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## **FRANCHISE DISCLOSURE DOCUMENT**

HandyPro businesses offer home repair and improvement services to residential and commercial customers within a specific geographic area (“HandyPro Businesses”).

The total investment necessary to begin operation of a HandyPro Business is between \$69,840 and \$129,643, including between \$50,699 and \$69,699 that must be paid to the franchisor or its 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 for you. To discuss the availability of disclosures in different formats, contact our President at 22500 Orchard Lake Road, Suite A, Farmington, Michigan 48336, or via telephone at (734) 254-9160.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contracts. Read your entire 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: 04/15/23**

## 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 D.
<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 E 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 HandyPro business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and the other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a HandyPro franchisee?</b>	Item 20 or Exhibit D 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 the 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 supplies 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 the franchisor by mediation, arbitration and/or litigation only in the State of Michigan. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in the State of Michigan than in your own state.

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.

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**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms 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 six (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 or 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.
  - (i) 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, 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 sub franchisor.

(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.

**The fact 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 the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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**TABLE OF CONTENTS**

<b><u>Item</u></b>	<b><u>Page</u></b>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	9
ITEM 2 BUSINESS EXPERIENCE .....	10
ITEM 3 LITIGATION.....	11
ITEM 4 BANKRUPTCY .....	12
ITEM 5 INITIAL FEES.....	12
ITEM 6 OTHER FEES .....	12
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	18
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	20
ITEM 9 FRANCHISEE’S OBLIGATIONS .....	22
ITEM 10 FINANCING.....	24
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	25
ITEM 12 TERRITORY .....	30
ITEM 13 TRADEMARKS .....	33
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	36
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	36
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	37
ITEM 18 PUBLIC FIGURES.....	40
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....	41
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....	44
ITEM 21 FINANCIAL STATEMENTS .....	47
ITEM 22 CONTRACTS.....	47
ITEM 23 RECEIPTS .....	48
<b>EXHIBITS:</b> .....	
Exhibit A State Administrators / Agents for Service of Process.....	48
Exhibit B Franchise Agreement .....	50
Exhibit C Brand Standards Manual - Table of Contents .....	105
Exhibit D List of Current and Former Franchisees .....	106
Exhibit E Financial Statements .....	110
Exhibit F Franchise Disclosure Questionnaire .....	123
Exhibit G State Addenda and Agreement Riders .....	127
Exhibit H Contracts for use with the HandyPro Franchise .....	143
Exhibit I Receipts.....	170



APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT G.

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## ITEM 1

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

To simplify the language in this Franchise Disclosure Document, “HPI,” “we,” “us” and “our” means HandyPro International, LLC, the franchisor. “You,” “your” and “Franchisee” means the person who buys the franchise from HPI and its owners if the Franchisee is a business entity.

#### The Franchisor

HPI is a Michigan limited liability company formed on March 12, 2009. We operate under our corporate name and the name, “HandyPro.” Our principal business address is 22500 Orchard Lake Road, Suite A, Farmington, Michigan, 48336. We began offering HandyPro franchises in June 2009. We have not and do not operate any franchises like those described in this Franchise Disclosure Document, or in any other line of business. We do not conduct any other business other than franchising the HandyPro system.

Our agent for service of process in Michigan is Keith A. Paul located at 22500 Orchard Lake Road, Suite A, Farmington, Michigan, 48336. Our agents for service of process in other states are disclosed in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

#### Parents, Predecessors and Affiliates

Our predecessor, HandyPro Franchise, Inc. (“HPF”), a Michigan corporation, was incorporated in January 2000 with a principal business address of 995 S. Main, Plymouth, Michigan 48170. From January 2000 until March 2009, HPF offered franchises for businesses that are substantially similar in nature to HandyPro Businesses offered under this Franchise Disclosure Document. There were three (3) HandyPro franchises in operation at that time. In March 2009, HPF contributed the HandyPro business system, marks, and existing franchise agreements to HPI. HPF did not offer franchises in any other line of business, and it did not operate any businesses similar in nature to the type of business being franchised.

We have two affiliates, the first one being HandyPro Handyman Service, Inc. (“HPHS”) that operates a business similar to the type being offered under this Franchise Disclosure Document and has done so since 1996. HandyPro Handyman Service, Inc. has a principal business address of 22500 Orchard Lake Road, Suite A, Farmington, Michigan 48336. HandyPro Handyman Service, Inc. has not and does not offer franchises in this line of business or any other line of business.

The second affiliate is HandyPro of Greater Toledo, LLC (HPGT). HPGT operates a business similar to the type being offered under this Franchise Disclosure Document and has done so since June of 2021. HPGT has a principal business address of 1715 Indian Wood Circle, Suite 200, Maumee, OH 43537. HPGT has not and does not offer franchises in this line of business or any other line of business.

Other than those described above, we have no other predecessors, parents, or affiliates.

#### The Franchise

We offer franchises (“Franchises” or “HP Franchises”) the use of our “HandyPro” trademarks, trade names, service marks and logos (“Marks”) for the operation of their HandyPro Businesses. HandyPro Businesses are operated under our proprietary HandyPro system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. HandyPro Businesses provide (a) referral

and other services to independent contractors and (b) general home repairs and improvements, including but not limited to minor carpentry, painting, drywall repair and installation, ceramic tile repair and installation, gutter cleaning and repair, and wallpaper hanging and in-home modifications within a designated territory. HandyPro Businesses are mobile businesses and usually operate from franchisees' residences. Franchisees may choose to rent an executive suite office or other commercial office space, but it is not required. All services are generally performed by independent contractors or employees who are recruited by you and who are part of your HandyPro Business' network of service providers ("Craftsmen"). You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit B ("Franchise Agreement") for each HandyPro Business that you operate.

### Market and Competition

HandyPro Businesses' customer base consists of the general population of homeowners, apartment complex owners, business owners, and others in need of general home and building repair and improvement services. HandyPro Business services are not seasonal in nature. We encourage you to study potential markets and the competition that may already exist there. The market for handyman services is competitive and well-developed. You will experience competition from, among others, national and regional franchise programs, as well as local independent businesses that provide similar services and products. However, an investment in a HandyPro Business, like any other business, involves business risks and the success of the franchise will be primarily dependent on your business abilities and efforts.

### Industry-Specific Laws and Regulations

HandyPro Businesses are subject to various federal, state, and local laws and regulations relating to the operation of home repair and remodeling businesses, including contractors' licensing laws and related requirements. Before you begin operations, you must obtain all required licenses and approvals to operate the HandyPro Business, including compliance with state, local, and other contractor's licensing, and related requirements. State, local, and other laws and regulations vary widely, can change over time, and can materially affect your ability to do business. Other federal, state, and local laws of a more general nature, which apply to most businesses, may also apply to your HandyPro Business and it will be your responsibility to comply with these laws, including employment, worker's compensation, insurance, corporate, taxing, licensing, and similar laws, and regulations.

You should independently investigate any applicable laws before purchasing a Franchise and you are responsible for keeping apprised of changes that are made to any applicable law. We recommend that you engage an attorney or other professional advisor to assist you in conducting this investigation. An excellent source of information can be found at [www.contractors-license.org](http://www.contractors-license.org), as well as the National Association of the Remodeling Industry, which publishes an industry review of state contractor licensing laws. In addition, you may be required to comply with manufacturer installation standards.

## **ITEM 2 BUSINESS EXPERIENCE**

### CEO, Managing Member, Co-Founder: Debra L. Paul

Ms. Paul serves as our Chief Executive Officer, Managing Member, and Co-Founder in Farmington, Michigan, a position she has held since October 2020. She is also co-owner of our affiliate HandyPro Handyman Service, Inc. in Farmington, Michigan and has been since October 1996. She is also co-owner of our affiliate HandyPro of Greater Toledo, LLC. in Maumee, Ohio and has been since June 2021.

President: Joel P. Ambrose

Mr. Ambrose serves as our President in Farmington, Michigan, a position he has held since October 2014. Mr. Ambrose previously served as our Director of Operations in Plymouth, Michigan from March 2005 through issuance date of this document. Mr. Ambrose also worked for our predecessor as a HandyPro Craftsman from June 2003 to March 2009 in Plymouth, Michigan. Mr. Ambrose is also co-owner of HandyPro of Greater Toledo, LLC in Maumee, OH since June of 2021.

Managing Member, Co-Founder: Keith A. Paul

Mr. Paul serves as our Managing Member and Co-Founder in Farmington, Michigan, a position he has held since March 2009. Mr. Paul previously served as our President from March 2009 to October 2014 in Plymouth, Michigan. Mr. Paul was also the Founder and President of our predecessor, HandyPro Franchise, Inc. in Plymouth, Michigan, from January 2000 until March 2009. Mr. Paul is also owner of our affiliate HandyPro Handyman Service, Inc. in Farmington, Michigan and has been since October 1996. Mr. Paul is also co-owner of HandyPro of Greater Toledo, LLC in Maumee, OH since June of 2021.

Vice President: John A. Hooppaw

Mr. Hooppaw serves as our Vice President in Farmington, Michigan, a position he has held since October 2015. Mr. Hooppaw previously served as the Vice President of HandyPro Handyman Service, Inc. in Farmington, Michigan from October 2015 through issuance date of this document. Mr. Hooppaw served as the Operation Manager for HandyPro Handyman Service, Inc. from October 2013 to October 2014. Prior to that, Mr. Hooppaw was a level 4 craftsman from April 2003 to October 2013 in Plymouth, Michigan. Mr. Hooppaw is also co-owner of HandyPro of Greater Toledo, LLC in Maumee, OH since June of 2021.

### **ITEM 3 LITIGATION**

Litigation Against Franchisees in Fiscal Year 2016

*HandyPro Int'l LLC, vs. HandyPro of York*, No. 2016-154638-CB (Michigan Circuit Court – County of Oakland, filed August 19, 2016). HandyPro International, LLC filed suit against one of its franchisees, HandyPro of York, Home Progression Systems, LLC, and Christopher Tait. The lawsuit included claims for breach of contract; misappropriation of trade secrets and other proprietary and confidential information, past-due royalty, and other payments; enforcement of guaranty; breach of fiduciary duty and loyalty; unfair competition; violation of trademark law; and injunctive relief. HandyPro International, LLC and all defendants reached a settlement, and all parties entered a consent judgment and stipulation of dismissal on January 3, 2017.

Royalty Collection Suit

During fiscal year 2016, we initiated one lawsuit against a franchisee, as follows:

*HandyPro Int'l LLC, vs. HandyPro of York, Home Program System, LLC, and Christopher Tait*, No. 2016-154638-CB, filed August 19, 2016 (Mich. Cir. Ct. Jan. 3, 2017)

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5  
INITIAL FEES**

*Initial Franchise Fee*

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$9,500 when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all our pre-opening assistance that we provide to allow you to open your HandyPro Business and offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform, payable in full when you sign the Franchise Agreement, and is non-refundable.

*Territory Fee*

In addition to the Initial Franchise Fee, you must pay us a territory fee of \$39,500 (“Territory Fee”) for each HP Franchise that you purchase. Franchisees may also, subject to availability and our approval, purchase an additional territory (“Additional Territory”) for their HP Franchise when they purchase their Franchise. The Territory Fee for this Additional Territory is \$18,000. The Additional Territory will be reflected in an attachment to the Franchise Agreement and will be governed by the terms of the Franchise Agreement. The Territory Fee is uniform, payable in full when you sign the Franchise Agreement, and is non-refundable. The Territory Fee is in consideration of administrative and other expenses we incur in granting your territory, and for our lost or deferred opportunity to grant your territory to others.

*Fees Payable to Our Affiliate*

You must pay our affiliate, HPHS, a \$299 startup fee for use of the proprietary “TruztPro Operating System or TOS” software. In addition, you must also purchase a marketing package from HPI, valued at \$1,500 (“Marketing Package”). The Marketing Package includes a grand opening press release campaign and branded items, including pens, pencils, magnetic signs, and other advertising materials. These fees are due when you sign the Franchise Agreement and are nonrefundable under any circumstances.

**ITEM 6  
OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(2)</sup>	The greater of 6% of net revenue or \$350 per month (“ <u>Minimum Royalty</u> ”)	Due by the 18 <sup>th</sup> of each month	The “ <u>Royalty</u> ” is based on the change in net revenue booked through the end of the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
National Advertising Fund Contribution	1% of net revenue through the end of the previous month after the first 12 months of operations	Same as Royalty	This fee will be used for a system-wide “ <u>National Advertising Fund</u> ” for our use in developing marketing materials, providing local marketing support, and building the HandyPro brand. This fee is not due during your first 12 months of operation. We reserve the right to increase this fee up to three percent (3%) upon written notice to you. The National Advertising Fund is discussed in Item 11.
Local Advertising Payment	The difference between the amount you spent on local advertising each month and your required local advertising expenditure (i) a minimum of \$4,500 during the first 90 days after opening your HandyPro Business, (ii) an average of \$500 per month during the first partial and full calendar year of your HandyPro Business, and (iii) 5% of the yearly net revenues of the previous calendar year during the second full calendar year and each subsequent year	Payable after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the National Advertising Fund.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	Payable to the National Advertising Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Inspection and Audit Fees	The cost of the audit and inspection, any understated amounts, plus late fees and interest, and reasonable accounting and legal fees associated with audit (we estimate this fee to be between \$1,000 and \$12,000)	As incurred	You will be required to pay this if an audit reveals that you understated your Royalty payments by more than one percent (1%) or you fail to submit required reports.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Transfer Fees	\$9,500	\$1,000 nonrefundable deposit at time of transfer application submittal and the remaining balance of fee at time of approved transfer	Payable only in connection with the transfer of your HandyPro Business.
Successor Franchise Fee	25% of our then-current Initial Franchise Fee; provided such fee will not exceed 50% of your original Initial Franchise Fee	When you sign our then-current Franchise Agreement	You must pay the “ <u>Successor Franchise Fee</u> ” if you qualify to sign a successor franchise agreement at the end of the initial term.
Interest and Late Charges	\$100 per month plus interest at the greater of: (a) the Prime Rate plus 8%; or (b) 18% per annum	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Late Report Fee	\$100 per month until missing reports are received, with a minimum of \$600 for Royalty Fee reports plus interest	As incurred	Payable if any report is not received by the due date. The Late Report Fee is immediately due upon any missed report. The \$100 monthly fee is incurred and due each month until the report is received. Interest accrues on any difference between the minimum Royalty Fee(s) and the actual monthly Royalty Fee(s) due, depending on whether you pay the monthly fee(s) on time and when the report is finally received.
Follow Up Operational Assistance	\$200 per day, plus the travel, lodging, meal costs and other expenses incurred by our trainer	As incurred before assistance	We will provide additional assistance for up to 30 hours during the first 30 days after the HandyPro Business commences operations at your request. You will incur these costs if we send a trainer to your territory for this assistance. If you request assistance outside of the first 30 days after the HandyPro Business commences operations, you will incur these costs plus a fee based on the time spent by each employee on your behalf, which fee will be charged in accordance with our then-current hourly rates for assistance.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Legal Costs and Professional Fees	Will vary depending on circumstances	As incurred	You will be required to reimburse us for any legal or accounting fees that we incur because of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Indemnification	Will vary depending on circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your HandyPro Business or Franchise.
Supplier Evaluation Fee	Will vary depending on circumstances (we estimate between \$100 and \$500)	As incurred, upon your request	Payable if we inspect or test product samples from proposed suppliers nominated by you.
Additional Training or Assistance Fees	Then-current fee (currently \$250 per attendee per day)	As incurred	We provide initial training at no cost for up to two (2) persons, but we may charge you for training additional persons, replacement, or additional managers, newly hired personnel, refresher training courses, and additional or special assistance or training you need or request. Whether or not a fee is charged, and the amount will depend on the type of training required and the experience level of the trainee.
Insurance	You must reimburse our costs plus a 10% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus ten percent (10%) of the premium as an administrative cost of obtaining the insurance.
Software Non-compliance Fee	\$100 per week	As incurred	Payable if you fail to use our then-current required business management software to operate the HandyPro Business. The \$100 weekly fee is incurred and due each week until you comply.
Management Fee	\$200 per day, plus costs and expenses (up to 120 days at a time)	As incurred	Payable if we manage the business in the case of a breach of the Franchise Agreement. We have the right to manage the Franchise for up to 120 consecutive days per default.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Technology Fee	\$299 startup fee, plus a monthly fee (currently \$299 per month)	Same as Royalty	This fee covers the costs incurred for website hosting, one local phone number, and one email hosting and our proprietary software, the TruztPro Operating System or TOS, for the operation of your HandyPro Franchise with one Craftsman. We reserve the right to increase this fee in the event we offer updated or additional software or technology for use in the HandyPro Business. This fee is payable starting at the time you open your HandyPro Business.
Additional Craftsman Technology Fee	Currently \$10 per Craftsman per month	Same as Royalty	The Technology Fee includes software and one email address for one Craftsman. You will be required to pay this fee for each additional Craftsman that you utilize for your HandyPro Business. Each Craftsman will receive its own email address that is tied to our software. We reserve the right to increase this fee in the event we offer updated or additional software or technology for use in the HandyPro Business.
Convention Fee	The then-current fee (currently estimated to be \$300 per person)	Upon receipt of written notice that such convention is being held	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether you attend or fail to attend our annual convention in any given year for any reason.
Payment Service Fees	2% of total charge	As incurred	If payment is made to us by credit card for any fee required, we may charge a service charge of two percent (2%) of the total charge. The basis that we use to determine whether we charge such fees includes state law and the terms and conditions of our agreement with our merchant accounts.
Insufficient Funds Fee	\$35 per occurrence plus interest	As incurred	This fee is assessed on any other payments submitted to us via paper check or on any payments that were returned as insufficient funds. The interest rate is subject to the maximum allowable interest amount under state law.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Customer Satisfaction/ Warranty Work Reimbursement	Varies depending upon specific circumstances, amounts received, amounts disbursed, and expenses incurred	As incurred	We have the right to remedy any issues with customers of your HandyPro Business, including full reimbursement of any fees paid to you or the full value of the services performed by another HandyPro franchisee or contracting company to repair or redo services performed by you. This also applies to any warranty work that we, our affiliate, or another franchisee may perform in your territory at our discretion.
Certification Fees	Currently \$20 per month	As agreed,	You must obtain your “Certified Environmental Access Consultant” certification (“ <u>C.E.A.C.</u> ”), for which there is an initial \$250 fee, plus \$20 per month to maintain. This fee is paid to the certification agency.
Broker Fees	The actual cost of the brokerage commissions, finder’s fees, or similar charges	As incurred	Payable only in connection with the transfer to a purchaser that was referred to you through a broker that is not an affiliate of ours.

Notes:

1. **Fees.** Unless otherwise indicated, all fees listed in this Item 6 are uniformly imposed by, payable to, and collected by us, and are non-refundable. We require you to pay fees and other amounts due to us via automated clearing house (“ACH”), electronic funds transfer (“EFT”) or other similar means. You are required to complete the ACH or EFT authorization (in the form attached to this Franchise Disclosure Document as Exhibit H) for direct debits from your business bank operating account. We can require an alternative payment method or frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement.
2. **Royalty/Net Revenue.** “Net Revenue” shall mean all revenues (as defined by the accrual basis of accounting) earned or unearned by you, whether paid for in cash , check, credit, barter, or other means of exchange, from all sales of services and/or products of every kind or nature sold from, at, or in connection with the operation of the HandyPro Business or otherwise arising out of the operation of the HandyPro Business, including the full redemption value of any gift certificate or coupon sold for use in the HandyPro Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation) and including sales made at or away from the HandyPro Business, whether for cash or credit, less returns for which refunds are made, provided that the refund shall not exceed the sales price. Net Revenue does not include the amount of any sales tax imposed by any federal, state, municipal or other governmental authority; you agree to pay such amounts to said authorities as and when due.

You are required to submit monthly financial statements authorized by you and in the form and manner we specify, including electronically, which contains net revenue information pertaining to the preceding months including, without limitation, a summary of all monies received during the relevant periods, as well as customer counts and average sales, and such other additional

information which we deem necessary to rigorously evaluate your progress. You must use the accrual basis of accounting. We may determine your Royalty Fee using your accounting software, our current business management software, or other form of report we approve, and we may specify which method of reporting you use, at our sole discretion. If your Franchise Agreement is terminated before the initial term expires, you must pay us equal to the net present value of Royalty fees, if any, and any other applicable fees in connection with this Agreement that would have become due following termination of this Agreement for the period the Agreement would have remained in effect.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee	\$9,500	\$9,500	Lump Sum	When you sign the Franchise Agreement	Us
Territory Fee <sup>(1)</sup>	\$39,500	\$39,500	Lump Sum	When you sign the Franchise Agreement	Us
Additional Territory Fee	\$0	\$18,000	Lump Sum	When you sign the Franchise Agreement	Us
Training and Follow-up Operational Assistance Expenses <sup>(2)</sup>	\$950	\$2,150	As Incurred	As Incurred	Third Party
Vehicle <sup>(3)</sup>	\$3,530	\$19,133	As Agreed,	As Incurred	Designated Suppliers
Equipment, Supplies & Inventory <sup>(4)</sup>	\$950	\$4,150	Lump Sum	When you begin operating your business	Third Party and Affiliate
Marketing Package <sup>(5)</sup>	\$1,500	\$1,500	Lump Sum	Prior to Training	Affiliate
Insurance <sup>(6)</sup>	\$300	\$5,000	As Agreed,	As Incurred	Third Party
Home Modification Training Fees <sup>(7)</sup>	\$1,410	\$1,410	As Agreed,	As incurred; monthly	Third Party
Real Estate and Improvements (3-months) <sup>(8)</sup>	\$0	\$2,400	As Agreed,	Monthly	Third Parties
Initial Marketing Expenditures (3-months) <sup>(9)</sup>	\$5,200	\$7,300	As Incurred	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Bookkeeping Services <sup>(10)</sup>	\$1,000	\$1,700	As Agreed,	Monthly, due on the 10 <sup>th</sup>	Third Parties
Answering/Scheduling Services <sup>(11)</sup>	\$0	\$2,900	As Agreed,	As Incurred	Third Parties
Additional Funds (3-months) <sup>(12)</sup>	\$6,000	\$15,000	As Agreed,	As Incurred	Employees, suppliers, utilities
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(13)</sup></b>	<b>\$69,840</b>	<b>\$129,643</b>			

Notes:

1. Territory Fee. Item 5 contains additional information regarding the Territory Fee. We do not offer financing for any part of the initial investment.
2. Training and Follow-up Operational Assistance Expenses. This estimates the expense you will incur attending our initial training program (“Initial Training Program”), including travel, meals and lodging expenses.
3. Vehicle. This item includes one (1) vehicle which you will use in the operation of the HandyPro Business (“Vehicle”). We require that the Vehicle meets the following specifications: new or in excellent condition and substantially like a white Dodge Caravan. You may use a vehicle that you currently own as your Vehicle if it meets our specifications; otherwise, you will be required to lease or purchase a Vehicle. We anticipate that you will only need one (1) Vehicle for the operation of the HandyPro Business. The low estimate represents the total payments for the first three (3) months if you finance one (1) Vehicle at a low interest rate with a \$2,000 down payment. The high estimate represents the cost of purchasing the Vehicle. The estimate range includes the cost of the in-transit permit, documentary fee, fitting out the workstation and decorations. The Vehicle must be approved by us before you open your HandyPro Business.
4. Equipment, Supplies & Inventory. This estimate includes all necessary equipment, supplies and inventory necessary to operate your HandyPro Business over the first three (3) months of operation, including a PC computer system and a smartphone exclusively for use in connection with your HandyPro Business. This also includes the \$199 start-up fee for our proprietary software.
5. Marketing Package. The Marketing Package includes a grand opening press release campaign and branded items, including pens, pencils, magnetic signs, and other advertising materials.
6. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Frequency and number of premium payments required may be arranged with your Agent. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a HandyPro Business, your rates may be significantly higher than those estimated above.

