individually as a “Party” and together as the “Parties”.

### RECITALS

**WHEREAS**, Franchisor is in the business of developing and operating a franchise system of businesses that provide mosquito, tick, flea and other pest control services, under Franchisor’s trademarks, service marks, and system (each a “Franchised Business”);

**WHEREAS**, upon securing appropriate funding, Depositor wishes to become a franchisee under Franchisor’s system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Franchised Business within an agreed-upon territory (the Territory”);

**WHEREAS**, to reserve the Territory, Depositor is willing to place a deposit with Franchisor; and

**WHEREAS**, upon receipt of a deposit, Franchisor is willing to remove the Territory as an available area for franchise sales, in accordance with the terms and conditions of this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. **Deposit.** Upon execution of this Agreement, Depositor shall pay Franchisor the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_) as a non-interest bearing deposit (the “Deposit”). The Deposit shall be refundable to Depositor only if Franchisor terminates this Agreement as provided for in Section 4(a) below; otherwise, the Deposit is non-refundable.
2. **Territory Reservation.** During the \_\_\_\_ (\_\_\_\_) days immediately following the Effective Date (the “Funding Period”), Franchisor shall not offer or sell the Territory set forth on Attachment A hereto to anyone other than Depositor for the purpose of owning and/or operating a Mosquito Shield Franchised Business therein.
3. **Application.** Unless Franchisor terminates this Agreement as provided in Section 4(a), the full amount of the Deposit shall be applied by Franchisor toward payment of the initial franchise fee due under the franchise agreement entered into by the parties.
4. **Termination.**
  - (a) Franchisor and Depositor shall each have the right to terminate this Agreement at any time, with or without cause, by providing

written notice to the other party. If Franchisor terminates this Agreement, Franchisor shall refund the Deposit as provided in Section 2 above.

(b) This Agreement shall terminate at the earlier of: (i) notice from one party to the other, pursuant to Section 4(a), exercising such party's right to terminate, (ii) the parties' execution of a franchise agreement for a Franchised Business, or (iii) the end of the Funding Period.

5. No Franchise Rights. Depositor acknowledges that this Agreement is not a franchise agreement. Depositor has no right to use the Mosquito Shield marks and/or system, and Franchisor has no obligation to provide any products or services to Depositor, by virtue of this Agreement.
6. Acknowledgment. Depositor acknowledges receipt of Franchisor's Franchise Disclosure Document at least fourteen (14) days prior to the Effective Date and payment of the Deposit.
7. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of Utah without regard to its conflict of laws principles.

FRANCHISOR:

DEPOSITOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

Name: Michael Moorhouse

Title: President

\_\_\_\_\_

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

\_\_\_\_\_

**EXHIBIT G**  
**STATE ADDENDA**



**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF CALIFORNIA**

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. 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 FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

3. Item 3 is amended to add:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:

- (a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
- (b) 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.
- (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.
- (d) The Franchise Agreement requires application of the laws of Utah. This provision may not be enforceable under California law.

**ILLINOIS ADDENDUM TO THE MOSQUITO SHIELD FRANCHISE, LLC  
FRANCHISE DISCLOSURE DOCUMENT and FRANCHISE AGREEMENT**

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

(b) To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.

(c) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(d) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

(e) Illinois law governs the agreement(s) between the parties to this franchise.

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

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

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

(d) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(e) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee’s written consent.

(f) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(g) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(h) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(i) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Maryland Franchise Law”). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to, nor shall they act as, a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 5 is amended to state:

Notwithstanding anything to the contrary contained in this Disclosure Document, we will defer collection of all initial fees due to us, including the Initial Franchise Fee, until we complete our pre-opening obligations as listed in Item 11.

3. Item 7 is amended to delete the last sentence of note 13.

4. Item 17 is amended to state:

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

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

**THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT  
WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY  
GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR  
ENDORSEMENT BY THE SECURITIES COMMISSIONER.**

**AMENDMENT TO THE MOSQUITO SHIELD FRANCHISE, LLC  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Mosquito Shield Franchise, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Sections 2.2 or 14.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Sections 4.1, 4.4 and 4.5 of the Franchise Agreement are each hereby amended to further state:

“We will defer collection of the initial fees due to us until we complete our pre-opening obligations to you.”

3. To the extent of any inconsistencies, Section 15.1 of the Franchise Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*)”

4. To the extent of any inconsistencies, Section 26.3 of the Franchise Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

5. To the extent of any inconsistencies, Section 26.6 of the Franchise Agreement is hereby amended to further state:

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

6. To the extent of any inconsistencies, the Franchise Agreement and Attachment 1 Acknowledgement Statement are hereby amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MINNESOTA**

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Item 6, Insufficient Funds Fee, is amended to state:

Pursuant to Minn. Stat. § 604.113, the Insufficient Funds Fee is \$30.00 per occurrence.