7. Home Modification Training. You must obtain your “Certified Aging in Place Specialist” certification (“C.A.P.S.”) which will cost \$1,100. You must also obtain your C.E.A.C. which will cost an initial \$250 fee plus \$20 per month for the first 3 months only. You must obtain these certifications prior to beginning operations of your HandyPro Business. Although not required, we suggest completing the course of “Certified Senior Advisors” certification from the Society of Certified Senior Advisors which costs \$900.
8. Real Estate and Improvements. Because most of our franchisees will operate their HandyPro Businesses out of their residences, this chart does not include estimates for items such as real property, leasehold improvements, furniture, fixtures, fixed assets, remodeling, construction, decorating costs, utility deposits, or security deposits, which will likely not apply unless you choose to acquire business premises, which is not necessary or likely. In addition, we assume that you will not need to obtain desks, chairs, and other standard office supplies and equipment. Therefore, we do not include estimates for these items. The low end assumes that you will store these items at your residence and the high end provides for three (3) months’ rent at a commercial office or executive suite.
9. Initial Marketing Expenditures. We require you to spend a minimum of \$4,500 on local advertising within 90 days after you open your HandyPro Business. This is in addition to the Local Advertising requirement.
10. Bookkeeping Services. You are required to use our designated supplier for bookkeeping services. This supplier will assist in your QuickBooks Online Plus and TruZtPro Operating System or TOS monthly bookkeeping and may also perform off-site chief financial officer duties if you elect this option. This estimate provides for six months of payments.
11. Answering Service. You may choose to answer your own phone and schedule your own jobs, however, HandyPro has several approved answering service vendors.
12. Additional Funds (3 Months). This estimate includes your initial start-up expenses (other than the items identified separately in the table) during the HandyPro Business’ first three (3) months of operation. These estimated expenses are based on our historical experience and include payroll costs, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs for initial start-up expenses during this three (3)-month period will depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products; the prevailing wage rate; your competition; and the sales level you reach during the initial period.
13. Figures May Vary. This is an estimate of your initial startup expenses for one HandyPro Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the HandyPro Franchise.

## **ITEM 8**

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

#### Standards and Specifications

You must operate your HandyPro Business according to our System and specifications. This includes purchasing or leasing all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the HandyPro Franchise under

our specifications, which may include purchasing these items from: (i) our designees, (ii) approved suppliers, and/or (iii) us or our affiliates. You must not deviate from these methods, standards, and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential franchise operating manual (known as the “Brand Standards Manual”) state our specifications, standards, and guidelines for all products and services we require you to obtain in establishing and operating your HandyPro Franchise and approved vendors for these products and services. We will notify you of new or modified specifications, standards, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through other written communication (including electronic communication such as email or through a system-wide intranet). We will issue copies of our standards and specifications to you and approved and proposed suppliers. These standards and specifications contain our confidential information.

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Brand Standards Manual or otherwise in writing.

We formulate and modify our standards and specifications for HandyPro products and services based upon the collective experience of our franchisees, officers, and affiliates. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the Business, including standards and specifications for HandyPro products and services, Vehicles, signs, furnishings, supplies, fixtures, inventory, and equipment by written notice to you or through changes in the Brand Standards Manual or otherwise in writing. You recognize that you may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement. The amount you must pay for the changes or additions will be dependent upon the nature and type of changes or additions. Given that we do not know the extent of what these changes may be in the future, we are unable to estimate a dollar amount of these changes.

You must use the computer hardware and software that we periodically designate to operate your HandyPro Franchise. You must obtain the computer hardware, software licenses and subscriptions, maintenance and support services, and other related services that meet our specifications from the suppliers we specify. You are required to use our designated supplier for bookkeeping services.

You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your HandyPro Business is located and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

#### Purchases from Approved Suppliers

We require you to purchase certain products, services, signs, inventory, furnishings, supplies, fixtures, and equipment from approved suppliers identified in the Brand Standards Manual or otherwise in writing. We reserve the right to require you to purchase certain items exclusively from us, an affiliate, or an unaffiliated third-party supplier. Our affiliate, HPHS, is the only approved supplier of the Marketing Package and the TruztPro Operating System or TOS software.

We estimate that approximately 35% of purchases required to open your HandyPro Business and 35% of purchases required to operate your HandyPro Business will be from us or from other approved

suppliers and under our specifications. We and our affiliate may receive rebates from some suppliers based on your purchase of services and products.

Some of our officers have an equity interest in HPHS which is an approved supplier of the proprietary software TruZtPro Operating System or TOS and the Marketing Package. During our 2021 fiscal year, we had total revenues of \$475,366 of which \$18,642 (approximately 3.9% of our 2021 total revenue) consisted of revenues from required purchases and leases of products and services from franchisees. During our last fiscal year, we did not receive rebates from approved suppliers.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees. We and our affiliates may receive rebates or other consideration from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. We currently do not have any purchasing or distribution cooperatives.

### Approval of New Suppliers

We will provide you with a list of our designated and approved suppliers in our Brand Standards Manual. If you want to use or sell a product or service that we have not yet evaluated or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for services and products that require supplier approval), you must notify us and submit to us the information, specifications, and samples we request. We will approve or disapprove the supplier within 10 business days of receipt of your request and adequate samples of the items for which approval is requested. If you do not receive approval from us within 10 business days after we receive your request, your request will be deemed denied. We reserve the right to charge a fee to evaluate the proposed product, service, or supplier. We will issue copies of our standards and specifications to you and approved and proposed suppliers unless these standards and specifications contain our confidential information. The supplier may also be required to sign a supplier agreement. We may periodically re-inspect approved suppliers' facilities and products and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product, or service. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers.

## 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	Item in Franchise Disclosure Document
(a) Site selection and acquisition/lease	Section 3.1	Items 7 and 11
(b) Pre-opening purchases/leases	Section 7.2	Item 8
(c) Site development and other pre-opening requirements	Sections 7.1, 7.2 and 7.3	Items 6, 7 and 11

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
(d) Initial and ongoing training	Section 8	Item 11
(e) Opening	Section 7.1	Item 11
(f) Fees	Section 4	Items 5, 6 and 7
(g) Compliance with standards and policies/ Brand Standards Manual	Sections 7.2 and 10	Items 8, 11 and 14
(h) Trademarks and proprietary information	Section 11 and 12	Items 13 and 14
(i) Restrictions on products/services offered	Sections 7.2 and 7.4	Items 8, 11 and 16
(j) Warranty and customer service requirements	Section 7.7	Items 16
(k) Territorial development and sales quotas	Section 3	Item 12
(l) On-going product/service purchases	Sections 7.2.2, 7.2.5, 7.2.6 and 7.2.9	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 10	Item 11
(n) Insurance	Section 17	Item 7
(o) Advertising	Section 5	Item 11
(p) Indemnification	Section 16	Item 6
(q) Owner's participation/management/staffing	Section 7.4	Items 11 and 15
(r) Records and reports	Sections 6, 13 and 14	Item 6
(s) Inspections and audits	Sections 6.2 and 7.2.7	Item 6
(t) Transfer	Section 19	Item 17
(u) Renewal	Section 2.2	Item 17
(v) Post-termination obligations	Section 21	Item 17
(w) Non-competition covenants	Section 18	Item 17
(x) Dispute resolution	Sections 22 and 23	Item 17

**ITEM 10  
FINANCING**

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

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## **ITEM 11**

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, HPI is not required to provide you with any assistance.**

#### Pre-Opening Obligations

Before you open your HandyPro Business, we (or our affiliate or designee) will provide the following assistance and services to you:

1. Designate your territory (Sections 3.2 and 9.1.1, Franchise Agreement). Because you do not have to locate a site from which to operate your Business, we do not provide you with assistance in doing so. You may open an office, but it is not required. We will not approve an office location if you choose to operate one.
2. Provide our Initial Training Program for you and up to one (1) other individual in Farmington, Michigan and/or at another location we designate (Section 8, Franchise Agreement). You must complete training to our satisfaction. You are responsible for all travel and lodging expenses you and your personnel incur during the Initial Training Program.
3. Loan you one copy of the Brand Standards Manual, which contain a list of suppliers of items and materials used in connection with your HandyPro Business. (Section 9.1.4, Franchise Agreement). The table of contents for our Brand Standards Manual lists each subject, the total number of pages devoted to each subject, as well as the total number of pages in the manuals, and is attached to this Franchise Disclosure Document as Exhibit C.
4. Advise you on criteria and guidelines for the selection of Craftsmen. (Section 7.4.9, Franchise Agreement).

#### *Schedule for Opening*

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of the HandyPro Business can vary from one (1) to six (6) months. Some factors which may affect this timing are your ability to schedule and complete the Initial Training Program. You are required to open your HandyPro Business within 30 days from completing our Initial Training Program.

#### Continuing Obligations

During the operation of your HandyPro Business, we (or our designee) will provide the following assistance and services to you:

1. At your reasonable request, consult with you by telephone, email or facsimile regarding the continued operation and management of your HandyPro Business and advise you regarding services, sales techniques, product supply, customer relations and similar topics (Section 9.2.2, Franchise Agreement).
2. Provide you with on-going updates of information and programs regarding your HandyPro Business and the System, including, without limitation, information about special or new products or services which may be developed and made available to franchisees (Section 9.2.3, Franchise Agreement).

3. Provide additional training to you for newly hired personnel, refresher training courses, and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (Section 9.2.4, Franchise Agreement).

4. Make our employees or designated agents available to you for advice and assistance in your territory in connection with the on-going operation of the HandyPro Business. If you request additional assistance, and we agree to provide the same, we reserve the right to charge you for all travel, meals, lodging, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on your behalf, which fee will be charged in accordance with our then current hourly rates for assistance. Whether or not we charge a fee will depend upon the time of the assistance, the number of trainees and where the training takes place. (Section 9.2.5, Franchise Agreement).

5. Allow you to continue to use confidential materials, including the Brand Standards Manual and the Marks (See Sections 10 and 11 of the Franchise Agreement).

### Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new services items, new equipment, or new techniques.

2. Make periodic visits to your HandyPro Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident because of any visit.

3. Maintain and administer the National Advertising Fund and use these funds to develop promotional and advertising programs for HandyPro Businesses. We may dissolve the National Advertising Fund upon written notice (See Section 5.2 of the Franchise Agreement).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting HandyPro franchisees. You will be required to pay a convention fee for everyone that is required to attend the annual convention, regardless of whether the individual attends or not. It is recommended that you attend every conference that we hold; however, it is mandatory that you attend a conference every two (2) years that it is offered (Section 9.2.1, Franchise Agreement).

### Advertising/Marketing

#### *Local Advertising*

You are required to spend a minimum of \$4,500 during the first ninety (90) days the HandyPro Business is open to promote the opening of your HandyPro Business for your initial marketing. You must also purchase the Marketing Package from our affiliate, which includes a grand opening press release campaign, certain branded items, and other advertising materials.

In addition to the initial marketing, each HandyPro Business must spend the following on local advertising (“Local Advertising Requirement”):

Time Period	Local Advertisement Requirement
First partial and full calendar year	Average of \$500 per month
Second full calendar year and each subsequent year	You will be required to spend five percent (5%) of the yearly Net Revenue of the previous calendar year over the next calendar year. If you fail to spend the yearly Local Advertising Requirement by the end of the year, you will be required to pay the difference to the National Advertising Fund.

You must spend the Local Advertisement Requirement as we prescribe in the Brand Standards Manual or otherwise in writing, which may include placing a certain number of and/or type(s) of media advertisements regardless of the amount(s) spent by other System franchisees on local advertising. You may spend more than the Local Advertising Requirement on local advertising. You must use only such advertising and promotional materials as have been previously approved by us and provide us with proof of these expenditures upon our request.

In general, you must submit to us, at least 21 days prior to your use, samples of all sales promotional and advertising materials you desire to use for approval (Section 5.1 of the Franchise Agreement). Our failure to approve or disapprove the materials within 21 days of receipt will be deemed disapproval. You may not use any advertising or promotional materials for which we have not given our prior written approval. You may not advertise the HandyPro Business, or any products or services offered by the HandyPro Business via the Internet without our prior written consent, which we have the right to give or withhold. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the National Advertising Fund. You are not responsible for participating in any local or regional advertising cooperative.

*National Advertising Fund*

We have established a National Advertising Fund for the common benefit of System franchisees. We have the right to require you to participate in and contribute monthly to the National Advertising Fund (“National Advertising Fund Contributions”) a total amount not to exceed three percent (3%) of your Net Revenue (currently, we require all System franchisees to contribute one percent (1%) of their monthly Net Revenue to our National Advertising Fund starting the 13<sup>th</sup> month after the HandyPro Business commences operations). We have the right to use National Advertising Fund Contributions to develop, produce, and distribute national advertising and public relations materials which promote, in our sole judgment, the services offered by System franchisees. We may or may not use the following media: print, radio, television, telephone, telephone directories, Internet, and direct mail. We are not required to spend your National Advertising Fund Contribution in any specific media.

Your contribution to the National Advertising Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Advertising Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Franchisor-owned outlets may, but are not required, to contribute to the National Advertising Fund on the same basis as franchisees.

The National Advertising Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Advertising Fund will be in a separate bank account, commercial account, or savings account.

We have complete discretion on how the National Advertising Fund will be utilized. We may use the National Advertising Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the HandyPro brand. We may reimburse ourselves, our authorized representatives, or our affiliates from the National Advertising Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the National Advertising Fund. We do not guarantee that advertising expenditures from the National Advertising Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the National Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the National Advertising Fund.

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

The National Advertising Fund is not audited. We will provide an annual accounting for the National Advertising Fund that shows how the National Advertising Fund proceeds have been spent for the previous year upon written request. During our last fiscal year, we spent approximately 72.9% on media placement, 23.8% on production, 0.00% on administrative expenses, and 3.3% percent on the solicitation of new franchisees.

### Computer Hardware and Software

We require you to use a PC compatible desktop, laptop or tablet computer using the Microsoft Windows 10 operating system or later that can connect to the Internet. You may use a computer that you currently own. We do not provide support for Mac computers. You are required to have a 4G capable iPad Mini. You must also purchase the latest version of Microsoft Office 2019 or later, and a portable inkjet printer. You must purchase and use QuickBooks Online Plus and name us as an additional designated user with full access to your books of account. Accounting software is subject to change any time upon notice at our discretion. You must use our proprietary software. You will be required to pay a monthly Technology Fee. You must use our business management software, currently the TruZtPro Operating System or TOS and QuickBooks Online Plus, to manage your HandyPro Business. You must use the TruZtPro Operating System or TOS software to enter your gross sales and job costs to prepare financial reports about your HandyPro Business. We estimate that it will cost between \$500 and \$1,700 to obtain the required computer hardware and software systems.

Except for any manufacturer’s warranty, neither we, nor any third party, have a contractual right or obligation to provide on-going maintenance, repairs, upgrades, or updates to your computer system. There are no current annual costs of any optional or required maintenance support contracts with the seller or manufacturer of the hardware required by us. You must maintain an email account whose domain name is

@handypro.com and you must give us electronic access to information on your computer. No contractual limitation exists on our right to access the information generated or stored on your computer. We have the right to independently access your electronic information and data through our proprietary data management and intranet system and to collect and use your electronic information and data in any manner we promote developing the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We require you to obtain a separate cellular phone, with a telephone number dedicated to the HandyPro Business, which you will carry with you during business hours. As part of the Franchise Agreement, you must transfer your business telephone and directory listings to us upon the termination or expiration of the Franchise Agreement. You must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). We may require you to upgrade or update your computer hardware, software, and other office equipment. No contractual limitation exists on the frequency or cost of this obligation.

**Training**

*Initial Training*

You and any designated manager or representative must complete the Initial Training Program to our satisfaction before you open your HandyPro Business. We provide the Initial Training Program at no charge for up to two (2) people. You must pay a fee, which is presently \$250 per day, for training each additional person. The Initial Training Program is held whenever necessary to train new franchisees. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses. The Initial Training Program will consist of up to 24 hours of classroom training at our designated training location and up to 13 hours of field training in Farmington, Michigan, as we determine may be necessary. We may waive all or a portion of the Initial Training Program if you or your manager have sufficient prior experience or training, in our sole determination. You must obtain your C.A.P.S which will cost \$1,100. The C.A.P.S. program is a three-day course through the National Association of Home Builders. More information can be found at [nahb.org](http://nahb.org). You must also obtain your C.E.A.C. certificate. You must obtain these certifications prior to beginning operations of your HandyPro Business. C.E.A.C. certification is an online class through Accessible Home Improvement of America. More information can be found at [www.accesshomeamerica.com/ceac.asp](http://www.accesshomeamerica.com/ceac.asp).

We plan to provide the training listed in the table below.

**TRAINING PROGRAM**

Subject <sup>(1)</sup>	Hours of Classroom Training	Hours of On the Job Training	Location
Company Brand and Business Strategy	2	0	Farmington, Michigan
Services and Estimating	4	6	Farmington, Michigan
Administration and Bookkeeping	4	0	Farmington, Michigan
Sales & Marketing Training	6	3	Farmington, Michigan
Introduction to the Franchise Relationship	2	0	Farmington, Michigan
Miscellaneous/Installation	6	4	Farmington, Michigan
<b>TOTALS</b>	<b>24</b>	<b>13</b>	

Notes:

1. The training subjects may vary and may be less than the times indicated above depending on the number and experience of the attendees. There currently are no fixed (i.e., monthly, or bi-monthly) training schedules.
2. Our Initial Training Program is conducted under the direction of our Managing Member and Co-founder Keith Paul, who has over twenty years of experience with all aspects of the HandyPro Business and over sixteen years of experience with the HandyPro Franchise System through his work with us and our predecessor. From time to time, the following individuals will assist Mr. Paul and provide additional guidance and assistance in certain areas of our Initial Training Program: (i) our President, Joel Ambrose, who will provide instruction on company philosophy and standards and other miscellaneous areas of training and has over 21 years in management in the building industry and has been with our Franchise System since our inception; and (ii) our Vice President of Operations, John Hooppaw, who will provide instruction on home modifications marketing, products and support and has over 15 years' experience in business management and (iii) our Vice President of Finance, Evert Van Raden, who will provide instruction in bookkeeping and other administration aspects of the HandyPro business and has over 31 years of senior managerial accounting experience.
3. We will use the Brand Standards Manual as the primary instruction material during the Initial Training Program.

*Ongoing Training*

We will provide additional assistance for up to 30 hours during the first 30 days after the HandyPro Business commences operations at your request. If we travel to your Territory, you will be required to pay our travel and lodging expenses as discussed in Item 6. From time to time, we may require that you, designated managers, Craftsmen, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required. If you appoint a new designated manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your HandyPro Business. If we conduct an inspection of your HandyPro Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your HandyPro Business location).

In addition to participating in ongoing training, you may be required to attend an annual meeting of all franchisees at a location we designate and pay a convention fee, whether you attend. We estimate that this training will be no longer than five (5) days per year. You are responsible for all travel and expenses for your attendees. It is recommended that you attend every conference that we hold; however, it is mandatory that you attend a conference every two (2) years that it is offered.

**ITEM 12  
TERRITORY**

The Franchise Agreement for your HandyPro Franchise grants you a designated territory (“Territory”) based on the geographic area and population properties within that area and other relevant demographic characteristics. You will not receive an exclusive territory. You may face competition from



other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The Territory will comprise an area that includes approximately 60,000 “Qualified Households,” which are defined as households with an annual income of \$50,000 or more. The population statistics used in determining your Territory will be based on numbers derived from the current United States Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a territory may be smaller, while HandyPro franchisees operating in less densely populated urban areas may have significantly larger areas. Your Territory will be identified in an attachment to your Franchise Agreement. The Territory may be defined by city or county limits, zip code areas, street boundaries or other geographic boundaries.

We, and our affiliates, have the right to operate, and to license others to operate, HandyPro Businesses at any location outside the Territory, even if doing so will or might affect your operation of your HandyPro Business. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate HandyPro Businesses at any location outside of the Territory, regardless of the proximity to your HandyPro Business.
2. we exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce without our prior written approval and subject to the policies and procedures in our Brand Standards Manual.
3. to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering home repair and improvement services, and related products and services, at any location, including wholesale or retail, including home improvement stores and catalogue sales, including within the Territory, which may be similar to or different from the HandyPro Business operated by you;
4. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your HandyPro Business, wherever located.
5. to acquire and convert to the System operated by us, any businesses offering services and products similar to offered by HandyPro Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Territory;
6. to implement multi-area marketing programs, which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.
7. to contract with and provide services and products to “National Accounts” at any location, whether located within your Territory; and
8. to perform or allow other franchisees, contractors, or designees to perform HandyPro certified warranty programs service work in your Territory at your expense if we must due to customer service issues.

We are not required to pay you if we exercise any of the rights specified above within your Territory.

You may operate the HandyPro Business only in your Territory. If you wish to purchase an additional HandyPro Franchise, you must apply to us, and we may, at our discretion, offer an additional HandyPro Franchise to you. We consider a variety of factors when determining whether to grant additional HandyPro Franchises. Among the factors we consider, in addition to the then current requirements for new HandyPro franchisees, are whether the franchisee is following the requirements under their current franchise agreement.

If we allow you to purchase an Additional Territory for your HP Franchise, you must achieve and maintain annual minimum Net Revenues of \$150,000 for the Additional Territory by the end of the third full year of operation after commencing operations to the public, or we may terminate the Franchise Agreement for your Additional Territory. You will still retain the rights to your original Territory, subject to our termination rights in the Franchise Agreement. You are required to use our then current business management software when you sign the Franchise Agreement for your Additional Territory. Other than this requirement for an Additional Territory, the continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency.

You do not receive the right to acquire additional HandyPro Franchises within the Territory. You are not given a right of first refusal on the sale of existing HandyPro Franchises.

You are prohibited from directly marketing to or soliciting customers whose principal business office (or principal residence if the client is an individual) is outside of your Territory. You are prohibited from accepting orders outside of your Territory unless we authorize you to do so. With our prior written approval, you may provide HandyPro services to customers with addresses outside your Territory at locations where no other HandyPro franchisee or company-owned or affiliate-owned HandyPro Business has been granted and you follow the policies and procedures as contained in our Brand Standards Manual. We may revoke our approval if you are not in compliance with the Franchise Agreement or if we grant another franchisee or licensee the right to provide HandyPro services at those locations outside your Territory. You will refer all customer orders located within a territory of another HandyPro franchisee or company or affiliate owned HandyPro Business to such other franchisee or to us or our affiliate, as applicable. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Territory. You may only provide services and sell products according to our policy. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

We retain the rights to service or designate ourselves or other franchisees to service national accounts in your Territory. You are not entitled to any national account work in your Territory. “National Account” means any customer: (i) that conducts its business for its own account or through agents, affiliates, independent contractors or franchisees in two (2) or more states in the United States; (ii) a regional or national chain with eight (8) or more locations which client or chain has contracted with us to obtain HandyPro products and services for three (3) or more of its locations from us, our affiliates and/or HandyPro franchisees; or (iii) which owns, manages, controls or otherwise has responsibility for businesses in more than one location and whose presence is not confined within any one (1) particular franchisee’s Territory.

If we permit you to service National Accounts, you will be required to sign the “Addendum to Franchise Agreement for National Account Participation” attached to this Franchise Disclosure Document as Exhibit H-7.



Additionally, other HandyPro franchisees may perform warranty services in your Territory. You will not be entitled to compensation in such cases. We retain the rights to service or designate ourselves or other franchisees to provide warranty service in your Territory at our discretion. We will only exercise this right if a customer requests that you do not perform the warranty service, or we determine that you are unable to perform the services. You will be required to reimburse us or our designees for such services. We do not pay compensation for soliciting or accepting orders inside your Territory.

### ITEM 13 TRADEMARKS

We are the owner of the following registrations on the United States Patent and Trademark Office (“USPTO”) Principal Register:

Mark	Registration Date	Registration No.	Status
<b>HANDYPRO</b>	08/03/2010	3827082	Registered on the Principal Register
	08/06/2013	4379720	Registered on the Principal Register
	12/23/2014	4659273	Registered on the Principal Register
<b>TRUZTPRO</b>	01/05/2021	6239412	Registered on the Principal Register
	09/06/2022	97580082	New Application Filed
	09/06/2022	97580085	New Application Filed

All required affidavits have been filed for the registered mark. There are no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the proprietary Marks. You must follow our guidelines and requirements when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public, using language that we may specify from time to time, in any contract, advertisement that you are an independently owned and operated licensed franchisee of HPI. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Franchise or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us.

Your right to use the Marks is derived solely from your Franchise Agreement and is limited to conducting business in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. Any unauthorized use of the Marks by you will constitute an infringement of our rights in the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your Franchise Agreement contest or assist any other person in contesting the validity or ownership of any of the Marks.

You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner, we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. If you follow the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one (1) or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

#### **ITEM 14**

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

We do not own any patents or pending patents or copyrights which are material to the franchise; however, we consider our Brand Standards Manual and System as our proprietary and confidential property. You may use them only as described in the Franchise Agreement. We require that you maintain the confidentiality of our proprietary information and adopt reasonable procedures to prevent unauthorized

disclosure of our trade secrets and proprietary information. Although we have not applied for a copyright registration, we claim a copyright in our Brand Standards Manual. We have the right to modify the Brand Standards Manual and you must comply with any changes that we require you to make to the Brand Standards Manual or System.

You must notify us immediately when you learn about any infringement of, or challenge to, your use of our proprietary Brand Standards Manual or the System (collectively, “Confidential Information”). We are not contractually obligated by the Franchise Agreement to protect you against claims of infringement or unfair competition with respect to your use of our proprietary Confidential Information, but it is our policy to do so when, in the opinion of our legal counsel, your right to use our proprietary Confidential Information requires protection. We have the right to control any litigation regarding our patents, copyrights, and proprietary information. You must cooperate with us in any litigation.

You agree to use the Confidential Information only for the purposes and in the manner, we authorize in writing, which use will inure exclusively to our benefit. You may not directly or indirectly contest our ownership of any Confidential Information or contest our right to register, use or license others to use any of such Confidential Information. You further acknowledge that we have expended a great amount of effort and money in obtaining and developing the Confidential Information, that we have taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information would be wrongful and would cause us irreparable harm. You may divulge such Confidential Information only to such of your employees, as must have access to it to operate the HandyPro Business. All information, knowledge, know-how, techniques, and other data, which we designate as confidential, will be deemed Confidential Information for purposes of this Agreement. You and your heirs, successors, and assigns (including your partners, officers, directors, shareholders, and their respective heirs, successors, and assigns) and your employees and their respective heirs, successors, and assigns, may not use nor disclose any Confidential Information in any manner other than as we permit in writing.

All copyrightable works created by you or any of your owners, officers, or employees in connection with the HandyPro Business shall be our sole property. You assign all proprietary rights, including copyrights, in these works to us without additional consideration. You hereby assign and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the HandyPro Business, during the term of the Franchise Agreement, as we may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to us all right, title, and interest in said property. You shall promptly disclose to us all inventions, discoveries, improvements, creations, patents, copyrights, trademarks, and confidential information relating to the HandyPro Business and the System which you or any of your owners, officers or employees has made or may make solely, jointly, or commonly with others and shall promptly create a written record of the same.

At our request, you must require any personnel having access to any of our Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you. Such covenants shall be in a form satisfactory to us including, without limitation, specific identification of us as a third-party beneficiary of such covenants with independent rights to enforce them.

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

If you are not the active manager of the HandyPro Business, we will allow you to appoint a designated manager (“Manager”) to run the day-to-day operations of the HandyPro Business. The Manager need not have an ownership interest in the franchisee. The Manager will be required to complete our Initial Training Program. If you replace a manager, the designated Manager must satisfactorily complete our training program at your expense.

Any Manager and, if you are a legal entity (“Entity”), an officer that does not own equity in the franchisee entity, must sign the System Protection Agreement (“System Protection Agreement”), the form<sup>9</sup> of which is attached to this Franchise Disclosure Document in Exhibit H. All your employees, independent contractors, Craftsmen, agents or representatives that may have access to our Confidential Information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to the Franchise Disclosure Document in Exhibit H. If you are an Entity, each owner (i.e., each person holding an ownership interest in you) must sign an owner’s agreement, guaranteeing the performance of the Entity, the form of which is attached to the Franchise Agreement as Attachment C. We require that the spouses of the Franchise owners sign the owner’s agreement.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

To maintain uniform quality standards, you must follow our directions concerning the services and products you provide. You may sell only those approved services and products consistent with the image and product line as have been expressly approved by us. You must sell all products and services we authorize. As of the Issuance Date of the Franchise Disclosure Document, these services and products are home repair and improvement services and related products.

We have the right to change the types of authorized services and products, and there are no limits on our right to do so, although we will provide you with written notice 30 days before any change becomes effective. You may not offer for sale any products or perform any services that we have not approved, nor can you engage in any other business enterprise through the Entity that you use to operate the HandyPro Business without our prior written consent. You must offer our “HandyPro Certified Warranty Program” to customers in your Territory in accordance with our standards and specifications, which we may change from time to time. You must always comply with our policies concerning the HandyPro Certified Warranty Program and you must honor each warranty presented to you by a customer in accordance with its terms. You are not permitted to make any other warranty or guarantee other than those contained in the printed forms of warranty issued or approved by us. You will be responsible for reimbursing us for any HandyPro Certified Warranty Program costs we incur to honor any warranty obligations you entered into during the term of your Franchise Agreement.

Other than as we expressly authorize, you may not in any manner reship, transship, or re-distribute any of the HandyPro products and services other items purchased from us to any third party, including but not limited to other current or former HandyPro franchisees, without our prior written consent. We reserve the right to restrict your provision of services and products to National Account locations with whom we have contracted in your Territory, if you cannot, for any reason, or do not elect to provide services and products to any National Account locations in accordance with our policies.

Other than as described above, or by Item 12, we place no restrictions on where or to whom you may provide HandyPro products and services so long as it is within your Territory.

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

**THE FRANCHISE RELATIONSHIP**

**This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Franchise Disclosure Document.**

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	7 years
b. Renewal or extension of the term	Section 2.2	Option to renew for up to two additional terms of 7 years each.
c. Requirements for you to renew or extend	Section 2.2	Upgrade HandyPro Business to the then current standards, perform required upgrades, execute release, pay Successor Franchise Fee in the amount of 50% of our then current initial franchise fee, have been in substantial compliance with Franchise Agreement, execute our then-current form of franchise agreement, the terms of which may vary materially from the terms of your original Franchise Agreement and may include, without limitation, increased royalty fees and advertising obligations.
d. Termination by you	None (Subject to state law. See the State Specific Addenda attached to this Franchise Disclosure Document as <u>Exhibit G.</u> )	Not applicable
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Sections 20.1, 20.2, 20.3, 20.4 and 20.5	We can terminate you if you commit any one of several listed defaults.
g. “Cause” defined- curable defaults	Section 20.3, 20.4 and 20.5	We have the right to terminate the Franchise Agreement after providing you a 15 day cure period if: (i) you fail to pay any amounts owed to us, our affiliates or System Suppliers; (ii) you fail to maintain sufficient inventory levels; (iii) you fail to commence operations; (iv) you fail to maintain prescribed hours of operation; (v) you fail to supervise operations or employ sufficient personnel; (vi) fail to meet our current operating standards; (vii) your conduct adversely reflects on the System; and (viii) you perform services outside your

Provision	Section in Franchise Agreement	Summary
		<p>Territory without our prior written consent.</p> <p>We have the right to terminate the Franchise Agreement after providing you a 30-day cure period if you fail to perform or comply with any one or more of the terms of the Franchise Agreement or any other agreements between you and us.</p>
<p>h. <u>“Cause”</u> defined- non-curable defaults</p>	<p>Section 20.1 and 20.2</p>	<p>The Franchise Agreement shall automatically terminate without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition for bankruptcy, are adjudicated bankrupt or insolvent; (ii) If proceedings are commenced to have adjudicated bankrupt and such proceedings are not dismissed in 60 days; and (iii) you purport to sell or transfer your or any interest in the HandyPro Business without our written approval.</p> <p>We have the right to terminate the Franchise Agreement upon notice and without an opportunity to cure if: (i) you intentionally or negligently disclose to an unauthorized person the Confidential Information; (ii) you abandon the HandyPro Business; (iii) if you or any of your principals becomes insolvent; (iv) a lien or writ of attached is placed against you and not released or bonded against within 30 days; (v) you are convicted of, plead guilty or no contest to a crime; (vi) you misuse the Marks; (vii) you receive two (2) or more written notices of default within any 12 month period; (viii) you violate the Franchise Agreement’s restrictive covenants; (ix) you or your principals commit any fraud or misrepresentation in the operation of the HandyPro Business; (x) you make any misrepresentation or omission on your franchise application; (xi) you fail to complete initial training; (xii) you or your principals breach any other agreement with us, or your Vehicle lease; (xiii) you offer any unauthorized products or services; and (xiv) you order or purchase any unauthorized supplier,</p>

Provision	Section in Franchise Agreement	Summary
		signs, equipment or inventory from an unapproved supplier.
i. Your obligations on termination/non-renewal	Section 21	Pay outstanding amounts, de-identification, return of Confidential Information, customer lists, and telephone numbers, (see also r).
j. Assignment of contract by us	Section 19.7	No restriction on our right to assign.
k. “Transfer” by you – definition	Sections 19.1 and 19.2	Includes transfer of contract or assets or certain changes in ownership if you are an entity.
l. Our approval of transfer by you	Sections 19.1 and 19.2	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for our approval of transfer	Sections 19.3 and 19.4	Transferee qualifies to become a franchisee, all amounts due are paid in full, transferee completes training, transfer fee paid, then current contract signed, general release signed.
n. Our right of first refusal to acquire your business	Section 19.6	We can match any offer.
o. Our option to purchase your business	None	Not applicable
p. Your death or disability	Section 19.8	Franchise must be assigned to approve transferee within 45 days.
q. Non-competition covenants during the franchise term	Section 18.1	No involvement in competing business. Non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 18.2	For a period of two (2) years from the termination or expiration, or the date on which you cease to conduct business, whichever is later, neither you, any Manager, nor your officers, directors, shareholders, managers, members and/or partners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 50-mile radius of your Territory or within a 50-mile radius of the Territory of any other franchised or company-owned HandyPro Business. Owners may not solicit any customer, employee, or independent contractor of the Franchise or any HandyPro Franchise



Provision	Section in Franchise Agreement	Summary
		for two (2) years. Non-competition provisions are subject to state law.
s. Modification of the agreement	Section 25.1	No modifications generally but Brand Standards Manual subject to change.
t. Integration/merger clause	Section 25.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Section 22 (Subject to state law. See the State Specific Addenda attached to this Franchise Disclosure Document as <u>Exhibit G.</u> )	Except for controversies, disputes or claims related to improper use of Marks or Confidential Information, all controversies, disputes or claims between us must be submitted first for mediation, and if mediation is unsuccessful, for binding arbitration on demand of either party. The arbitration will be conducted by one (1) arbitrator at a suitable location chosen by the arbitrator within 15 miles of our then current headquarters (currently Farmington, Michigan) subject to state law.
v. Choice of forum	Section 22.9	Mediation in Michigan. Litigation in any court of general jurisdiction in Oakland County, Michigan or in the United States District Court for the District of Michigan (subject to state law).
w. Choice of law	Section 23.1	Except for Federal Arbitration Act and other federal law, the law of the state where the HandyPro Business is located applies (unless prohibited by state law in which case this information can be found in <u>Exhibit G.</u> )

**ITEM 18  
PUBLIC FIGURES**

We do not use any public figure to promote our Franchise.



## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

As of December 31, 2022, there were 9 independently owned and operated HandyPro Businesses. In addition, there are also 2 HandyPro Businesses; 1 operated by our affiliate, HandyPro Handyman Service, Inc. and 1 operated by our affiliate, HandyPro of Greater Toledo, LLC for a total of 11 separate HandyPro Businesses.

The information reported in Table One below is a historical non-audited financial performance representation of average Net Revenues achieved during 2022 for each reporting group category. The members of the Reporting Group were each granted territories ranging from 65,244 to 591,971 Qualified Households (including the Affiliate Business, which operated in an area with 493,483 Qualified Households). “Qualified Households” are defined as households with an annual income of \$50,000 or more. If you purchase a HandyPro Business from us, your Territory will contain approximately 60,000 Qualified Households.

Table One presents financial performance information in the form of average Net Revenues for each Reporting Group category. The Franchisee Group and the Affiliate Business are reported separately in this table.

The Franchisee Group, itself, is separated into 3 reporting categories: Full Time, in operation for more than 2 years; Full Time, in operation for less than 2 years and Part Time (meaning that they spend 30 hours or less per week, on average, in connection with their HandyPro Business. Of the single Part-Time independent business owner, they have other jobs or businesses that they operate in addition to their HandyPro business).

We further divided the HandyPro Businesses in operation for more than two years into three performance tiers: Top 25%, Middle 50% and Bottom 25%.

The Affiliate Businesses are operated full time, one pays a flat monthly Royalty Fee of \$1,500 and one does not currently pay Royalty Fees nor make National Advertising Fund contributions.

### TABLE ONE

Reporting Group Category	Number of HandyPro Businesses for each Reporting Group Category	Number of HandyPro Businesses that Met or Exceeded the Reporting Group Category Average	Percentage of HandyPro Businesses that Met or Exceeded Reporting Group Category Average	Net Revenues			
				Average	Highest	Median	Lowest
<b>Franchisee Group</b>							
<b>Full Time</b>							
Top 25%	2	1	50%	690,878	996,696	690,878	385,060
Mid 50%	4	2	50%	273,415	350,422	267,083	209,073
Bottom 25%	2	1	50%	67,224	107,582	67,224	26,866
<b>Total:</b>	8	4	50%	326,233	996,696	267,083	26,866
In operation, > 2y	7	3	43%	369,000	996,696	315,849	252,889
In operation, < 2y	1	0	0%	26,866	26,866	26,866	26,866
<b>Total:</b>	8	3	38%	326,233	996,696	267,083	252,889
<b>Part Time</b>	1	1	100%	112,555	112,555	112,555	112,555
<b>Total Franchisees:</b>	9	5	56%	302,491	996,696	252,889	252,889
<b>Affiliate Businesses</b>	2	1	50%	1,032,880	1,853,830	1,032,880	211,930
<b>Total Businesses:</b>	11	6	55%	252,889	1,853,830	252,889	211,930

Table One Notes:

1. “Net Revenues” means the entire amount of all business revenues generated by the Reporting Group members net of discounts.
2. Net Revenue figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Net Revenue figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your HandyPro Business. Current and former Franchisees are listed in this Disclosure Document and may be utilized as one source of additional information.

**Some franchisee units have sold these amounts. Your individual results may differ. There is no assurance you will sell as much.**

3. There are several fixed and variable costs associated with a HandyPro Business, and that vary among individual HandyPro Businesses. These expenses, which are likely to be significant, include, but are not limited to, the following: costs described in Items 6 and 7 of this Franchise Disclosure Document, including the six percent (6%) Royalty Fee, one percent (1%) National

Advertising Fund contribution; interest or finance charges if you finance some or all of the cost of the franchise; cost and expenses related to the owner’s Vehicle used in the business; depreciation on property and equipment; any pre-opening or amortization of organization costs; costs associated with regulatory compliance; management costs; fringe benefits other than employee health insurance; and certain repairs and maintenance. We strongly encourage you to consult with your financial advisors in reviewing the table and in estimating the categories and amount of additional expenses you will incur in establishing and operating a Business.

4. Some HandyPro Businesses in the Franchise Group have larger territories than are currently granted to franchisees or have multiple territories. Of the 9 HandyPro Businesses in the Franchise Group, 7 have one territory, 1 has two territories, and 1 have three or more territories. The size and number of territories may have an impact on the Net Revenues of the HandyPro Business.

TABLES TWO AND THREE

The information in Tables Two and Three below are historical non-audited financial performance data for 2022 from the single Affiliate Business. Because the Affiliate Business is under our control, we can obtain detailed information that we are unable to obtain from franchisees. Some of the numbers have been rounded to the nearest dollar for the sake of presentation.

Table Two shows the average Net Revenue, Cost of Goods Sold and Gross Profit Margin (“GPM”) for seven common products offered by HandyPro Businesses. The averages are based on the 2022 financial data of one of the Affiliate Businesses.

TABLE TWO

Item	Average Net Revenue	Material	Labor	Job Profit	GPM
Stair Lift	\$6,174	\$2,205	\$800	\$3,769	61%
Grab Bar	473	78	189	206	44%
Wheelchair Ramp	2,354	870	286	1,198	51%

The information provided in Table Three below consists of the actual performances of the two Affiliate Businesses compared to the Franchisee Businesses. One Affiliate Business pays a fixed “Royalty” per month and the other does not currently pay a “Royalty”, while the Franchise locations pay a percentage of net revenue, per month, subject to minimums as detailed in Sections 4 and 5 of the Franchise Agreement contained herein and in Item 6 of this Franchise Disclosure Document.

The financial performance figures do not reflect operating costs or expenses that must be deducted from the gross profit figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your HandyPro Business. Current or former Franchisees listed in this document may be one source of such information.

TABLE THREE

AVERAGE MONTHLY	AFFILIATE BUSINESSES	FRANCHISEE BUSINESSES
Revenue	\$86,073	\$25,208
Labor & Material	50,072	16,133
Royalty	1,500	1,501
Gross Profit	34,501	7,574
Gross Profit Margin %	40.1%	30.0%

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

Other than the preceding, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Keith Paul, HandyPro International, LLC, 22500 Orchard Lake, Suite A, Farmington, Michigan 48336, the Federal Trade Commission, and the appropriate state regulatory agency.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
System-Wide Outlet Summary  
For years 2020 through 2022, as of December 31, 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	13	9	(4)
	2021	9	8	(1)
	2022	8	9	1
Company-Owned*	2020	1	1	-
	2021	1	2	1
	2022	2	2	-
Total Outlets	2020	14	10	(4)
	2021	10	10	-
	2022	10	11	1

\*These outlets are owned by our affiliates.

Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2020 through 2022, as of December 31, 2022

State	Year	Number of Transfers
Total	2020	-
	2021	-
	2022	-

Table No. 3  
Status of Franchised Outlets  
For Years 2020 through 2022, as of December 31, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at the End of the Year
Florida	2020	2	-	1	-	-	-	1
	2021	1	-	-	-	-	-	1
	2022	1	1	-	-	-	-	2
Georgia	2020	1	-	-	-	-	1	-
	2021	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
Indiana	2020	1	-	-	-	-	-	1
	2021	1	-	-	-	-	-	1
	2022	1	-	-	-	-	-	1
Maryland	2020	2	-	-	-	-	-	2
	2021	2	-	-	-	-	-	2
	2022	2	-	-	-	-	-	2
Michigan	2020	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
New Jersey	2020	1	-	-	-	-	-	1
	2021	1	-	-	-	-	-	1
	2022	1	-	-	-	-	-	1
Ohio	2020	1	-	-	-	-	-	1
	2021	1	-	-	-	-	1	-
	2022	-	-	-	-	-	-	-

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at the End of the Year
Pennsylvania	2020	1	-	-	-	-	1	-
	2021	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
Texas	2020	2	-	-	-	-	1	1
	2021	1	-	-	-	-	-	1
	2022	1	-	-	-	-	-	1
West Virginia	2020	1	-	-	-	-	-	1
	2021	1	-	-	-	-	-	1
	2022	1	-	-	-	-	-	1
Virginia	2020	1	-	-	-	-	-	1
	2021	1	-	-	-	-	-	1
	2022	1	-	-	-	-	-	1
Totals	2020	13	-	1	-	-	3	9
	2021	9	-	-	-	-	1	8
	2022	8	1	-	-	-	-	9

Table No. 4  
Status of Company-Owned Outlets  
For Years 2020 through 2022, as of December 31, 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Michigan	2020	1	-	-	-	-	1
	2021	1	-	-	-	-	1
	2022	1	-	-	-	-	1
Ohio	2021	-	1	-	-	-	1
	2022	1	-	-	-	-	1
Total	2020	1	-	-	-	-	1
	2021	1	1	-	-	-	2
	2022	2	-	-	-	-	2

Table No. 5  
Projected Openings  
as of December 31, 2022 for 2023

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet In the Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Michigan	-	2	2
Ohio	-	1	2
Total	-	3	4

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit D. The name and last known address and telephone number of every franchisee who has had a HandyPro Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the one (1) year period ending December 31, 2022, or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document is listed in Exhibit D.