2. Item 13 is amended to state:

Pursuant to Minn. Stat. § 80C.12 subd.1(G), we will protect your rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

3. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your MOSQUITO SHIELD Business.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),



**AMENDMENT TO THE MOSQUITO SHIELD FRANCHISE, LLC  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Mosquito Shield Franchise, LLC, Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee’s assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 2.2 or 14.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 2.2 of the Franchise Agreement is hereby amended to state:

“Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, we will give you 180 days’ notice for non-renewal of the Franchise Agreement.”

3. To the extent of any inconsistencies, Section 4.8 of the Franchise Agreement is hereby amended to state:

“We shall have the right to charge you an insufficient funds fee of Thirty Dollars (\$30.00) per occurrence for any required payment by you hereunder that is not paid due to insufficient funds in your bank account.”

4. To the extent of any inconsistencies, Sections 8.2.8 and 20.3 of the Franchise Agreement are hereby amended to state:

“We will protect your rights to use the Proprietary Marks and indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.”

5. To the extent of any inconsistencies, Sections 15.1 through 15.3 of the Franchise Agreement are hereby amended to state:

“Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, we will give you 90 days’ notice of termination (with 60 days to cure)”.

6. To the extent of any inconsistencies, Sections 26.1 through 26.8 of the Franchise Agreement are hereby amended to state:

“We cannot require you to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. You cannot consent to us obtaining injunctive relief. We may seek injunctive relief.”

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

The parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

## **NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as provided above, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as 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 a general partner in 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 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

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.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**AMENDMENT TO THE MOSQUITO SHIELD FRANCHISE, LLC  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Franchise Agreement agree as follows:

1. Section 2.2.8 of the Franchise Agreement, under the heading “Term and Renewal,” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.2.8 You shall execute a general release, in a form prescribed by us, of any and all claims, known or unknown, that you might have against us or our affiliates, or our respective officers, directors, agents, and employees; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 14.1 of the Franchise Agreement, under the heading “Our Right to Transfer” shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Section 14.3.4 of the Franchise Agreement, under the heading “Conditions of Transfer” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

14.3.4 That the transferor shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents, shareholders, and employees; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

4. Section 26.1 of the Franchise Agreement, under the heading “Applicable Law,” shall be amended by adding the following section at the end of the Section:

The foregoing choice of law should not be considered a waiver of any right conferred upon the Licensee by General Business Law of New York State, Sections 680-695.

5. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE  
AGREEMENT  
REQUIRED BY THE STATE OF NORTH DAKOTA**

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* (“NDFIL”). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.
3. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.
3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;
4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;
5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extent prohibited by the NDFIL;
6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.
7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

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The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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



**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of Mosquito Shield Franchise, LLC (“we,” “us,” or “our”) for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled “Choice of law” and “Choice of forum,” shall be supplemented with the following language:

However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

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.”

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

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**AMENDMENT TO THE**  
**FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached Mosquito Shield Franchise, LLC, Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The following language shall be added at the end of Section 21.6 of the Franchise Agreement:

Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

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The parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**ADDENDUM TO THE MOSQUITO SHIELD FRANCHISE, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply:

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document shall be amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

\* \* \*

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

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Franchisor

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Franchisee

**AMENDMENT TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON**

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall 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 shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, 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 undersigned does hereby acknowledge receipt of this addendum.

Dated this day of \_\_\_\_\_.

FRANCHISOR:

MOSQUITO SHIELD FRANCHISE, LLC

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

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

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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



**STATE EFFECTIVE DATES – 2023**

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

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	pending
Hawaii	pending
Illinois	pending
Indiana	pending
Maryland	pending
Minnesota	pending
New York	pending
North Dakota	pending
Rhode Island	pending
South Dakota	pending
Virginia	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.

**EXHIBIT H**  
**RECEIPT**

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mosquito Shield Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Rhode Island and New York require that Mosquito Shield Franchise, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Mosquito Shield Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the relevant state agency listed on Exhibit A.

Mosquito Shield Franchise, LLC authorizes the agents listed in Exhibit B to receive service of process for it.

The name, principal business address and telephone number of the franchise seller(s) offering this franchise is/are identified with a check mark below:

Michael Moorhouse      Brad Maher

The principal business address and telephone number for the individuals listed above is: 500 E. Washington Street #24, North Attleboro, Massachusetts 02760, (508) 316-3429.

Thomas Kissane   Amie Hawk

The principal business address and telephone number for the individuals listed above is: 14301 FNB Pkwy, #312, Omaha, Nebraska 68154, (531) 333-3278

Issuance Date: April 19, 2023

I received a disclosure document dated \_\_\_\_\_, that included the following Exhibits:

- EXHIBIT A      List of State Agencies/Agents for Service of Process
- EXHIBIT B      Operations Manual Table of Contents
- EXHIBIT C      List of Current and Former MOSQUITO SHIELD Franchisees
- EXHIBIT D      Financial Statements
- EXHIBIT E      Franchise Agreement (with attachments)
- EXHIBIT F      Deposit Agreement
- EXHIBIT G      State Addenda
- EXHIBIT H      Receipt (in duplicate)

Date: \_\_\_\_\_ Prospective Franchisee: \_\_\_\_\_

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

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

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS**