If you buy a HandyPro Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the HandyPro Franchise System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

During the past three (3) years, we have not had any franchisee sign confidentiality clauses which would prevent them from speaking of their experience with us.

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

## ITEM 21 FINANCIAL STATEMENTS

Exhibit E contains the financial statements required to be included with this Franchise Disclosure: audited financial statements as of December 31, 2022, December 31, 2021, and December 31, 2020. Our fiscal year end is December 31.

## ITEM 22 CONTRACTS

Attached to this Franchise Disclosure Document are the following contracts:

Exhibit B	Franchise Agreement
Exhibit G	State Specific Addenda
Exhibit H	Contracts for use with the HandyPro Business



## **ITEM 23 RECEIPTS**

The last pages of this Franchise Disclosure Document, Exhibit I are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

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**EXHIBIT A**

**STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

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**(List begins on next page)**

**AGENTS FOR SERVICE OF PROCESS**

<p><b><u>CALIFORNIA</u></b></p> <p><u>State Administrator and Agents for Service of Process:</u></p> <p>Commissioner Department of Business Oversight 320 W. 4<sup>th</sup> Street, #750 Los Angeles, CA 90013 (213) 576-7500 (866) 275-2677</p> <p><b><u>HAWAII</u></b></p> <p>Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><u>Agents for Service of Process:</u></p> <p>Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><b><u>ILLINOIS</u></b></p> <p>Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62701 (217) 782-4465</p> <p><b><u>INDIANA</u></b></p> <p>Secretary of State Securities Division Room E-018 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681</p>	<p><b><u>MARYLAND</u></b></p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360</p> <p><u>Agents for Service of Process:</u></p> <p>Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020</p> <p><b><u>MICHIGAN</u></b></p> <p>Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117</p> <p><b><u>MINNESOTA</u></b></p> <p>Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 539-1600</p> <p><b><u>NEW YORK</u></b></p> <p><u>Administrator:</u></p> <p>NYS Department of Law Investor Protection Bureau 28 Liberty Street 21<sup>st</sup> Floor New York, NY 10005 (212) 416-8222 (Phone) (212) 416-6042 (Fax)</p> <p><u>Agents for Service of Process:</u></p> <p>New York Department of State One Commerce Plaza 99 Washington Avenue, 6<sup>th</sup> Floor Albany, NY 12231-0001 (518) 473-2492</p>	<p><b><u>NORTH DAKOTA</u></b></p> <p>North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 E. Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712</p> <p><b><u>RHODE ISLAND</u></b></p> <p>Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527</p> <p><b><u>SOUTH DAKOTA</u></b></p> <p>Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823</p> <p><b><u>VIRGINIA</u></b></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9<sup>th</sup> Floor Richmond, VA 23219</p> <p><u>Agent for Service of Process:</u></p> <p>Clerk of the State Corporation Commission 1300 E. Main Street, 1<sup>st</sup> Floor Richmond, VA 23219</p> <p><b><u>WASHINGTON</u></b></p> <p>Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760</p> <p><b><u>WISCONSIN</u></b></p> <p>Department of Financial Institutions Division of Securities 201 W. Washington Avenue Madison, WI 53703 (608) 266-3364</p>
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Rev. 021517

**EXHIBIT B**

**FRANCHISE AGREEMENT**

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**HANDYPRO INTERNATIONAL, LLC**

**FRANCHISE AGREEMENT**

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HANDYPRO INTERNATIONAL, LLC  
FRANCHISE AGREEMENT

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
1.	GRANT OF FRANCHISE .....	
2.	TERM AND RENEWAL .....	56
3.	BUSINESS LOCATION AND TERRITORY .....	57
4.	FEES.....	60
5.	ADVERTISING .....	
6.	MONTHLY REPORTING OBLIGATIONS.....	64
7.	YOUR OBLIGATIONS .....	64
8.	TRAINING AND CERTIFICATIONS .....	69
9.	OUR OBLIGATIONS .....	
10.	BRAND STANDARDS MANUAL.....	70
11.	MARKS, TRADE NAMES AND PROPRIETARY INTERESTS .....	72
12.	CONFIDENTIAL INFORMATION.....	74
13.	FINANCIAL REPORTS .....	75
14.	BOOKS AND RECORDS .....	75
15.	INDEPENDENT CONTRACTORS .....	76
16.	INDEMNIFICATION .....	76
17.	INSURANCE.....	77
18.	RESTRICTIVE COVENANTS.....	78
19.	SALE OR TRANSFER.....	80
20.	BREACH AND TERMINATION .....	83
21.	OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION.....	86
22.	DISPUTE RESOLUTION .....	88
23.	GOVERNING LAW .....	90
24.	INJUNCTIVE RELIEF.....	90
25.	MISCELLANEOUS PROVISIONS .....	91
26.	REPRESENTATIONS AND ACKNOWLEDGEMENTS. ....	94

ATTACHMENTS:

- A. Franchise Data Sheet
- B. Statement of Ownership
- C. Owners Agreement





## HANDYPRO INTERNATIONAL, LLC FRANCHISE AGREEMENT

**THIS AGREEMENT** (the “**Agreement**”) is effective as of the date listed on Attachment A (“**Effective Date**”) by and between **HANDYPRO INTERNATIONAL, LLC**, a Michigan limited liability company located at 22500 Orchard Lake, Suite A, Farmington, MI 48336 (“**we**” or “**us**” or “**Franchisor**”) and the franchisee identified on the Data Sheet (“**you**” or “**Franchisee**”).

### **BACKGROUND**

A. We, as a result of the expenditure of time, skill, effort, and resources, have developed unique and distinctive methods for establishing, operating, and promoting businesses which offer home repair and improvement services within a specific geographic area (the “**System**”) primarily to residential homeowners as well as commercial customers (collectively referred to as “**Customers**”).

B. The distinguishing characteristics of the System include, without limitation, its unique format, style, merchandising and service and product preparation methods and techniques, signs, layout plans, advertising, marketing, inventory and bookkeeping system, and schedule of business policies and practices, all of which we may change, improve, and further develop from time to time.

C. We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the marks “HandyPro”, distinctive trade dress and such other trade names, trademarks, and service marks as we now designate or may hereinafter designate in writing for use in connection with the System (the “**Marks**”).

D. We continue to develop, use, and control the use of the Marks to identify for the public the source of services and products marketed under the Marks and System, and to represent the System’s high standards of quality, appearance, and service.

E. We have created and developed, and reserve the right to create and develop, private label products to be offered to the public under the Marks as we may designate (“**Proprietary Products**”).

F. You desire a license to operate a HandyPro business using our System and Marks (the “**Franchised Business**” or “**Business**”) and wish to obtain a franchise from us for that purpose (“**Franchise**”), and to receive the training and other assistance we provide in connection with the operation of such Franchise.

G. You understand that it is necessary to operate the Business in conformity with this Agreement and with our standards and specifications; and you have read this Agreement and our offering circular; and you understand and accept the terms, conditions and covenants contained

in this Agreement as being reasonably necessary to maintain our high standards of quality, cleanliness, appearance, and service.

**NOW, THEREFORE**, in consideration of the mutual promises, commitments and understandings contained in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## AGREEMENT

### 1. GRANT OF FRANCHISE

#### 1.1 *Grant and Acceptance.*

We hereby grant to you, and you hereby accept, a license to use the Marks and System in connection with the establishment and operation of a Business, at the location and in the designated territory or designated territories described in Section 3 of this Agreement. We have the right to supplement, improve or otherwise modify the System from time to time in our discretion, and you agree to comply with all changes which may include, without limitation, the offer and sale of new or different products or services as we may specify and may result in additional expenditures by you.

#### 1.2 *Authorized Services.*

Subject to the limitations described in this document, you are hereby authorized to offer, sell and perform the following:

1.2.1 Residential and commercial services. You may offer and sell HandyPro services to Customers within your designated territory.

#### 1.3 *Scope of Franchise Operations.*

You always agree to perform your obligations faithfully, honestly and diligently under this Agreement, and to continuously exert best efforts to promote the Business. You may only offer and sell HandyPro services in the operation of your Business.

### 2. TERM AND RENEWAL

#### 2.1 *Term.*

The initial term of the Franchise is for a period of seven years from the Effective Date of this Agreement.

#### 2.2 *Successor Franchise.*

You have the right to enter into a successor franchise agreement for two successive, additional seven (7) year periods, provided you have met the following conditions at each renewal:

2.2.1 You have notified us of your intention to enter into the Successor Franchise Agreement (as defined in Section 2.2.6) at least six months, but not more than 12 months before the expiration of the current term. We will give you written notice of our decision not more than six months after we receive your notice).

2.2.2 You have demonstrated to our satisfaction that you have the right to operate the Business for the duration of the successor term.

2.2.3 You have completed, to our satisfaction, no later than 90 days before the expiration of the then-current term, all upgrades to the Business and your operations and equipment, including, if necessary, the purchase or lease of a new vehicle and/or a new customized vehicle workstation, at your sole expense (the necessity of which will be in our sole discretion) to conform with our then-current System standards and specifications for new HandyPro franchises.

2.2.4 You are not in breach of any provision of this Agreement, or any other agreement between you and us, our affiliates, or System Suppliers (as defined in Section 7.2.4), and you have substantially complied with all such agreements during their respective terms. For purposes of this Section 2.2.4., “**Substantially Complied**” shall mean that you have not received any written notification from us of a breach under this Agreement more than twice during the term of this Agreement, regardless of whether the breaches have been cured.

2.2.5 You have satisfied all monetary obligations you owe us, our affiliates, and System Suppliers.

2.2.6 You execute our then-current form of franchise agreement and related documents (including but not limited to Owners Agreement or other guaranty) used for new HandyPro franchises (“**Successor Franchise Agreement**”), the terms of which may vary materially from the terms of this Agreement and may include, without limitation, increased fees and advertising obligations; provided, however, that you will not be required to pay an initial franchise fee (see Section 2.2.7 below).

2.2.7 You pay us a “**Successor Franchise Fee**” in the amount equal to 50% of our then-current initial franchise fee for a new HandyPro franchise; provided such fee will not exceed 50% of your original initial franchise fee and territory fee, which is due and payable upon signing the Successor Franchise Agreement and will be nonrefundable under all circumstances once paid.

2.2.8 You satisfy our then-current training requirements for successor franchises, if any, at your expense; and

2.2.9 Subject to state law, you sign a general release, in the form we prescribe, releasing all claims against us, our affiliates and our respective officers, directors, employees and agents arising out of or relating to this Agreement. The release shall not be inconsistent with any applicable state statute regulating franchises.

### 3. BUSINESS LOCATION AND TERRITORY

#### 3.1 *Business Location.*

You shall designate a principal business location in the Territory (as defined below) (“**Business Location**”). The Business Location may be your home or other place where the Attachment A. You shall keep us apprised of the location of your Business Location.

### 3.2 *Territory.*

3.2.1 Except as otherwise provided in this Agreement, for so long as you are following this Agreement we will not establish, or license another person or entity to establish, a Business using the Marks and System within the territory identified on the Attachment A (“**Territory**”).

3.2.2 You will refer all customer orders located within a territory of another HandyPro franchisee, or company or affiliate-owned Business to such other franchisee or to us or our affiliate, as may be applicable unless we authorize you otherwise.

3.2.3 With our prior written approval, you may provide HandyPro services to Customers with addresses outside your Territory at locations where no other HandyPro franchisee or company-owned or affiliate-owned Business has been granted or obtained the right to operate a Business, if you follow the policies and procedures as contained in our Brand Standards Manual (as defined in Section 10), as amended. We reserve the right, however, to revoke our written approval at any time if you are not in compliance with this Agreement or if we grant another franchisee or licensee the right to provide HandyPro services at such locations outside your Territory.

### 3.3 *No Relocation.*

The rights that are granted to you under this Agreement are for the specific Territory and cannot be transferred to an alternative Territory, or any other location, without our prior written approval, which will not be unreasonably withheld. The Marks and System are licensed to you for the operation of one (1) Business only within the Territory.

### 3.4 *National Accounts.*

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements or to provide HandyPro services to “**National Accounts.**” For purposes of this Agreement “National Accounts” shall mean any customer: (1) that conducts its business for its own account or through agents, affiliates, independent contractors or franchisees in two or more states in the United States; or (2) a regional or national chain with eight or more locations which client or chain has contracted with us to obtain HandyPro services for three or more of its locations from us, our affiliates and/or HandyPro service franchisees; or (3) which owns, manages, controls or otherwise has responsibility for businesses in more than one location and whose presence is not confined within any one particular franchisee’s Territory. We retain the rights to service or designate ourselves or other franchisees to service National Accounts in your Territory. In the event a National Account customer notifies us at any time during the performance of customer work that it is dissatisfied with your service for any reason, we, our affiliates, or designee may complete the customer work or contract with another company or another franchisee to complete the customer work at your expense, including payment of our administrative fees. You are not entitled to any National Account work in your Territory. If we permit you to service National Accounts, you will be required to sign the “Addendum to Franchise Agreement For National Account Participation” attached to the Franchise Disclosure Document as Exhibit H, as may be amended from time to time. We may revoke our approval for you to perform any services for National Accounts at any time in our sole discretion.

### 3.5 *Franchisee Distribution Programs.*

We reserve the right to develop franchisee distribution programs (“**Distribution Programs**”), which may provide you with the opportunity to purchase and re-sell HandyPro service equipment and products, including HandyPro service workstations, to qualified customers located inside and outside your Territory in accordance with the terms of the Distribution Program and Brand Standards Manual, as determined by us in our sole discretion. We may dissolve any Distribution Program at any time in our sole discretion.

### 3.6 *Our Reservation of Rights.*

You expressly acknowledge that the HandyPro Franchise granted under this Agreement is nonexclusive and that the territorial protection afforded to you under this Agreement relates solely to the operation of a Business using our Marks and System. We retain all other rights. Specifically, but not exclusively and without limiting the previously stated, we have the right to: (1) use, and to license others to use, the Marks and System for the operation of Businesses at any location outside your Territory; (2) to acquire, be acquired by, merge or affiliate with or engage in any transaction with other businesses (whether or not these businesses are competitive), including competing franchise systems, with units operating in your Territory, which units may continue to operate in your Territory under a different trademark; (3) to contract with and provide services and products to National Accounts at any location, whether or not located within your Territory; (4) to distribute, or license others to distribute products, whether now existing or developed in the future, identified by the Proprietary Marks or other marks that we own or licenses, through any alternative distribution channels we or our affiliates may periodically establish or license, retail, or wholesale, including, but not limited to the Internet, home improvement stores, and catalog sales within your Territory; (5) purchase and operate similar businesses offering similar products and services, at any location, including inside your Territory, under different marks, or to license others the right to own and operate similar businesses, or market similar products and services at any location, including inside Territory, under different marks; (6) perform HandyPro Certified Warranty Programs (as defined below) service work, including allowing other franchisees, contractors or designees, in your Territory at your expense if, in our discretion, we are required to do so for customer service issues; (7) implement multi-area marketing programs, which may allow us or others to solicit or sell to customers anywhere, and issue mandatory policies to coordinate such multi-area marketing programs; (8) use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering home repair and improvement services, and related products and services, at any location, including wholesale or retail, including home improvement stores and catalogue sales, including within the Territory, which may be similar to or different from the HandyPro business operated by you and (9) to perform or allow other franchisees, contractors, or designees to perform HandyPro Certified Warranty Programs service work in your Territory at your expense if we must due to customer service issues. The Franchise Agreement grants you no rights: (i) to distribute services as described in this paragraph; or (ii) to share in any of the proceeds from our activities through alternative channels of distribution.

#### 4. FEES.

##### 4.1 *Initial Fees.*

4.1.1 **Initial Franchise Fee.** In consideration of the Franchise granted under this Agreement, you agree to pay to us a total initial franchise fee (“**Initial Franchise Fee**”) of \$9,500 payable when you sign this Agreement. The Initial Franchise Fee is deemed fully earned and nonrefundable upon payment in consideration of all our pre-opening assistance that we provide to allow you to open your Business and our lost or deferred opportunity to grant Franchises to others, and it also offsets some of our expenses for franchise recruitment.

4.1.2 **Territory Fee.** In consideration of the Territory granted to you under this Agreement, you agree to pay us a territory fee (“**Territory Fee**”) of \$39,500. The Territory Fee is payable when you sign this Agreement and is deemed fully earned and nonrefundable upon payment in consideration of administrative and other expenses, we incur in granting your Territory and for our lost or deferred opportunity to offer Franchises to others in the Territory.

4.1.3 **Additional Territory Fee.** You may also purchase one additional territory (“**Additional Territory**”) at the time you sign the Agreement subject to our approval and the availability of Additional Territories. The Territory Fee for the Additional Territory is \$18,000 and is payable when you sign this Agreement and is deemed fully earned and nonrefundable upon payment in consideration of administrative and other expenses, we incur in granting your Additional Territory and for our lost or deferred opportunity to offer Franchises to others in the Additional Territory. The Additional Territory will be noted in Attachment A. Notwithstanding anything to the contrary in this Agreement—including Section 3.2—if you purchase an Additional Territory, you are required to achieve at least \$150,000 of Net Revenues within the Additional Territory (the “**Additional Territory Threshold**”) by the end of the third year of operation of the Business. If you fail to satisfy the Additional Territory Threshold in a timely manner, we have the right to terminate all rights that you have or may have in the Additional Territory which arise under this Agreement or any other agreement that you have with us or any of our affiliates.

##### 4.2 *Royalty Fees.*

You agree to pay us, in the manner provided below (or as the Brand Standards Manual otherwise prescribe), a monthly royalty fee (the “**Royalty**”) equal to the greater of: (i) six percent (6%) of Net Revenues; or (ii) \$350 per month (“**Minimum Royalty**”). The Royalty is an ongoing payment that allows you to use the Marks and the other intellectual property of the System, and that pays for our ongoing support and assistance.

4.2.1 **Net Revenues.** For purposes of this Agreement, “**Net Revenues**” shall mean all revenues (as defined by the accrual basis of accounting) received or receivable by you, whether in cash or for credit, barter, or other means of exchange, from all sales of services and/or products of every kind or nature sold from, at, or in connection with the operation of the Business or otherwise arising out of the operation of the Business, including the full redemption value of any gift certificate or coupon sold for use in the Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation) including sales made at or away from the Business, whether for cash or credit, less returns for which refunds are made, provided that the refund shall not exceed the sales price. “**Net Revenues**” does not include (1) the amount of any tax imposed by any federal, state, municipal or other governmental authority; you agree to pay such amounts as and when due; or (2) all customer refunds, valid discounts, and



coupons, and credits made by the Business (these exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

**4.2.2 Manner of Payments.** You shall participate in our electronic funds transfer (“EFT”) program under which we automatically deduct all monthly royalty payments for the immediately preceding month and other payments owed to us under this Agreement on the 10<sup>th</sup> day of each month, or such other day designated by us from your bank account. Before the Commencement Date, you must sign and return to us and your bank, all documents necessary to effectuate this program. You must immediately notify us of any change in your banking relationship, including changes in account numbers. We reserve the right to require you to submit all payments due to us under this Agreement in the form and manner we prescribe. No later than the day designated by us of each month, you must report to us by electronic means or in written form, as may be reasonably directed by us, in a manner more fully described in Section 6 below, with such information and according to such standard transmittal procedures regarding your Net Revenues and such additional information as we reasonably request. We reserve the right, with 60 days prior written notice, to require royalty payments be made on a semimonthly or weekly basis, in our sole discretion. We have the right to reasonably verify such Royalty payments from time to time, as we deem necessary. If payment is made to us by credit card for any fee required, upon our discretion, we may charge a service charge of two percent (2%) of the total sale for accepting a credit card payment.

#### **4.3 Interest and Late Charges.**

If you fail to pay any fees or payments or other amounts due to us as and when due, you will owe, in addition to such payments and other amounts, a penalty of \$100 per month plus interest after the due date. Any “**Interest**” due under this Agreement shall equal the greater of: (a) the Prime Rate plus eight percent (8%); or (b) 18% per annum. Interest shall begin to accrue from the date of non-payment on any amounts owed by you to us or our affiliates and shall continue until all past due amounts (including the Interest and any late fees) are paid in full. Interest shall be calculated monthly on any outstanding balance. “**Prime Rate**” is the announced base rate applicable to corporate loans as stated in the *Wall Street Journal*. You acknowledge we have the right to require timely payment, and any previous forbearance shall not obligate us to offer any further forbearance. Such late charges and Interest shall be assessed monthly for each payment and other amounts due, and we will have the right to immediately debit such amounts from your bank account. You will be required to pay us \$100 plus Interest for any transaction that generates an insufficient funds fee or returned check fee from any payment that we collect from you.

#### **4.4 Application of Payments.**

Notwithstanding any designation by you, we shall have sole discretion to apply any of your payments to any of your past due indebtedness to us or our affiliates. You acknowledge that we have the right to set off any amounts we may owe to you against any amounts you may owe to us.

#### **4.5 Technology Fee.**

You are required to utilize our proprietary software for the operation of your HandyPro Franchise. You will be required to pay our affiliate a \$199 startup fee for use of the



proprietary software. In addition, you will be required to pay a monthly technology fee, which is currently \$199 per month (“**Technology Fee**”), in the same manner as the Royalty fee. This fee covers the costs incurred for website and email hosting, one local telephone number, and our proprietary software for the operation of your HandyPro Franchise. We reserve the right to increase this fee in the event we offer updated or additional software or technology for use in the Business. The Technology Fee includes licenses for one HandyPro Craftsman. You will be required to pay an additional monthly fee per HandyPro Craftsman for the use of the software and an additional email address per HandyPro Craftsman which is required for the software.

## 5. ADVERTISING

### 5.1 *Generally.*

You must participate in all advertising programs as we require in writing or contained in the Brand Standards Manual. You may place or display on any contract, form, Business Location, or other items used in the HandyPro business only the signs, emblems, lettering, logos and displays and advertising materials as we approve in writing from time to time. You must submit to us, at least 21 days prior to your use, samples of all sales promotional and advertising materials you desire to use for approval. You will submit to us samples of all advertising and promotional plans and materials prior to their use, and you may commence use of such plans or materials seven days after our receipt unless prior to that time we furnish written notice to you prohibiting such use. This includes any advertisements on the Internet or social media websites (if we allow such advertisements). Our failure to approve or disapprove the materials within 21 days of receipt will be deemed disapproval. You may not use any advertising or promotional materials for which we have not given our prior written approval. You may not advertise the Business, or any products or services offered by the Business via the Internet without our prior written consent, which may be given or withheld in our sole discretion. If you violate any provision of this Section, in addition to all other remedies available to us, you will pay \$500 per each occurrence to the National Advertising Fund (as defined below) to offset the damage caused by Franchisee’s breach.

### 5.2 *National Advertising Fund.*

We have established a system-wide advertising fund (“**National Advertising Fund**”). You agree that we, in our sole discretion, shall have the right to establish, administer and control the National Advertising Fund for the development, production and distribution of national advertising, and in the creation of advertising materials and public relations which, in our sole judgment, promote the products and services offered by System franchisees. Currently, you agree to contribute to the National Advertising Fund one percent (1%) of your monthly Net Revenues (“**National Advertising Fund Contribution**”) in accordance with Section 4.2.2 of this Agreement after your first 12 months of operations, as measured from your grand opening month. We reserve the right to increase your monthly required contribution to the National Advertising Fund to a maximum amount of three percent (3%) of your Net Revenues. There is no requirement that the National Advertising Fund be audited. We are not obligated to contribute to the National Advertising Fund but may do so at our own discretion. Contributions to the National Advertising Fund shall not be used to defray any of our general operating expenses, except for such reasonable administrative and overhead costs that we may incur related

to the administration and direction of the National Advertising Fund.

5.2.1 You acknowledge and agree that we have the discretion to determine expenditures of funds collected in respect to advertising programs and as to the selection of the advertising materials and programs, for which the expenditures are made, provided, however, that we shall make a good faith effort to expend such funds in the general best interests of System franchisees. Nevertheless, you acknowledge and agree that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. Upon your request, we will provide an unaudited accounting of the expenditures of the National Advertising Fund.

**5.3 Marketing Package**

You must purchase a marketing package from our approved supplier for \$1,500. The marketing package fee is due when you sign the Franchise Agreement and is non-refundable.

**5.4 Local Advertising**

In addition to the advertising contributions described above, you shall be required to spend a minimum of \$4,500 on local advertising efforts during the first 90 days after the Commencement Date, and you must spend the following on local advertising (collectively, the “**Local Advertising Requirement**”):

Time Period	Local Advertisement Requirement
First partial and full calendar year	Average of \$500 per month
Second full calendar year and each subsequent year	You will be required to spend five percent (5%) of the yearly Net Revenues of the previous calendar year over the next calendar year.

You must spend the Local Advertisement Requirement as we prescribe in the Brand Standards Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number of and/or type(s) of media advertisements, regardless of the amount(s) spent by other System franchisees on local advertising. You may spend any additional sums you wish on local advertising. You must use only such advertising and promotional materials as have been previously approved by us. You must provide us with proof of these expenditures upon our request. You acknowledge and agree that the Local Advertising Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising. If you fail to spend at least the Local Advertising Requirement by the end of any given year, you will be required to pay to us the difference between what you spent and the Local Advertising Requirement. Once you have paid that deficiency to us, we will then contribute that amount to the National Advertising Fund.

## 6. MONTHLY REPORTING OBLIGATIONS.

### 6.1 *Monthly Net Revenues Report.*

You must subscribe to, the approved accounting software (which currently is QuickBooks Online, the Plus version of the software) on your computer, and you must use it to prepare monthly financial reports to deliver to us. You must use our designated supplier for bookkeeping services. You will always provide us with electronic access to the data in your computer. You shall use the accrual basis of accounting, and you shall supply us with monthly reports, known collectively as Financial Statements and consisting of Profit & Loss, Statement of Cash Flows, Balance Sheet, Sales by Client and Material & Supply statements signed by you and in the form, manner, and dates we specify, including electronically, which contains the sales information pertaining to the preceding month including, without limitation, a summary of all monies received during the relevant period, as well as customer counts and average sales, and such other additional information which we deem necessary to properly evaluate your progress on or before such date as we designate. We reserve the right to change accounting systems upon 30 days' notice to you. You are required to use our then-current accounting system, and you may incur additional fees if we require you to update or change accounting systems.

### 6.2 *Right to Audit.*

We have the right to audit your monthly Financial Statement results and all other reports you are required to submit to us under this Agreement without prior notice. If any audit result reveals that you have understated your royalty payments by more than one percent (1%), or if you have failed to submit timely reports and/or remittances for any two reporting periods within any 12-month period, you must pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent we incur such costs), together with amounts due for royalty and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and Interest as provided in Section 4.3. Such payment will be made as stated in Section 4.4 of this Agreement.

## 7. YOUR OBLIGATIONS

### 7.1 *Commencement of Operations.*

You must commence operations of your Business within 30 days of completing our initial training program described in Section 8 of this Agreement to our satisfaction (the “**Commencement Date**”). You shall operate the Business without interruption following the Commencement Date.

### 7.2 *Quality Control and Purchasing Requirements.*

**7.2.1 Compliance with Standards and Specifications.** You acknowledge and agree that your obligations stated in this Agreement and the Brand Standards Manual are reasonable and necessary for the operation of the Business and to maintain uniformity throughout the System. You must adhere to the standards and specifications stated in this Agreement and the Brand Standards Manual, as revised or amended from time to time. You shall use a vehicle(s), equipment, customized vehicle workstations, signage, supplies, tools, inventory, and related operating

procedures that comply with our then-current standards and specifications, which we establish from time to time. We have the right to change our standards and specifications in our sole discretion. You acknowledge that you may incur an increased cost to comply with such changes at your sole expense.

**7.2.2 Designated and Approved Suppliers.** Recognizing that preservation of the System depends upon service and product uniformity and the maintenance of our trade dress, you agree to purchase certain signs, furnishings, supplies, fixtures, equipment, services, products, and inventory from us or from approved or designated third party suppliers as we may specify, from time to time, in the Brand Standards Manual and otherwise in writing. You acknowledge that we and/or our affiliate(s) may be the only approved supplier of some item(s). You also acknowledge and agree that we and/or our affiliates may have the right to realize a profit on any items that we or our affiliate(s) supply to you.

**7.2.3 Supplier Approval.** If you wish to purchase any approved item from a supplier whom we have not approved, you must provide us the name, address, and telephone number of the proposed supplier, a description of the item(s) you wish to purchase, and the purchase price, if known. At our request, you must provide us a sample of the supplier's product for testing purposes. If we incur any costs in connection with evaluating a supplier at your request, you must reimburse us our reasonable testing costs regardless of whether the supplier is subsequently approved. We have the right to revoke our approval of suppliers when we determine, in our sole discretion, that such suppliers no longer meet our standards. You must cease purchasing from these suppliers immediately upon receiving notice of revocation of approval. If you do not receive an approval from us within 10 business days after we receive your request, your request will be deemed denied.

**7.2.4 System Suppliers.** We may establish business relationships, from time to time, with suppliers who may produce, among other things, certain furnishings, supplies, fixtures, equipment, products, and inventory according to our proprietary standards and specifications or private label goods that we have authorized and prescribed for sale by System franchisees ("**System Suppliers**"). You recognize that System Suppliers are essential to the operation of the Franchised Business and to the System generally. You further recognize that your failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable price or credit terms. Accordingly, you agree to pay System Suppliers as and when due.

**7.2.5 Inventory.** You must, always, maintain sufficient levels of products and inventory to adequately satisfy consumer demand. You must offer and sell all private label products that we designate for sale by System franchisees.

**7.2.6 Consumables Supply.** You shall maintain a sufficient supply of consumables to meet Customer demand for HandyPro Services. Nothing in this Agreement shall be construed by you as a promise or guarantee as of the continued availability of any consumable. We and/or our affiliates have no obligation to sell you consumables if you are in arrears on any payment to us and/or our affiliates or otherwise in default under this Agreement. The consumables purchased by you shall be subject only to manufacturers' warranties. **WE AND OUR AFFILIATES MAKE NO WARRANTIES, EXPRESSED OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE CONSUMABLES YOU PURCHASE.** You recognize that we and our affiliates shall have the right, at any time and without notice, to add or withdraw items from the list of approved consumables; to add to or delete from the list of approved suppliers; to change the formulation of any consumable; and to change the prices, discounts, or terms of sale of any consumable; provided, however, no such changes in prices,

discounts, or terms shall affect accepted orders pending with us and our affiliates at the time of change. No such changes will give you the right to recover damages against, or be reimbursed by, us, and our affiliates for any losses you suffer.

**7.2.7 Inspections.** We will have the right to examine the Business and all items used in connection with the Business, including all vehicles, equipment, supplies, inventory, products, and materials to ensure compliance with all standards and specifications set by us. We will conduct such inspections during regular business hours, and you may be present at such inspections. We, however, reserve the right to conduct the inspections without prior notice to you.

**7.2.8 Computer Hardware and Software.** You are required, at your expense, to purchase or lease, and thereafter maintain and upgrade and use, only such computer(s), hardware (including, without limitation, laptops), software (including, without limitation, point-of-sale software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Manual or otherwise in writing (collectively the “**Computer System**”). You must also use any credit card vendors and accept all credit cards and debit cards that we determine. The term “**credit card vendors**” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. You agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System, and you agree to comply with those reasonable new standards that we establish. You will be responsible for any fees associated with any upgrades to the Computer Systems including the purchase of new or updated software and hardware. These upgrades or additions may result in an increase to the monthly Technology Fees. Also, you must use any software we designate to enter, and to report to us, information related to your Net Revenues and expenses, to prepare financial reports related to the Business, and we may charge you a software non-compliance fee of \$100 for each week that you do not use such software.

**7.2.9 Vehicle Purchasing Requirements.** You must purchase or lease the then-current, approved vehicle for your Business, or obtain prior approval for use of an alternate vehicle (“**Vehicle**”). We will provide you a list of approved vehicles at your request. We anticipate that you will only need one Vehicle for the operation of the Business, but you may choose to operate more. You must:

- (a) decorate the Vehicle in accordance with our then-current standards of the System at your sole expense, as provided in the Brand Standards Manual, and at our request, periodically update or improve the decoration of the Vehicle (any such updates or improvements must be made within 30 days of our delivery of notice to you that such updates or improvements must be made); provided, however, that we will provide decorations for one Vehicle.
- (b) maintain the condition of the Vehicle consistent with the image of the Business.
- (c) not use the Vehicle for any purpose other than the operation of the Business as described herein unless you obtain written authorization from us.
- (d) place or display on the Vehicle only the signs, emblems, lettering, and logos that we provide or approve from time to time.

(e) not sell or otherwise transfer the Vehicle (other than to us) without our prior written approval and without first removing all the Marks from the Vehicle; and

(f) allow us to inspect the Vehicle in the frequencies and manners described in the Brand Standards Manual and upon our request.

### 7.3 *Permits and Licenses.*

You agree to obtain and maintain all appropriate permits, business and contractor licenses and certifications, including, but not limited to, valid driver's licenses for all drivers and current vehicle registrations for the Vehicle(s) used in the Business, as may be required for the lawful operation of the Business.

### 7.4 *Operations.*

You acknowledge that you are solely responsible for the successful operation of your Business and that the continued successful operation of your Business is, in part, dependent upon your compliance with this Agreement and the Brand Standards Manual. In addition, always during the term of this Agreement (or any successor term), you agree to:

7.4.1 maintain consistently prompt, courteous, efficient, and high-quality Business operations and will operate the Business in accordance with the confidential Brand Standards Manual and in such a manner as not to detract from, or adversely reflect upon, our name and reputation and the goodwill associated with the "HandyPro" name and Marks.

7.4.2 conduct and operate your Business in compliance with all applicable local, state, and federal laws and regulations, including any environmental laws that may apply, licensing requirements, regulations and other ordinances.

7.4.3 promptly pay when due all obligations owed to taxing authorities incurred in the operation of the Business, including without limitation, unemployment, and sales taxes, and all accounts or other indebtedness of every kind you incur in the operation of the Business. In the event of a good faith dispute as to the amount or liability for any such obligation, you may contest the validity or the amount of the tax or indebtedness in accordance with applicable procedures; however, in no event will 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 Business or its assets. You must immediately notify us in writing of any such good faith dispute.

7.4.4 comply with all agreements with third parties related to the Business including all provisions of any Vehicle lease, customer contract, and National Account contract for HandyPro services and pay when due all obligations owed to us, our affiliates, or third-party suppliers.

7.4.5 operate your Business during the business hours as we may designate from time to time.

7.4.6 responsibly manage the Business, present a professional appearance as described in the confidential Brand Standards Manual, and render competent and courteous service to customers of the Business.



7.4.7 honor the terms of all promotional or discount programs that we may offer to the public and comply with any pricing policies we may specify, including minimum and maximum price policies, minimum advertised price policies, and unilateral price policies, subject to applicable laws.

7.4.8 comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information (“**Privacy Laws**”). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy; and

7.4.9 employ and/or contract with enough qualified, competent personnel and craftsmen, and to offer honest, ethical, prompt, courteous, and efficient service to the public. You agree to train and instruct, both immediately after hire and continually, your employees, contractors, and craftsmen in accordance with our practices, policies, and procedures as stated in the Brand Standards Manual. You agree to inform each of your employees that you alone are their employer, and that we are not. Upon our request, you and each of your employees will sign an employment relationship acknowledgment form within seven (7) days of our request stating that you alone are the employee’s employer and that you alone operate the Business. We have no obligation to direct your employees or operate the Business. You alone are responsible for all employment decisions and functions of your Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, taxes, safety, work schedules or assignments, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, taxes, safety, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You shall not solicit, employ, divert, or attempt to employ any of our employees, or the employees of our affiliates and other HandyPro franchisees. Nothing in this Agreement shall be deemed to make your employees, contractors, craftsmen, representatives, or agents: (i) subject to our control; or (ii) our employees.

#### 7.5 ***Customer Satisfaction Reimbursement.***

We have the right to remedy any issues with customers of your HandyPro business, including full reimbursement of any fees paid to you or contracting with another HandyPro franchisee or contracting company to repair or redo Services performed by you. This includes any services provided by us, our affiliates, or other franchisees for any HandyPro Certified Warranty Programs that we may provide in your Territory. You will be required to reimburse us for any such costs.

#### 7.6 ***Prohibition Against Re-Distribution.***

You shall not in any manner reship, transship, distribute, or sell any customized Vehicle workstations, HandyPro service products, or other items purchased from or through us or our affiliates to anyone, including but not limited to, other HandyPro franchisees or licensees without our prior written

consent. You shall sell items purchased from or through us and our affiliates only as authorized under this Agreement.

#### 7.7 *HandyPro Certified Warranty Program.*

You must offer to customers in your Territory our “**HandyPro Certified Warranty Program**” which includes a HandyPro certified exclusive one-year warranty (the “**Warranty**”) in accordance with our standards and specifications, which we may change from time to time. You must always comply with our policies concerning the HandyPro Certified Warranty Program, and you must honor each Warranty presented to you by a customer in accordance with its terms. You are not permitted to make any other warranty or guarantee other than those contained in the printed forms of Warranty issued or approved by us. Each Warranty is made by you to the customer. There are no warranties, express or implied, made by us to the customer or to you in connection with any product or service furnished by us under this Agreement, including, without limitation, the **IMPLIED WARRANTY OF MERCHANTABILITY**. We reserve the right to perform any Warranty services in your Territory in our sole discretion in the event of a customer satisfaction issue. We may also appoint a third party or franchisee to perform such services on our behalf. You will be required to reimburse us for all costs associated with the performance of such services or the original fees paid to you by the customer, and this obligation shall apply during the term of this Agreement and after the termination, expiration, or non-renewal of this Agreement.

### 8. **TRAINING AND CERTIFICATIONS**

#### 8.1 *Initial Training Program.*

You or, if you are a corporation, partnership, limited liability company or other legal entity (“**Legal Entity**”), then the person designated by you to assume primary responsibility for the management of the Business, (“**Manager**”) are required to attend and successfully complete our initial training program at our training facility (“**Training Facility**”) at our headquarters in Farmington, Michigan, or such other place as we designate. Up to two individuals are eligible to participate in our initial training program. If you choose to bring an additional person to the training program as authorized under this Section, you must pay an additional person’s training fee. You are also responsible for all travel and lodging expenses incurred in connection with attendance at the training program. You and/or your manager must successfully complete the initial training program to our satisfaction before you begin operating your Business. The initial training program will be offered free of charge only once to you, even if you purchase multiple territories under this Agreement.

#### 8.2 *Length of Training.*

The initial training program will consist of up to 30 hours of classroom training and up to 30 hours of on-the-job training at our Training Facility or such other place as we designate. The training may be less depending on the number and experience of the attendees.

#### 8.3 *Third Party Certifications.*

In addition to completing the initial training program described above you must, prior to beginning operations of your business, attend and satisfactorily complete the Certified Aging in Place Specialist certification offered by the National Association of Home Builders and the Certified



Environmental Access Consultant certification offered by Accessible Home Improvement of America. You are solely responsible for paying the costs of obtaining and maintaining these certifications including tuition and any related travel, lodging and other expenses. We reserve the right to substitute other certification programs or waive the requirement to obtain these certifications in our sole discretion.

#### 8.4 *Additional Training.*

We may offer seminars, conventions or continuing development programs or conduct additional training programs for your benefit in addition to any Annual Conference (defined in Section 9.2.1) that we offer. We may require you or your manager to attend other seminars, conventions, programs, meetings, or training on not less than 30 days' prior written notice if you are not operating your business in accordance with our minimum standards. In no event will you be required to attend such additional training (other than the Annual Conference) more than once per year. We may charge our then-current fees for any additional training that may be offered. You will be responsible for all travel and lodging expenses which are associated with attending such training programs.

### 9. OUR OBLIGATIONS

#### 9.1 *Pre-Opening Assistance.*

We or our affiliate(s) will provide you with the following assistance in the initial establishment of your first Business:

9.1.1 We will designate your Territory for offering HandyPro Services to customers.

9.1.2 We will provide you with the initial training program as described in Section 8 above.

9.1.3 Provide you with advice regarding the selection of suppliers of items and materials used in connection with your Business. We will provide you with a list of approved suppliers, if any, of such items and, if available, a description of any national or central purchase and supply agreements offered by such approved suppliers for the benefit of HandyPro franchisees.

9.1.4 Provide you with access to the confidential Brand Standards Manual, covering the brand standards techniques of the Business and all updates and revisions to it ("**Brand Standards Manual**").

#### 9.2 *On-Going Assistance.*

We or our affiliate will, during the term of this Agreement, make the following services available to you:

9.2.1 We may, in our discretion, hold an annual conference at a location to be selected by us. We shall determine the topics and agenda for the conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding System operations and programs, and recognizing franchisees for their achievements ("**Annual Conference**"). We may require you to attend the Annual Conference and to pay our then-current registration fee. You will pay a convention fee for everyone that is required to attend the Annual Conference, regardless of whether

the individual attends or not. The convention fee is subject to change at any time in our sole discretion. All expenses, including your and your employee's transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We may use contributions from the National Advertising Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials. It is recommended that you attend every conference; however, it is mandatory that you attend a conference every two years that it is offered. We may preclude you from attending an Annual Conference if you are in default of this Agreement at the time of the Annual Conference or if you have had two notices of default within 12 months prior to the Annual Conference.

9.2.2 Upon request, we will provide additional assistance for up to 30 hours during the first 30 days after the HandyPro Business commences operations. If we send a trainer to your territory for this assistance during this first 30 days, you must pay for the travel, lodging, meals, and expenses incurred by the trainer. If we send a trainer to your territory for this assistance after this first 30 days, you must pay these amounts, plus our then current rates in accordance with Section 9.2.6.

9.2.3 At your reasonable request, consult with you by telephone, email or facsimile regarding the continued operation and management of your HandyPro business and advise you regarding services, sales techniques, product supply, customer relations, and similar topics.

9.2.4 Provide you with on-going updates of information and programs regarding your Business and the System, including, without limitation, information about special or new products or services which may be developed and made available to franchisees.

9.2.5 Provide classroom training for replacement or additional managers during the term of the Franchise Agreement. We reserve the right to charge a tuition or fee for the replacement training at our then current published prices. All tuition charges will be payable in advance. You are responsible for all travel and lodging expenses incurred by your personnel during the training program. The availability of the training program to replacement or additional personnel is subject to prior commitments to new HandyPro franchisees and must be scheduled on a space-available basis.

9.2.6 Make our employees or designated agents available to you for advice and assistance in your Territory in connection with the ongoing operation of the Business. In the event that you request additional assistance, and we agree to provide the same, we reserve the right to charge you for all travel, lodging, telephone charges, and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on your behalf, which fee will be charged in accordance with our then current hourly rates for assistance.

### 9.3 *Delegation.*

You agree that we shall have the right to delegate to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted (1) the performance of any portion or all our obligations under this Agreement, and (2) any right that we have under this Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

## 10. BRAND STANDARDS MANUAL

We will loan you or make available to you one copy of our proprietary and confidential brand standards and training manual, one copy of our technical bulletins or other written materials, which may be electronic (collectively referred to as “**Brand Standards Manual**”) covering the proper brand standards techniques of the Business. You must operate the Business in strict compliance with the Brand Standards Manual, as it may be reasonably changed from time to time. The provisions of the Brand Standards Manual constitute provisions of this Agreement as if fully stated in this document. Within 30 days of receiving any updated information, you will update your copy of the Brand Standards Manual and will conform to its operations with the updated provisions within a reasonable time thereafter. Only one copy of the Brand Standards Manual shall be loaned to you regardless of the number of Territories developed by you under the terms of this Agreement or any other franchise agreements. The Brand Standards Manual shall remain confidential and our exclusive property. You must not disclose, duplicate, or make any unauthorized use of any portion of the Brand Standards Manual. You must ensure that your copy of the Brand Standards Manual is current and up to date. If there is a dispute relating to the contents of the Brand Standards Manual, the master copy, which we maintain at our corporate headquarters, will control. At any time at our discretion, we may convert the Brand Standards Manual to an exclusively electronic format and require you to access the document through the Internet or through an intranet created and supported by us. You agree to keep your copy of the Brand Standards Manual current and in a secure location. You agree the Brand Standards Manual’ contents are confidential and that you will not disclose the Brand Standards Manual to any person other than Franchise employees who must know its contents. You will require anyone who may have access to the Brand Standards Manual to sign a confidentiality agreement in accordance with Section 12.1 below. You acknowledge that your compliance with the Brand Standards Manual is vitally important to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation through the System. However, while the Brand Standards Manual is designed to protect our reputation and the goodwill of the Marks; it is not designed to control the day-to-day operation of the Business.

## 11. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

### 11.1 *Ownership.*

You hereby acknowledge that we retain all rights relating to the Marks and that nothing in this Agreement assigns or grants you any right (except for a license to use them in accordance with this Agreement), title, or interest in or to the Marks. You may not challenge our title or rights in or to the Marks or perform any act injurious to the goodwill associated with the Marks or to our affiliates’ interest therein. You expressly agree that all goodwill associated with the Marks, including any goodwill which may be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You must execute from time to time all necessary papers, documents, and assurances to effectuate the intent of this paragraph and fully cooperate with our and all other System franchisees in securing all necessary and required consents of any state agency or legal authority to use or register any of the Marks. We and our affiliates shall have the right to use and register the Marks as we deem advisable in our sole discretion including, without limitation, developing and establishing other business systems using the same

or similar Marks alone or in conjunction with other marks and granting licenses and/or franchises in connection with such business system without providing you any rights therein.

#### 11.2 *Protection.*

You agree to promptly notify us in writing within three days of: (i) any possible infringement or suspected unauthorized use of the Marks or confusingly similar Marks by others; (ii) any challenge to the validity of the Marks; or (iii) any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. You acknowledge that we will have the sole right, but not the obligation, to determine whether any action will be taken on account of any possible infringement or unauthorized use. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. We may commence or prosecute such action in our own name and may join you as a party to it if we determine it to be reasonably necessary for the continued protection and quality control of the Marks and System. We shall defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with this Agreement, we will bear the reasonable cost of any such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, you shall bear the cost of such defense, including the cost of any judgment or settlement and attorney fees. If there is any litigation relating to your use of the Marks, you shall execute all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts. You agree to fully cooperate with us in any such litigation.

#### 11.3 *Modification.*

You acknowledge that we shall have the exclusive right to add, modify, discontinue, and/or substitute any or all the Marks on behalf of the System, as we deem appropriate in our sole discretion. Within ten days from receiving our written notification, you must, at your sole cost and expense, discontinue using all Marks which we have modified or discontinued and begin using all additional, modified, or substituted Marks, as we specify. Nothing under this Section 11.3 will materially alter your fundamental rights under this Agreement.

#### 11.4 *Authorized and Unauthorized Use.*

You must use the Marks in conjunction with the symbol “SM” or “R,” as applicable, to indicate that the Marks are protected under federal law. You may not use any of the Marks in connection with the offer or sale of any unauthorized services or products or in any other manner that we have not explicitly authorized in writing.

### 11.5 *Your Name.*

You may not use the Marks or any part thereof in your corporate name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate name either alone or followed by the initials “D/B/A” and the business name “HandyPro of Xxxxxx.” You must immediately register at the office of the county in which your Business is located, or such other public office as provided for by the laws of the state in which your Business is located, as doing business under such assumed business name.

## 12. CONFIDENTIAL INFORMATION

### 12.1 *Nondisclosure.*

Our Brand Standards Manual, trade secrets (including, without limitation, our sales techniques, merchandising and display techniques, advertising formats, accounting systems, operations systems, policies, procedures, systems, compilations of information, records, specifications, manuals, and other confidential information) and copyrighted materials, methods and other techniques and know-how are our exclusive and confidential property which we provide to you in confidence (“**Confidential Information**”). You agree to use the Confidential Information only for the purposes and in a manner, we authorize in writing, which use will inure exclusively to our benefit. You may not directly or indirectly contest our ownership of any Confidential Information or contest our right to register, use, or license others to use any of such Confidential Information. You further acknowledge that we have expended a great amount of effort and money in obtaining and developing the Confidential Information, that we have taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information, and that any unauthorized disclosure of such Confidential Information would be wrongful and would cause us irreparable harm. You may divulge such Confidential Information only to such of your employees, as must have access to it to operate the Business. All information, knowledge, know-how, techniques, and other data, which we designate as confidential, will be deemed Confidential Information for purposes of this Agreement. You and your heirs, successors, and assigns (including your partners, officers, directors, shareholders, and their respective heirs, successors, and assigns) and your employees and their respective heirs, successors, and assigns, may not use nor disclose any Confidential Information in any manner other than as we permit in writing and are required to execute the Confidentiality and Non-Competition Agreement attached to the Franchise Disclosure Document as Exhibit H.

### 12.2 *Customer Data*

All data that you collect, create, provide, or otherwise develop, including but not limited to customer information, is and will be owed exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. 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 Business.

### 12.3 *Creative Ownership.*

All copyrightable works created by you or any of your owners, officers, or employees in connection with the Business shall be our sole property. You assign all proprietary rights, including copyrights, in these works to us without additional consideration. You hereby assign and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights, and trade secrets developed in part or in whole in relation to the Business, during the term of this Agreement, as we may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents, or other proprietary rights in the United States and in foreign countries or in order to transfer to us all right, title, and interest in said property. You shall promptly disclose to us all inventions, discoveries, improvements, creations, patents, copyrights, trademarks, and confidential information relating to the Business and the System which you or any of your owners, officers, or employees has made or may make solely, jointly, or commonly with others and shall promptly create a written record of the same.

## 13. FINANCIAL REPORTS

In addition to your monthly reporting requirements under Section 6, you must provide us with: (i) monthly financial reports and operating statements in the form we specify, prepared by a certified public accountant or state licensed public accountant, within 90 days after the close of each of your fiscal years; (ii) state and local sales tax returns or reports and federal, state, and local income tax returns for each year in which your Business is operated, within 30 days after their timely completion; (iii) an unaudited quarterly profit and loss statement covering your Business by the fifth day of each quarter; (iv) an unaudited profit and loss statement covering the Business for your fiscal year end, within ninety 90 days after the close of each of your fiscal years; and (v) such other reports as we may from time to time require, in the form and at the time we prescribe. You will execute and deliver to us IRS tax form 8821 authorizing us to request, obtain and review your tax returns, employment and payroll information and other confidential information that you have provided to the Internal Revenue Service. To assist you in recording and keeping accurate and detailed financial records for reports and tax returns, we, at our discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records for you to use, and specify the type of equipment to be used in connection with the Business. To encourage prompt delivery of all business records, certificates of insurance, Net Revenue statements and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of \$100 per week, with a minimum of \$600 for Royalty Fee reports plus Interest if you fail to deliver such record or document when due. The minimum fee is immediately due upon a missed report. The \$100 weekly fee is incurred and due each week until the report is received. Interest accrues on any difference between the minimum fee and the total monthly fee depending on whether you pay the monthly fee on time and when the report is finally received.

## 14. BOOKS AND RECORDS

Subject to applicable laws, you must always maintain accurate business records, reports, accounts, books, and data relating to the operation of your Business. Additionally, you must maintain, for at least three fiscal years from their preparation, complete financial records



for the operation of the Business in accordance with generally accepted accounting principles. We and our designees have the right to inspect and/or audit your business records at any time during normal business hours, to determine whether you are current with suppliers and are otherwise operating in compliance with the terms of this Agreement and the Brand Standards Manual.

## 15. INDEPENDENT CONTRACTORS

You are an independent contractor responsible for full control over the internal management and daily operation of your Business, and neither party to this Agreement is the agent, principal, partner, employee, employer, or joint venture partner of the other party. You may not act or represent yourself, directly or by implication, as our agent, partner, employee, or joint venture partner, and you may not incur any obligation on our behalf or in our name. You will use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents. All stationery, business cards and contractual agreements entered by you shall contain a conspicuously displayed notice in the place we designate, that you operate your Business as an independently owned and operated HandyPro Franchise and that you independently own and operate the Business as a System franchisee. At our request, you must prominently display a “Franchises Available” sign in the form we prescribe and in places that we designate. 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 of your acts or omissions in the operation of the Business or for any claim or judgment arising therefrom against you or us. We have no responsibility to ensure that the Business is developed and operated in compliance with all applicable laws, ordinances, and regulations and that we shall have no liability in the event the development or operation of the Business violates any law, ordinance, or regulation.

## 16. INDEMNIFICATION

You agree to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries, and affiliates, and their respective shareholders, owners, directors, officers, employees, agents, successors, and assignees (“**Indemnified Parties**”) against, and to reimburse them for all claims, obligations, and damages described in this Section, all third party obligations and all claims and liabilities directly or indirectly arising out of: the operation of the Business; your employment or other contractual relationship with your employees or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; any loss of data, including but not limited to customer information, resulting from a breach of such data caused in whole or in part by you or your negligence; or arising out of the use of the Marks and System in any manner not in accordance with this Franchise Agreement; excluding any claims arising from our gross negligence, willful misconduct, bad faith, or breach of this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages, and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses. We shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect following and notwithstanding the expiration or termination of this Agreement.

## 17. INSURANCE

### 17.1 *Insurance Coverage.*

You shall, always during the term of this Agreement, maintain in force, at your sole expense the insurance listed in this Section. In the event you fail to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you shall reimburse us for the full cost of such insurance, along with a ten percent (10%) service charge to compensate us for the time and effort expended to secure such insurance, within five days of the date we deliver an invoice detailing such costs and expenses to you. Notwithstanding the foregoing, your failure to obtain insurance constitutes a material breach of this Agreement entitling us to terminate this Agreement or exercise any or a combination of the other default remedies set forth in this Agreement. We reserve the right to modify minimum insurance requirements, or the types of coverage required at any time in our sole discretion by updating the Brand Standards Manual. You must obtain the following coverage:

17.1.1 Property insurance on a replacement cost basis at a minimum limit based on the total value of your assets (including, but not limited to, fire, extended coverage, vandalism, and malicious mischief).

17.1.2 Comprehensive general liability insurance with a minimum limit of \$1,000,000.00 per occurrence (including, but not limited to, coverage for personal injury, products, and contractual liability).

17.1.3 Automobile liability insurance, including coverage of owned, non-owned, rented, or hired vehicles with coverage in amounts not less than \$1,000,000.00 combined single limit per occurrence. You will be responsible for assuring that each employee who provides services utilizing a Vehicle maintains liability insurance meeting or exceeding the minimum statutory requirements under the laws of the state or states in which your Business operates. The maintenance of insurance by your drivers is a strict requirement which you agree to enforce rigorously; and

17.1.4 Workers' compensation insurance (in your name) for statutory limits and employer's liability insurance not less than \$1,000,000.00. If no such law exists, then you must participate in such other comparable insurance or benefit programs for your employees as required by us. If your state recognizes and permits self-insurer programs, your participation in such a program will satisfy our requirements under this subsection. If deductible plans are approved and used in your state, coverage may be purchased on this basis subject to the requirements of your insurance carrier.

### 17.2 *Additional Insured Provisions.*

All liability insurance policies (except for employment liability insurance policies) must name us, and any subsidiaries and affiliates, their partners, officers, subsidiaries, shareholders, directors, affiliates, regional directors, agents, and employees, which we designate, as additional insureds on an Additional Insured Grantors of Franchise Endorsement form CG2029 (or a comparable form accepted by us). Such additional insureds are entitled to the coverage afforded to all named insureds, without regard to any other insurance or self-insured program which we may have in effect. We must receive 30 days' prior written notice of



termination, expiration, cancellation, modification, or reduction in coverage or limits of any such policy. The terms and conditions of all such policies, including the amount of any deductibles, shall be consistent with the requirements prescribed from time to time by us. You agree to promptly pay when requested by the insurer the amount of the deductible applicable to, and in the event of, any covered loss.

### 17.3 *Rating Criteria.*

All insurance policies (excluding workers' compensation policies) must be issued by an insurance carrier rated B+ or better by A.M. Best & Company, Inc. or meet such other rating or criteria we may establish from time to time. We may also reasonably increase the minimum liability "limit" protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in public, product or motor vehicle litigation or other relevant changes in circumstances. You must submit to us annually a copy of the certificate of insurance or evidence of the renewal or extension of each such insurance policy or any modifications to any such insurance policies, which must describe the applicable deductibles for each such policy. If at any time you fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of such insurance, we may, at our option, and in addition to other rights and remedies we may have, obtain insurance coverage on your behalf, and you agree to promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us any costs and premiums incurred by us at our demand. Your obligation to obtain and maintain the insurance described in this Agreement shall not be limited in any way by reason of any insurance maintained by us.

### 17.4 *Third-Party Subcontractors Insurance.*

You agree not to permit any third-party subcontractor to perform any work or offer services on your behalf unless first approved by us in writing and unless such subcontractor maintains insurance coverage in such amounts and types as you are required to maintain under this Section 17 and such insurance names us and you as an additional insured, or otherwise has the required insurance coverage through your insurance policies. You agree to maintain evidence of such insurance by your subcontractors and to provide such proof of insurance as we may require, in our sole discretion, from time to time.

## 18. **RESTRICTIVE COVENANTS**

You acknowledge that as a participant in our System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques that we have developed. Therefore, to protect us and all our franchisees, you agree as follows:

### 18.1 *Non-Competition During Term.*

During the Term of this Agreement neither you, any Manager, nor any of your officers, directors, shareholders, partners, members, or managers, nor any member of his, her, or their immediate family members, will:

18.1.1 Have any direct or indirect controlling interest as a disclosed or beneficial owner in a “**Competitive Business**” as defined below.

18.1.2 Perform services as a director, officer, partner, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business; or

18.1.3 Divert or attempt to divert any business related to, or any customer or account of the Business, our business, or any franchised business, by direct inducement or otherwise, or diverting or attempting to divert the employment of any of our employee(s) or another franchisee’s employee(s) licensed by us to use the Marks and System, to any Competitive Business by any direct inducement or otherwise.

The term “Competitive Business” as used in this Agreement will mean any business offering, or granting franchises or licenses to others to offer, handyman and home modification services or any other products or services offered by Businesses; provided, however, you, your owners, members, partners, principals, and if an individual, members of your immediate family will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate five percent (5%) or less of that class of securities issued and outstanding.

## 18.2 *Post-Termination Covenant Not to Compete and Not to Solicit.*

Upon termination or expiration of this Agreement for any reason, you and your officers, directors, shareholders, and/or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which you cease to conduct business, whichever is later, neither you, any Manager, nor your officers, directors, shareholders, managers, members, and/or partners will have any direct or indirect interest (through any of your, or your owners immediate family members) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative, or agent or in any other capacity in any competitive Business, as defined above, located or operating within a 50-mile radius of your Territory or the territory of any other franchised or company-owned Business. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. You and your officers, directors, shareholders, managers, members and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

Furthermore, upon expiration or termination of this Agreement for any reason and for a period of two years thereafter, neither you nor any of your officers, directors, shareholders, and/or partners, shall: (i) solicit person or entity that was a customer of the Business or of any other HandyPro franchisee’s Business during the term of this Agreement; or (ii) solicit for employment any person who is, at the time of such solicitation, employed by any other HandyPro franchisee’s Business, by Franchisor, or by any of Franchisor’s affiliates, or otherwise, directly or indirectly, induce or attempt to induce any such person to leave his or her employment.

## **19. SALE OR TRANSFER**

### **19.1 *Transfer by You.***

Your rights under this Agreement are personal to you and, except as stated below, you may not sell, transfer, assign, encumber, or convey this Agreement or any of your interest in the Business, nor purport to do so, without our prior written consent, which may be withheld in our reasonable discretion. Any sale, transfer, assignment, or encumbrance made without our prior written consent shall be voidable at our option and shall subject this Agreement to termination as specified in this Agreement. You acknowledge that prior to approving any transfer, we may impose reasonable conditions on you and your purported transferee including, but not limited to, those conditions listed in Section 19.3.

### **19.2 *Ownership Changes.***

A sale, transfer or assignment requiring our prior written consent shall be deemed to occur: (i) if you are a partnership or other business association, the addition or deletion of a partner or members of the association or the transfer of any partnership or membership among existing partners or members; (ii) if you are a corporation, any proposed transfer, new issuance or assignment of 10% or more of the stock of the corporation, whether such transfer occurs in a single transaction or several transactions; or (iii) if you are a limited liability company, any proposed transfer, new issuance or assignment of 10% or more of your beneficial equity ownership interests. Any new partner or shareholder will be required to personally guarantee your obligations under this Agreement. A transfer under this Section 19.2 shall not be subject to our Right of First Refusal in Section 19.6.

### **19.3 *Conditions for Approval.***

We may condition our approval of any proposed sale or transfer of the Business or of your interest in this Agreement upon satisfaction of the following occurrences:

19.3.1 Payment of all amounts due and owing to us or our affiliates or to third parties holding a security interest in any asset of the Business.

19.3.2 All existing defaults under this Agreement are cured within the period permitted for cure;

19.3.3 The transferee shall satisfactorily complete our initial training program at the transferee's expense within the time frame we specify.

19.3.4 The transferee shall execute our then-current form of Franchise Agreement and related documents (including, but not limited to, Owners Agreement or other guaranty) for the unexpired term of this Agreement, which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee.

19.3.5 You provide us a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including the transferee's assumption of, and agreement to, faithfully perform all of your obligations under this Agreement.

19.3.6 The transferee shall demonstrate, to our satisfaction, that he or she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as us either as licensor, franchisor, independent operator, or licensee of any other store, chain or network which is similar in nature or in competition with us, except that the transferee may be our existing franchisee;

19.3.7 You execute a general release, under seal, in a form satisfactory to us, of any and all claims against us and our affiliates, and our and their respective officers, directors, shareholders, employees, and agents, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising.

19.3.8 You or the proposed transferee pays us a transfer fee equal to \$9,500. A nonrefundable deposit of \$1,000 is due upon request for the approval for the transfer, and the remaining balance is due prior to the execution of the transfer documents.

19.3.9 You will reimburse us upon receipt of our invoice for any broker or other placement fees we incur as a result of the transfer, and.

19.3.10 You and all persons subject to the covenants stated in Sections 12 and 18 of this Agreement comply with the post-termination provisions including those contained in Section 18.2 of this Agreement.

#### 19.4 ***Transfer to a Corporation or Limited Liability Company.***

If you are an individual, you have the right to assign your rights under this Agreement to a corporation or limited liability company. You will be required to reimburse us for any legal fees we incur under this Section. Such assignment will not be subject to Section 19.3 of this Agreement provided that:

19.4.1 All stockholders of the corporation with a ten percent (10%) ownership interest or greater in the corporation; or all members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to us and our affiliates under this Agreement and any other agreement between you and us and/or our affiliates and execute a noncompetition agreement as stated in this Agreement.

19.4.2 The corporation or limited liability company is newly organized, and its business activities are confined to that of operating the Business.

19.4.3 You are, and always, remain the owner of ninety percent (90%) of the outstanding shares of the corporation or a controlling interest in the limited liability company; and

19.4.4 The corporation or limited liability company agrees in writing to assume all your obligations under this Agreement.

#### 19.5 *Our Approval of Transfer.*

We have 30 days from the date of receipt of the written notice of the proposed transfer to approve or disapprove, in writing, your proposed transfer. You acknowledge that the proposed transferee shall be evaluated for our approval based on the same criteria as is currently being used to assess our new franchisees and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. We shall have the right to approve the material terms and conditions of the transfer, including, without limitation, the right to confirm that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Business. If you (and/or the transferring owners) finance any part of the sale price of the transferred interest, unless waived in writing by us, you and/or your owners must agree that all obligations of the transferee under or according to any promissory notes, agreements or security interests reserved by you or your owners in the assets of the Business or the Franchised Location shall be subordinate to the transferee's obligations to pay Royalties and other amounts due to us and our affiliates and to otherwise comply with this Agreement. If you and the proposed transferee comply with all conditions for transfer stated in this document and we have not given you notice of our approval or disapproval within the 30-day period, approval is deemed denied. Our approval of one transfer does not constitute approval of any subsequent transfer.

#### 19.6 *Right of First Refusal.*

If you propose to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Business or any interest in your lease to any third party (other than a corporation or limited liability company as stated in Section 19.4) in connection with a bona fide offer from such third party, you shall first offer to sell such interest to us on the same terms and conditions as offered by such third party. You shall obtain from the third party and provide us a statement in writing, signed by the third party and you, of the terms of the offer ("**Letter of Intent**"). If we elect not to accept the offer within a 30-day period, you shall have a period not to exceed 60 days to complete the transfer described in the Letter of Intent subject to the conditions for approval stated in Section 19.3. You shall affect no other sale or transfer as contemplated under the Letter of Intent without first complying with all applicable terms contained in Section 19. Any material change in the terms of the offer shall be deemed a new proposal subject to our right of first refusal. So long as you have obtained our prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer because of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions stated above is not subject to our first right of refusal. We have the right to assign our right of refusal to a third party.

#### 19.7 *Our Right to Transfer*

We have the right to sell, transfer, assign, and/or encumber all or any part of our assets and our interest in, and rights and obligations under, this Agreement in our sole discretion.

#### 19.8 *Death or Disability*

**19.8.1 Representative's Right to Continue as Franchisee.** In the event of your death, disability, or incapacitation (or the death, disability, or incapacitation of your partners or

personal guarantors), your legal representative (or your partner's or guarantor's respective legal representative, as applicable) shall have the right to continue the operation of the Business as franchisee under this Agreement if: (i) within 45 days from the date of death, disability or incapacity (the "**45-Day Period**"), such person has obtained our prior written approval and has executed our then-current franchise agreement for the unexpired term of the Franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company franchisee's obligations to us and our affiliates; and (ii) such person successfully completes our training program (which we will provide at our then current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to us.

**19.8.2 Operation During and After 45-Day Period.** We are under no obligation to operate the Business or incur any obligation on behalf of any incapacitated franchisee, during or after the 45-Day Period. If necessary, you (or your legal representative, as applicable) shall appoint a previously approved acting interim Manager to operate the Business during the 45-Day Period. If you die or become disabled or incapacitated during any training period, such training program shall be indefinitely suspended while we await the intention of your personal representative. If any portion of the training program is suspended, your legal representative may be required to wait until the next available training session to complete training.

## **20. BREACH AND TERMINATION**

### **20.1 Automatic Termination.**

This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following occurrences:

**20.1.1 Voluntary Bankruptcy.** If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Business.

**20.1.2 Involuntary Bankruptcy.** If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Business without your consent, and the appointment is not vacated within 60 days.

**20.1.3 Unauthorized Transfer.** You purport to sell, transfer, or otherwise dispose of your interest or any interest in the Business in violation of Section 19 above.

### **20.2 With Notice and Without Opportunity to Cure.**

We have the right, at our option, to terminate this Agreement and all rights granted to you under this Agreement, without affording you any opportunity to cure, effective upon your receipt of notice, as provided in Section 25.18, for any of the following breaches or defaults:



20.2.1 **Unauthorized Disclosure.** If you intentionally or negligently disclose to any unauthorized person any Confidential Information, including the contents of or any part of our Brand Standards Manual.

20.2.2 **Abandonment.** If you voluntarily or otherwise abandon the Business. The term “abandon” includes any conduct which indicates a desire or intent to discontinue operation of the Business in accordance with the terms of this Agreement and shall apply in any event if you fail to operate the Business as required under this Agreement for a period of five or more consecutive days without our prior written approval.

20.2.3 **Insolvency.** If you or any of your principals becomes insolvent.

20.2.4 **Liens.** If a levy of writ of attachment or execution or any other lien is placed against you, any of the assets of the Business or any of your principals or any of their assets, which is not released or bonded against within 30 days.

20.2.5 **Criminal Acts.** If you or any of your principals or the Manager is convicted of, or pleads guilty or no contest to, a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in our sole opinion, to affect the System, Marks, goodwill or reputation thereof materially and unfavorably, or takes part in any criminal misconduct relevant to the operation of your Business.

20.2.6 **Misuse of Marks.** If you materially violate any provision of this Agreement relating to the Marks or if you misuse or fail to follow our directions and guidelines concerning use of the Marks.

20.2.7 **Repeated Breaches.** If you have received two notices of default from us within any 12-month period, regardless of whether you cured the defaults.

20.2.8 **Violation of Restrictive Covenants.** If you, any related entity, or any individual subject to the restrictive covenants described in this Agreement intentionally or negligently violates one or more of those covenants contained in Section 18 of this Agreement.

20.2.9 **Fraud.** If you or your principals commit any fraud or misrepresentation in the operation of the Business.

20.2.10 **Misrepresentation.** If you or your principals make any misrepresentation or omission in connection with your franchise application, including but not limited to any financial misrepresentation.

20.2.11 **Failure to Complete Training.** If you fail to complete initial training to our satisfaction as provided in Section 8.

20.2.12 **Breach of Other Agreements.** If you or your principals materially breach any other agreement with us or any of our affiliates, or of your Vehicle lease agreement, or threaten any material breach of any such agreement, and fails to cure such breach within any permitted period for cure.

20.2.13 **Unauthorized Products or Services.** If you offer any unauthorized and unapproved products or services; or

20.2.14

**Unapproved Purchases.** You order or purchase supplies, signs, furnishings, fixtures, equipment, or inventory from an unapproved supplier.

20.3 *Upon 15 Days' Notice to Cure.*

We have the right to terminate this Agreement if any of the following defaults remain uncured after expiration of the 15-day cure period:

20.3.1 **Nonpayment.** If you fail to pay as and when due any sums owed to us, any of our affiliates, or any of our System Suppliers.

20.3.2 **Failure to Maintain Sufficient Inventory Levels.** If you fail to maintain sufficient levels of inventory of consumables and supplies to adequately meet consumer demand.

20.3.3 **Failure to Open.** If you fail to commence operations of your Business within 60 days after completing our initial training program.

20.3.4 **Interruption of Service.** If you fail to maintain the prescribed months, days, or hours of operation of the Business.

20.3.5 **Failure to Supervise Business Operations or Employ Adequate Personnel.** If you or your manager fail, in our sole discretion, to personally supervise day-to-day operation of the Business or fail to employ enough qualified, competent personnel as we require in compliance with this Agreement.

20.3.6 **Failure to Meet Standards.** If you fail to maintain the then current operating procedures and standards established by us as stated in this Agreement or in the Brand Standards Manual or otherwise communicated to you, including, but not limited to, if you fail to provide follow up services on a timely basis according to our timetable, which is a part of our System.

20.3.7 **Other Conduct Reflecting Adversely on System.** You conduct yourself in a manner that, although not criminal, reflects adversely on the System, the Marks, or the products offered through the System; or

20.3.8 **Performance of Work Outside Your Territory.** If you perform work outside of your Territory without obtaining our prior written consent.

20.4 *Upon 30 Days' Notice to Cure.*

Subject to the provisions of Sections 20.1, 20.2, and 20.3, we have the right to terminate this Agreement, effective upon 30 days' written notice to you, if you fail to perform or comply with any one or more of the terms or conditions of this Agreement or any ancillary agreements between you and us or our affiliates and you fail to cure such default after the expiration of the 30-day period.

20.5 *Cure.*

If you fail to cure the alleged breach within the applicable period stated in this Section, then this Agreement must be considered terminated as of the date stated in the default



notice, the last day of the cure period. For purposes of this Agreement, your alleged breach of this Agreement must be deemed cured if both you and we agree in writing that the alleged breach has been corrected.

**20.6 *Nonwaiver.***

Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of our rights or remedies against you.

**20.7 *Acknowledgment.***

If this Agreement is terminated by us before the expiration of the term according to Sections 20.1, 20.2, 20.3 or 20.4 above, you acknowledge and agree that, in addition to all other available remedies, we shall have the right to recover lost future Royalties during any period in which you fail to pay such Royalties through and including the remainder of the then current term of this Agreement.

**20.8 *Management.***

If you are in breach of this agreement and have not cured the breach, we may, but need not, assume the management of the HandyPro Franchise (or appoint a third party to assume its management) for up to 120 consecutive days for each breach of this agreement. All funds from the operation of the HandyPro Franchise while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty and National Advertising Fund Contributions and other amounts due under this Agreement) an amount equal to \$200 per day that the HandyPro Franchise is managed by us or a third party, plus our (or the third party's) direct out of pocket costs and expenses if we (or a third party) assume the management of the HandyPro Franchise under this subparagraph. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the HandyPro Franchise incurs, or to any of your creditors for any products, other assets, or services the HandyPro Franchise purchases, while we (or a third party) manage it.

**21. OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION.**

Upon termination of this Agreement, regardless of the cause, and upon expiration and non-renewal or transfer of this Agreement you shall immediately:

**21.1** Cease all operations under this Agreement.

**21.2** Pay to us all unpaid fees and monies owed, including Royalties, product purchase amounts, and any and all amounts or accounts payable then owed to us or our affiliates according to this Agreement, or according to any other agreement, whether written or verbal, including a lump sum amount equal to the net present value of Royalty fees, if any, and any other applicable fees in connection with this Agreement that would have become due following termination of this Agreement for the period the Agreement would have remained in effect but for your default;

21.3 Cease to identify yourself as a HandyPro Franchisee or publicly identify yourself as a former Franchisee or having been associated with us and immediately cease use of any of our or our affiliate's Marks, confidential information, trade secrets, signs, symbols, devices, or other materials. You hereby irrevocably appoint us as your attorney-in-fact to execute in your name and on your behalf, all documents necessary to discontinue your use of the Marks and Confidential Information.

21.4 Surrender to us all marketing materials, forms, samples, pamphlets, and other materials bearing any of the Marks and all items which are part of the trade dress of the System or are otherwise identified with us and obtained by and in connection with this Agreement.

21.5 Return to us the Brand Standards Manual and all other manuals and confidential information we loaned to you and immediately and permanently cease use of the Confidential Information.

21.6 Take such action as may be required to cancel all fictitious or assumed names or equivalent registrations which contains any trade name or other Mark, we licensed to you and furnish us evidence satisfactory to us of compliance with this obligation within 30 calendar days after the termination, expiration or transfer of this Agreement.

21.7 You acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses and e-mail addresses (collectively "**Identifiers**") used in the operation of the Business constitute our assets, and upon termination or expiration of this Agreement, you will take such action within five days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required cancel all assumed name or equivalent registrations related to you use of the Marks. You acknowledge that, we have the sole rights to, and interest in, all Identifiers used by you to promote the Business and associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer.

21.8 Within ten days of the effective date of termination or expiration, deliver to us, your vendor, supplier and customer lists, and notify such vendors, suppliers and Customers that you are no longer associated with us or the Business; and immediately cease contact or communication with all customer or prospective Customers with whom you were communicating and submit to us all documents or other information on such Customers.

21.9 Comply with the post-termination covenants stated in this Agreement, including the restrictive covenants stated in Section 18 of this Agreement, all of which survive the transfer, termination, or expiration of this Agreement.

21.10 If applicable, take such action as may be required to remove from the internet all sites referring to your former business or any of the Marks and to cancel or assign to us, in our sole discretion, all rights to any domain names for any sites on the internet that refer to your former Business or any of the Marks.

21.11 Permit us to make a final inspection of your financial records, books, and other accounting records within six months of the effective date of termination, expiration, or transfer; and

21.12 Follow any procedures established by us to ensure the expiration of this Agreement or any successor term thereof creates the least disruption possible to the System, including those procedures set forth in the Brand Standards Manual.

## **22. DISPUTE RESOLUTION**

22.1 ***Internal Dispute Resolution.*** You must first bring any claim or dispute between you and us to our president and/or chief executive officer, after providing notice as stated in Section 22.11 below. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt the resolution of disputes internally shall survive termination or expiration of this Agreement.

22.2 ***Mediation.*** Except as set forth below, all claims or disputes between you and us, or our affiliates, arising out of, or in any way relating to, this Agreement or any other agreement by and between you and us, or our affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 22.1 above, must be submitted first to mediation, in or as near as feasible to Farmington, Michigan under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of 30 days following receipt of such notice within which to notify you as to whether we or our affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) because of a written declaration by us. Our rights to mediation, as stated in this document, may be specifically enforced by us. Each party shall bear its own cost of mediation and the parties shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

22.2.1 The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as stated in this Section 22.2 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

22.2.2 Any federally projected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information.

22.2.3 Any claims pertaining to or arising out of or pertaining to any warranty issued; or

22.2.4 Any of the restrictive covenants contained in this agreement.

22.3 ***Arbitration.*** Except as specifically provided in this Agreement, the parties agree that all disputes between them, and any claim by either party that cannot be amicably settled, shall be submitted to binding arbitration before a single arbitrator in accordance with the commercial arbitration rules of AAA. At the option of either party, the arbitrator shall be selected from a list of retired federal or state judges supplied by AAA, if available. If the AAA or any successor is no longer in existence at the time arbitration is commenced, you and we will agree on another arbitration organization to conduct the arbitration

proceeding. This agreement to arbitrate shall be enforceable through a motion to compel arbitration filed with the court having jurisdiction over such matter. The arbitrator must issue a written opinion explaining the reasons for his or her decision and award and the arbitrator will have the right to award or include in the award the specific performance of this Agreement. Each party shall bear one-half of the arbitrator's and administration expenses incurred during the arbitration process; provided, however, that the prevailing party shall be entitled to recover its expenses, including reasonable attorneys' fees, accounting fees and arbitrator and administrative expenses, in addition to any other relief to which it is found entitled. All arbitration proceedings shall take place in Oakland County, Michigan, or, if our principal place of business is at another location at the time that arbitration is sought, in the city of our then principal place of business.

**22.4 *Claims Excluded.*** We will not be required to initiate the informal dispute resolution process, arbitrate or first attempt to mediate a controversy, dispute or claim against you through arbitration or mediation as set forth in this Section 22 if such controversy, dispute or claim concerns an allegation by us that you have violated (or threaten to violate, or pose an imminent risk of violating): (a) any of our rights in the Marks, the System, or in any of our trade secrets, intellectual property, or Confidential Information; (b) any claims pertaining to our non-monetary post-termination obligations; or (c) any of the restrictive covenants contained in this Agreement. Nothing in this Agreement bars you or us from seeking preliminary injunctive or declaratory relief against a breach or threatened breach of this Agreement pending arbitration or mediation of the dispute, if applicable.

**22.5 *Injunctive Relief.*** You acknowledge that a breach of this Agreement by you which relates to any of the matters set out below, will cause us irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) intellectual property; (iv) your obligations upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; and (vii) any act or omission by your or our employees that: (a) constitutes a violation of any legal requirement; (b) is dishonest or misleading to customers of the Business; (c) constitutes a danger to the employees or customers of the Business or to the public; or (d) may impair the goodwill associated with the Marks or the System. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay us an amount equal to the aggregate of our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, we incurred in obtaining such relief.

**22.6 WAIVER OF PUNITIVE DAMAGES.** FRANCHISOR AND FRANCHISEE HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

**22.7 JURY TRIAL WAIVER.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OR ITS AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM FRANCHISOR OR ITS AFFILIATES.

**22.8 WAIVER OF CLASS OR GROUP ACTION.** ANY DISAGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE (AND/OR THEIR AFFILIATES AND OWNERS) WILL BE

CONSIDERED UNIQUE AS TO ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. FRANCHISEE WAIVES ANY RIGHT TO PROCEED AGAINST FRANCHISOR (AND FRANCHISOR'S AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, AND ASSIGNS) BY WAY OF CLASS ACTION, A CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED, OR COLLECTIVE ACTION.

**22.9 Selection of Venue.** Nothing contained in this Agreement shall prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect our interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Oakland County, Michigan and the jurisdiction and venue of the United States District Court for the District of Michigan. You acknowledge that this Agreement has been entered into in the State of Michigan, and that you are to receive valuable and continuing services emanating from our headquarters in Michigan, including but not limited to training, assistance, support, and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Michigan stated above.

**22.10 Third Party Beneficiaries.** Our officers, directors, shareholders, agents and/or employees are intended third party beneficiaries of these dispute resolution provisions, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by you.

**22.11 Prior Notice of Claims.** As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

**22.12 Survival.** We and you agree that the dispute resolution provisions of this Section 22 shall apply during the term of this Agreement and following the termination, expiration, or non-renewal of this Agreement.

## **23. GOVERNING LAW**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH THE FRANCHISED BUSINESS IS LOCATED, EXCEPT THAT ANY LAW OF THAT STATE REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

## **24. INJUNCTIVE RELIEF.**

Nothing in this Agreement shall prevent us from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. Your sole remedy in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if



warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by you.

## **25. MISCELLANEOUS PROVISIONS**

25.1 **Modification.** This Agreement may be modified only upon execution of a written agreement between the parties. You acknowledge that we may modify our standards and specifications and operating techniques stated in the Brand Standards Manual unilaterally under any conditions and to the extent to which we, in our sole discretion, deem necessary to protect, promote, or improve the Marks and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination.

25.2 **Entire Agreement.** This Agreement and all appendices and other documents attached to this Agreement are incorporated in this Agreement and will constitute the entire agreement between the parties. This Agreement supersedes and replaces all previous written and oral agreements, understandings, promises, representations, or other communications between the parties. However, nothing in this Section or otherwise in this Agreement is intended to disclaim or waive Franchise Owner's reliance on any authorized statements made in the Franchise Disclosure Document delivered to Franchise Owner or in the exhibits and amendments to the Franchise Disclosure Document. This Agreement may not be amended or modified except in a writing executed by both parties, except that the Company may unilaterally modify the Franchise System and its specifications as provided in this Agreement.

25.3 **Remedies and Attorney Fees.** If it becomes necessary for us to retain the services of legal counsel to enforce your obligations under this Agreement, whether formal judicial proceedings are implemented, we shall be entitled to recover our reasonable costs and expenses, including reasonable attorney fees and our reasonable administrative expenses, incurred in enforcing your obligations under this Agreement.

25.4 **Interpretation.** All parties to this Agreement acknowledge that this Agreement has been fully negotiated and has been entered into freely. If any provision of this Agreement shall be held to be invalid by any tribunal, the terms of said invalid provision shall be modified to the least possible extent to make the provision valid. This Article shall not be interpreted against either party as drafter.

25.5 **Delegation by Us.** From time to time, we will have the right to delegate the performance of any portion or all our obligations and duties hereunder to third parties, whether the same are our agents or independent contractors which we have contracted with to provide such services. You agree in advance to any such delegation by us of any portion or all our obligations and duties under this Agreement.

25.6 **Effective Date.** This Agreement will not be effective until accepted by us as evidenced by dating and signing by our designated officer.

25.7 **Franchisor's Consent.** Unless otherwise stated in this Agreement, where our consent is required, such consent will not be unreasonably withheld, however, our failure to respond within any designated time-period shall not be deemed consent to your proposed activity and it shall remain your responsibility to attain written consent before proceeding with the contemplated activity.

25.8 **No Waiver.** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by us will be considered to imply or constitute a further waiver by us of the same or any other condition, covenant, right, or remedy.

25.9 **No Right to Set Off.** You will not be allowed to set off amounts owed to us for Royalties, National Advertising Fund payments, product or supply payments, or other amounts due under this Agreement, against any monies owed to you, which right of set off is hereby expressly waived by you.

25.10 **Payment of Taxes.** You shall reimburse us, or our affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected or paid by us, or our affiliates or designees, on account of services or goods furnished by us, our affiliates, or designees, to you through sale, lease or otherwise, or on account of collection by us, our affiliates, or designees, of the initial franchise fee, Royalties or any other payments made by you to us required under the terms of this Agreement.

25.11 **Invalidity.** If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision will be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it must then be severed, and the remainder of that provision will continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to us or any of our affiliates or protection of the Marks, or the Confidential Information, including the Brand Standards Manual and our trade secrets, is declared invalid or unenforceable, then we at our option may terminate this Agreement immediately upon written notice to you.

25.12 **Limitation of Actions.** The parties further agree that no cause of action arising out of or under this Agreement may be maintained by either party against the other unless brought before the expiration of two years after the act, transaction or occurrence upon which such action is based or the expiration of one year after the complaining party becomes aware of facts or circumstances reasonably indicating that such party may have a claim against the other party hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or setoff.

25.13 **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort, or otherwise) and agree that in the event of a dispute, your recovery is limited to your actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the previously stated provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

25.14 **Covenant of Good Faith.** If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

25.15 **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever

number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation. Reference to your “immediate family” means the spouse, parent, children, and siblings of you and the parents, children, and siblings of your spouse.

25.16 **Successors.** References to “us” or “you” include the respective parties’ successors, assigns, or transferees, subject to the limitations of Section 19 hereof.

25.17 **Additional Documentation.** You must from time to time, after the effective date of this Agreement, at our request and without further consideration, execute and deliver such other documentation or agreement and take such other action as we may reasonably require in order effectuating the transactions contemplated in this Agreement. If you fail to comply with the provisions of this Section, you hereby appoint us as your attorney-in-fact to execute all documents on your behalf, reasonably necessary to effectuate the transactions contemplated in this document.

25.18 **Force Majeure.** Neither you, we nor our affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if such party’s failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period as the parties agree in writing or will excuse performance, in whole or in part, as we deem reasonable.

25.19 **Notices.** All notices required to be given under this Agreement will be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the addresses stated in the first paragraph of this Agreement or at such other addresses as we or you may designate from time to time, and will be effectively given when deposited in the United States mail, postage prepaid, or when received via overnight delivery, as may be applicable.

25.20 **Survival of Provisions.** Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect after and notwithstanding the termination, transfer, or expiration of this Agreement.

25.21 **Cumulative Rights.** Our rights and remedies under this Agreement are cumulative and no exercise or enforcement by us of any right or remedy hereunder shall preclude the exercise or enforcement by us of any other right or remedy hereunder which we are entitled by law to enforce.

25.22 **State Law.** If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which your Business is located, then the valid law or regulation of that state applicable to the Business will supersede any provision of this Agreement that is less favorable to you.

25.23 **Spousal Consent.** If you are an individual(s), or after execution of this Agreement, you assign this Agreement to an individual(s), such individual’s spouse hereby personally and unconditionally guarantees without notice, demand, or presentment the payment of all your monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by the restrictions upon your activities upon transfer, termination, or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses must execute a spousal consent in the form attached to this Agreement as Attachment C. In the event of divorce and re-marriage, or subsequent marriage, you covenant and agree to provide us with a properly executed spousal consent, in the form we prescribe.



## 26. REPRESENTATIONS AND ACKNOWLEDGEMENTS.

26.1 *No Authority.* NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

26.2 *Receipt.* YOU ACKNOWLEDGE RECEIPT OF OUR FRANCHISE DISCLOSURE DOCUMENT WITHIN FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT YOU RECEIVED A COMPLETED COPY OF THIS AGREEMENT, AND ALL RELATED AGREEMENTS ATTACHED TO THE FRANCHISE DISCLOSURE DOCUMENT, WITH ANY CHANGES TO SUCH AGREEMENTS UNILATERALLY AND MATERIALLY MADE BY US AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT AND ALL RELATED AGREEMENTS WERE EXECUTED.

26.3 *Opportunity for Review by your Advisors.* YOU ACKNOWLEDGE THAT WE HAVE RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND OUR FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF.

26.4 *Execution of Agreement.* EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION WARRANTS TO US, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, MEMBER, MANAGER, OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE MEMBERS OR MANAGERS OF THE LIMITED LIABILITY COMPANY, OR ALL OF THE SHAREHOLDERS OF THE CORPORATION, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION.

26.5 *Independent Investigation.* YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS WHICH MAKE THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR BUSINESS ABILITIES AND EFFORTS. YOU ACKNOWLEDGE THAT YOU HAVE BEEN GIVEN THE OPPORTUNITY TO CLARIFY ANY PROVISION OF THIS AGREEMENT THAT YOU MAY NOT HAVE INITIALLY UNDERSTOOD AND THAT WE HAVE ADVISED YOU TO HAVE THIS AGREEMENT REVIEWED BY AN ATTORNEY.

26.6 *No Guarantees of Earnings.* YOU UNDERSTAND THAT WE AND ANY OF OUR REPRESENTATIVES AND/OR AGENTS WITH WHOM YOU HAVE MET HAVE NOT MADE AND ARE NOT MAKING ANY GUARANTEES AS TO THE EXTENT OF YOUR SUCCESS IN YOUR FRANCHISED BUSINESS AND HAVE NOT AND ARE NOT IN ANY WAY PROMISING ANY SPECIFIC AMOUNTS OF EARNINGS OR PROFITS IN ASSOCIATION WITH YOUR FRANCHISED BUSINESS.

26.7 *No Personal Liability.* YOU AGREE THAT FULFILLMENT OF ANY AND ALL OF OUR OBLIGATIONS WRITTEN IN THIS AGREEMENT ARE BASED ON ANY ORAL COMMUNICATIONS WHICH MAY BE RULED TO BE BINDING IN A COURT OF LAW SHALL BE OUR SOLE RESPONSIBILITY AND NONE OF OUR AGENTS OR REPRESENTATIVES, NOR ANY INDIVIDUALS ASSOCIATED WITH OUR FRANCHISE COMPANY, SHALL BE PERSONALLY LIABLE TO YOU FOR ANY REASON. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. YOU AGREE THAT NOTHING THAT YOU BELIEVE YOU HAVE BEEN TOLD BY US OR OUR REPRESENTATIVES SHALL BE BINDING UNLESS IT IS WRITTEN IN THIS AGREEMENT. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. DO NOT SIGN THIS AGREEMENT IF THERE IS ANY QUESTION CONCERNING ITS CONTENTS OR ANY REPRESENTATIONS MADE.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

**FRANCHISOR:**

HANDYPRO INTERNATIONAL, LLC

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

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

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

**FRANCHISEE:**

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

\_\_\_\_\_

\_\_\_\_\_   
 Individually

OR:   
 (if a corporation, limited liability company or partnership)

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

\_\_\_\_\_

Company Name

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

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



**ATTACHMENT A TO FRANCHISE AGREEMENT**

**FRANCHISE DATA SHEET**

1. HandyPro Data:

Franchisee:	
Address:	
City, State & Zip:	
Main Telephone:	
Alternate Telephone:	
Email Address:	
Initial Franchise Fee:	\$ 9,500
Territory Fee:	\$39,500
Additional Territory Fee (if any):	
Total Fees:	

2. Effective Date. The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_, 202\_.

3. Business Location. The Business Location discussed in Section 3.1 of the Franchise Agreement will be:

\_\_\_\_\_.

4. Territory.

The Territory discussed in Section 3.2.1 of the Franchise Agreement will be the area as shown on the map or described below.

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

**FRANCHISOR:**

**FRANCHISEE:**

HANDYPRO INTERNATIONAL, LLC

\_\_\_\_\_

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

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

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

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

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

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

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

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

**ATTACHMENT B TO FRANCHISE AGREEMENT**

**This Attachment B is current and complete  
as of the Effective Date  
shown on the signature block of the Franchise Agreement**

**Franchisee:** \_\_\_\_\_

**Form of Ownership  
(Check One)**

\_\_\_ **Individual** \_\_\_ **Partnership** \_\_\_ **Corporation** \_\_\_ **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: \_\_\_\_\_

**Management (managers, officers, board of directors, etc.):**

Name	Title

**Members, Stockholders, Partners:**

Name	Address	Percentage of Stock

*(Signatures on following page)*



**FRANCHISE OWNER:**

Sign here if you are taking the Franchise as an

**INDIVIDUAL(S)**

**(Note: Use these blocks if you are not a legal entity)**

\_\_\_\_\_  
**Signature**  
Printed Name: \_\_\_\_\_

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

\_\_\_\_\_  
**Signature**  
Printed Name: \_\_\_\_\_

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

\_\_\_\_\_  
**Signature**  
Printed Name: \_\_\_\_\_

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

\_\_\_\_\_  
**Signature**  
Printed Name: \_\_\_\_\_

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

Sign here if you are taking the Franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_  
**Signature**

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

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

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

## ATTACHMENT C TO FRANCHISE AGREEMENT

### OWNERS AGREEMENT

As a condition to the granting by HandyPro International, LLC (“we” or “us”) of a franchise agreement with \_\_\_\_\_ (“**Franchisee**”), each of the undersigned individuals (“**Owners**”), who constitute all of the owners of a beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“**Owners Agreement**”).

#### **1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_\_, 20\_\_ (“**Franchise Agreement**”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Owners’ Role. Owners are the beneficial owners of all the equity interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality, non-compete, and non-solicit obligations, would be of little value to us if Franchisee’s owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

**2. Non-Disclosure and Protection of Confidential Information.** Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. All information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Owners Agreement.

#### **3. Covenant Not to Compete and Not to Solicit.**

3.1 Non-Competition and Non-Solicitation During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee’s restrictions on competition and solicitation both during the



term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

#### **4. Guarantee.**

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

**5. Transfers.** Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

**6. Notices.**

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

HandyPro International, LLC  
22500 Orchard Lake, Suite A  
Farmington, MI 48336

The current address of each Owner for all communications under this Owners Agreement is designated in the Franchise Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

**7. Enforcement of This Owners Agreement.**

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners

Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred because of the wrongful issuance.

## 8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change, or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever

number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Successors. References to “Franchisor” or “the undersigned,” or “you” include the respective parties' heirs, successors, assigns, or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of all of our obligations written in the Franchise Agreement or this Owners Agreement or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

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**IN WITNESS WHEREOF**, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

**OWNERS:**

**OWNERS SPOUSES:**

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

HandyPro International, LLC hereby accepts the Owner(s)' agreements hereunder.

HANDYPRO INTERNATIONAL, LLC

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

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

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**EXHIBIT C**

**BRAND STANDARDS MANUAL  
TABLE OF CONTENTS**

Section	Number of Pages
Chapter 1 Safety	1
Chapter 2 Customer Service	9
Chapter 3 Start Up Requirements	24
Chapter 4 Finance	22
Chapter 5 Personnel	56
Chapter 6 Advertising & Promotions	56
Chapter 7 Operations	51
Chapter 8 Sample Forms	83
Chapter 9 Policy Manual	55
Chapter 10 Presentation Manual	59
Chapter 11 Home Modifications	30

Total Number of Pages: 446

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**EXHIBIT D**

**LIST OF CURRENT AND FORMER FRANCHISEES**

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**Current Franchisees as of December 31, 2022**

First Name	Last Name	Business Name	Address	City	State	Zip	Contact Phone	Email
<b>FLORIDA</b>								
Dario	Postrasija	HandyPro of Broward County	100 Weston Rd., Suite 200, Office 16	Weston City	FL	33326	(954) 519-5050	dariop@handypro.com
Juan	Caffini	HandyPro of South Miami	20900 NE 30th Ave Suite 200,	Aventura	FL	33180	(786) 420-7370	jcaffini@handypro.com
<b>INDIANA</b>								
Steve	Fugate	HandyPro of Northwest Indiana	493 Amhurst Rd.	Valparaiso	IN	46385	219.73 0.7023	sfugate@handypro.com
<b>MARYLAND</b>								
Ali	Soltani	HandyPro of Washington DC Metropolitan	104711 Motor City Dr. Ste 750	Bethesda	MD	20817	770.82 7.7022	ali@handypro.com
Devan	Smith	HandyPro of Delmarva Maryland	209 Hess Rd.	Grasonville	MD	21638	443.43 3.2709	dsmith@handypro.com
<b>MICHIGAN</b>								
Keith	Paul	HandyPro Handyman Service, Inc.	22500 Orchard Lake Rd., Ste A	Farmington	MI	48336	734.25 4.9160	office@handypro.com
<b>NEW JERSEY</b>								
Alan	Gamble	HandyPro of Central New Jersey	25 Carlisle Dr	Jackson Twp	NJ	08527	732. 719.88 77	alang@handypro.com
<b>TEXAS</b>								
Jeff	Arnold	HandyPro of Montgomery County	152 Konen Cove St	Trinity	TX	75862	832.38 6.9555	jarnold@handypro.com
<b>VIRGINIA</b>								
Sam	Hamzehpoor	HandyPro of Northern Virginia	46142 Cecil Terr.	Sterling	VA	20165	571.26 1.6220	shamzehpoor@handypro.com
<b>WEST VIRGINIA</b>								
Lyndon	Jones	HandyPro of West Virginia	211 Beechwood Estates	Scott Depot	WV	25560	304.42 1.0572	ljones@handypro.com

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**List of Former Franchisees**

The name and last known address of every franchisee who had a HandyPro Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2021 to December 31, 2022, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Name	Entity Name	Address	City	State	Zip Code	Phone Number
OHIO						
Tom Mills	HandyPro of Columbus	7471 Kuhlwein Rd.	Galloway	OH	43119	614.579.5779

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**EXHIBIT E**

**FINANCIAL STATEMENTS**

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# **HANDYPRO INTERNATIONAL, LLC**

FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2022, 2021 AND 2020



## HANDYPRO INTERNATIONAL, LLC

### Table of Contents

	<u>Page</u>
Independent auditor's report.....	3
Balance sheets .....	5
Statements of operations and members' equity .....	6
Statements of cash flows .....	7
Notes to the financial statements .....	8



### Independent Auditor's Report

To the Members  
of HandyPro International, LLC

#### Opinion

We have audited the accompanying financial statements of HandyPro International, LLC, ("the Company") which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of operations and members' equity, 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 HandyPro International, LLC as of December 31, 2022, 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 the Company 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 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.

#### 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 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.

**Restrictions on Use**

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

*Kezar S. Dunlay*

St. George, Utah  
April 15, 2023



**HANDYPRO INTERNATIONAL, LLC**  
BALANCE SHEETS  
DECEMBER 31, 2022, 2021 AND 2020

<b>Assets</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Current assets</b>			
Cash and cash equivalents	\$ 124,812	\$ 158,698	\$ 172,600
Accounts receivable	40,768	63,476	24,652
ERC receivable	11,077	11,077	-
Receivable - related party	6,500	-	-
Contract assets franchise contracts current portion	15,777	17,957	18,042
Inventory	6,474	6,474	6,297
Prepaid expenses	23,806	9,126	12,638
Deferred commissions current portion	15,643	17,099	27,700
Notes receivable current portion	5,200	-	22,309
Total current assets	<u>250,057</u>	<u>283,907</u>	<u>284,238</u>
Notes receivable	12,159	-	-
Contract assets franchise contracts	45,083	20,733	42,489
Deferred commissions	17,914	19,658	36,749
Operating lease right of use asset - related party	273,183	-	-
Property and equipment, net	2,226	4,952	8,776
Total assets	<u>\$ 600,622</u>	<u>\$ 329,250</u>	<u>\$ 372,252</u>
<b>Liabilities and Members' Equity</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,903	\$ -	\$ 9,462
Accounts payable - related party	-	2,221	-
Credit card payable	3,959	2,770	6,085
Contract liabilities franchise contracts current portion	15,777	17,957	18,042
Deferred deposits	6,980	-	-
Deferred revenue current portion	33,700	32,190	48,300
Line of credit	-	7,279	8,236
Note payable	-	33,990	7,000
Operating lease liability - related party current portion	28,800	-	-
Total current liabilities	<u>91,119</u>	<u>96,407</u>	<u>97,125</u>
<b>Long term liabilities</b>			
Operating lease liability - related party	244,383	-	-
Contract liabilities franchise contracts	45,083	20,733	42,489
Deferred revenue	50,354	38,794	70,968
Total liabilities	<u>430,939</u>	<u>155,934</u>	<u>210,582</u>
<b>Members' equity</b>			
Accumulated members' equity	169,683	173,316	161,670
Total liabilities and members' equity	<u>\$ 600,622</u>	<u>\$ 329,250</u>	<u>\$ 372,252</u>

The accompanying notes to the financial statements are integral part of these financial statements.



**HANDYPRO INTERNATIONAL, LLC**  
**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY**  
**YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue			
Home modification sales	\$ 211,039	\$ 133,590	\$ 89,389
Royalty fees	176,908	194,574	131,997
Franchise sale fees	35,930	48,284	78,937
Other fees	109,343	100,564	97,519
Total revenue	<u>533,220</u>	<u>477,012</u>	<u>397,842</u>
Cost of sales	196,046	148,401	106,167
Gross profit	<u>337,174</u>	<u>328,611</u>	<u>291,675</u>
Selling, general and administrative expenses	339,832	284,982	330,416
Marketing expenses	45,243	43,977	60,325
Depreciation and amortization expense	3,801	3,824	3,940
Operating loss	<u>(51,702)</u>	<u>(4,172)</u>	<u>(103,006)</u>
Other income (expense)			
Other income	60,669	38,798	122,609
Other expense	(6,281)	(20,421)	(15,142)
Net income	<u>\$ 2,686</u>	<u>\$ 14,205</u>	<u>\$ 4,461</u>
Beginning members' equity	\$ 173,316	\$ 161,670	\$ 162,876
Members' distributions	(6,319)	(2,559)	(5,667)
Net income	2,686	14,205	4,461
Ending members' equity	<u>\$ 169,683</u>	<u>\$ 173,316</u>	<u>\$ 161,670</u>

The accompanying notes to the financial statements are integral part of these financial statements.



**HANDYPRO INTERNATIONAL, LLC**  
**STATEMENTS OF CASH FLOWS**  
**DECEMBER 31, 2022, 2021 AND 2020**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:			
Net income	\$ 2,686	\$ 14,205	\$ 4,461
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,801	3,824	3,940
Bad debt expense	1,037	16,630	6,736
Business stabilization grant reclass	-	(7,000)	-
Forgiveness of PPP loan	(33,990)	-	-
Change in operating assets and liabilities:			
Accounts receivable	21,671	(55,454)	5,953
ERC receivable	-	(11,077)	-
Receivable - related party	(6,500)	-	-
Contract assets franchise contracts	(22,170)	21,841	3,187
Inventory	-	(177)	(4,214)
Prepaid expenses	(14,680)	3,512	2,858
Deferred commissions	3,200	27,692	41,127
Accounts payable	1,903	(9,462)	(996)
Accounts payable - related party	(2,221)	2,221	-
Credit card payable	1,189	(3,315)	5,008
Contract liabilities franchise contracts	22,170	(21,841)	(3,187)
Deferred revenue	13,070	(48,284)	(78,753)
Deferred deposits	6,980	-	(800)
Net cash used in operating activities	<u>\$ (1,854)</u>	<u>\$ (66,685)</u>	<u>\$ (65,585)</u>
Cash flows from investing activities:			
Notes receivable	(17,359)	22,309	(6,194)
Purchases of property and equipment	(1,075)	-	-
Net cashed provided by (used in) investing activities	<u>\$ (18,434)</u>	<u>\$ 22,309</u>	<u>\$ (6,194)</u>
Cash flows from financing activities:			
Proceeds from note	-	33,990	7,000
Payments on line of credit	(7,279)	(957)	(1,029)
Members' distributions	(6,319)	(2,559)	(5,667)
Net cash provided by (used in) financing activities	<u>\$ (13,598)</u>	<u>\$ 30,474</u>	<u>\$ 304</u>
Net change in cash and cash equivalents	(33,886)	(13,902)	(71,475)
Cash and cash equivalents at beginning of period	158,698	172,600	244,075
Cash and cash equivalents at end of period	<u>\$ 124,812</u>	<u>\$ 158,698</u>	<u>\$ 172,600</u>
Supplemental disclosures of cash flow			
Cash paid for interest	\$ 224	\$ 417	\$ 508
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are integral part of these financial statements.



## HANDYPRO INTERNATIONAL, LLC

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022, 2021 and 2020

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

HandyPro International, LLC (the "Company") was formed on March 12, 2009 in the State of Michigan, as a limited liability company for the principal purpose of selling and supporting "home handyman" franchises and handyman services. Distributions are made at the discretion of management, based upon available cash flow. The liability of the members of the Company is limited to the members' total capital contributions.

The Company has developed a proprietary system for establishing, operating, managing and marketing a franchised home handyman business and offers franchises for the right to operate business units in designated geographic areas under the "HandyPro" name and other authorized names and marks using a system of distinctive operating procedures, methods, and standards that the Company has developed.

The Company uses the accrual basis of accounting, and their accounting period is the 12 month period ending December 31 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

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

*(d) Reclassification*

Certain items in the prior year have been reclassified to conform to the current year's presentation.

*(e) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions.

*(f) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the

**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022, 2021 and 2020

allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2022, 2021, and 2020, management has determined that all receivables are collectible.

*(g) Inventory*

Inventory is measured at the lower of cost (on a first-in, first-out basis) or net realizable value. Inventory consists of home modification materials and supplies used.

*(h) Property and Equipment*

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the estimated useful lives of related assets. The useful lives generally range 3-7 yrs.

*(i) Long Lived Assets*

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

*(j) Intangible Assets*

The Company has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 350, Intangibles - Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as franchise development costs) are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

*(k) Revenue Recognition – Franchise Sales*

**Franchise Sales**

The standard franchise fees consist of a \$9,500 initial franchise fee and a \$39,500 territory fee.

In addition, the Company charges their franchisees monthly royalty fees, technology fees, national advertising fund fees, and a call center fee. The royalty, national advertising fund and call center fees are generally 6%, 1% and 2% of monthly sales, respectively. The technology fee is generally a fixed monthly fee of \$175, \$199, or \$299.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company adopted the new standard as of January 1, 2019, the first day of the Company’s fiscal year using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch up adjustment recognized upon adoption. As part of the adoption of the ASU, the Company elected the



**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022, 2021 and 2020

following transition practical expedients: to apply the standard only to contracts that are not completed at the initial date of application.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. The standard does not impact the Company's recognition of royalties, national advertising fund fees and call center fees from locations operated by a franchisee, which are based on a percentage of net revenue and recognized at the time the underlying sales occur. The standard does change recognition of the Company's initial franchise fees and technology fees. The Company's policy through December 31, 2018 was to recognize initial fees when significant obligations under the franchise agreements were considered substantially performed. Significant obligations were considered substantially performed at the time the franchisee completed initial training. Beginning in January 2019, initial franchise fees have been recognized as the Company satisfies the franchise right performance obligation over the franchise term, which is 5, 7 or 10 years. Technology fees are a fixed fee with an agreed upon value. Thus, they are considered a fixed amount of the consideration to be included in the transaction prices of the franchise agreements under ASC 606. The contract receivables and contract liabilities for technology fees are presented on the balance sheet under the captions contract assets franchise contracts and contract liabilities franchise contracts.

Revenue from materials and services such as additional training is recognized upon provisioning/shipment and invoicing.

*(l) Revenue Recognition – Construction Sales*

The Company also provides home handy man services directly to the consumer. This income is included in Home Modification Sales. The Company obtains home modification contracts through the call center or directly from insurance companies. These customers are located throughout the United States. The Company outsources the work to its franchisees and/or subcontractors.

Revenue on construction contracts is recognized using the cost to cost input method. Revenue is recognized based on the percentage of progress toward completion. The percentage of progress toward completion is computed as the total costs incurred to date to the estimated total costs. For those contracts that extend over a reporting period, revisions in cost and profit estimates during the course of the work are reflected in the accounting period in which the facts requiring the revision become known. Projected losses are provided for in their entirety without reference to the percentage of completion. Because of inherent uncertainties in estimating costs, it is reasonably possible that estimates used will change in the near term.

"Contract Assets Construction Contracts" represents revenues recognized in excess of amounts billed. "Contract Liabilities Construction Contracts," represents billings in excess of revenues recognized. There are no construction contract assets or construction contract liabilities as of December 31, 2022, 2021 and 2020.

*(m) Income Taxes*

The entity is structured as a limited liability company (LLC) under the laws of the State of Michigan. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022, 2021 and 2020

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns	Return Filed in 2022
Federal	2019 – 2021	2021
Michigan	2019 – 2021	2021

*(n) Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2022, 2021, and 2020 were \$45,243, \$43,977, and \$60,325, respectively.

*(o) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, long term notes receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same. Related party transactions may not be stated at fair market value.

*(p) Concentration of Risk*

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

*(q) Leases*

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)", with several subsequent amendments, which requires lessees to recognize the assets and liabilities that arise from operating and finance leases on the balance sheets, with a few exceptions. ASC 842 replaced the existing lease guidance in U.S. GAAP. The Company adopted the new standard as of January 1, 2022, the first day of the Company's fiscal year using a modified retrospective transaction approach. Under the approach, the Company adjusted assets and liabilities as of January 1, 2022 with a cumulative effect adjustment and did not retrospectively recast prior periods presented. In addition, the Company elected the package of practical expedients permitted under the transition guidance, which allowed the Company to forgo reassessing (a) whether a contract contains a lease, (b) lease classification, and (c) whether capitalized costs associated with a lease are initial direct costs. The new lease guidance has been applied to the Company's leases as of January 1, 2022, which impacted how operating lease assets and liabilities were recorded within the balance sheet, resulting in the recording of \$286,094 of lease liabilities and \$286,094 of right-of-use ("ROU") assets on the balance sheet at transition. Adoption of the new standard did not materially affect the Company's retained earnings, net income and cash flows.

For lease agreements entered into subsequent to the adoption of ASC 842, the Company determines if an arrangement is a lease at inception. The Company's lease liabilities represent the obligation to make lease payments arising from the leases and right of use ("ROU") assets are recognized as an offset at lease inception. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. If the Company's leases include options to extend the lease, the renewal options are not included in the minimum lease terms unless they are reasonably certain to be exercised. Rent expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term and is included in general and administrative expenses in the statements of operations.





**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 December 31, 2022, 2021 and 2020

(2) ERC Receivable

The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of up to \$10,000 for 2020 and 70% of up to \$7,000 for 2021 in qualified wages per quarter an eligible employer paid to employees. This credit was extended under Section 2301 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") as many businesses have continued to be severely impacted by coronavirus (COVID-19). Subsequent to year end, on April 14, 2023 the Company received the credit.

(3) Prepaid Expenses

Prepaid expenses consist of general and other insurance premiums, memberships, licenses and rent. The insurance premiums, memberships and licenses are amortized over the life of the policy, membership or license. As of December 31, 2022, prepaid expenses also include expenses paid in advance for the 2023 Conference and for marketing services. Prepaid expenses were \$23,806, \$9,126, and \$12,638, as of December 31, 2022, 2021, and 2020, respectively.

(4) Notes Receivable

Notes Receivable consist of notes the Company received as partial payment for franchise fees for new franchise sales and other related payments due to the Company. The notes are generally short term in nature and are noninterest bearing. The outstanding balances were \$17,359, \$0, and \$22,309, as December 31, 2022, 2021 and 2019, respectively.

(5) Contract Assets and Contract Liabilities Franchise Contracts

Contract assets and contract liabilities franchise contracts consist of fixed consideration for technology fees. Contract assets are contract receivables and contract liabilities are the associated deferred revenue. Current and long-term portions as of December 31 are:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current	\$ 15,777	\$ 17,957	\$ 18,042
Long term	45,083	20,733	42,489
	<u>\$ 60,860</u>	<u>\$ 38,690</u>	<u>\$ 60,531</u>

(6) Deferred Commissions and Revenue

In accordance with the Company's new revenue policy as of December 31, 2022, 2021 and 2020, the Company had the following deferred commissions and revenue:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Deferred commissions	\$ 33,557	\$ 36,757	\$ 64,449
Deferred revenue	\$ 84,054	\$ 70,984	\$ 119,268

The Company has estimated the following current and long term portions of deferred commissions and deferred revenue as of December 31, 2022, 2021, and 2020:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Deferred commissions current portion	\$ 15,643	\$ 17,099	\$ 27,700
Deferred commissions long term portion	17,914	19,658	36,749
	<u>\$ 33,557</u>	<u>\$ 36,757</u>	<u>\$ 64,449</u>

**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022, 2021 and 2020

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Deferred revenue current portion	\$ 33,700	\$ 32,190	\$ 48,300
Deferred revenue long term portion	50,354	38,794	70,968
	\$ 84,054	\$ 70,984	\$ 119,268

**(7) Property and Equipment**

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Computer equipment and software	\$ 58,239	\$ 57,164	\$ 57,164
Furniture and fixtures	26,027	26,027	26,027
	84,266	83,191	83,191
Less accumulated depreciation	(82,040)	(78,239)	(74,415)
	\$ 2,226	\$ 4,952	\$ 8,776

Depreciation expense for the years ended December 31, 2022, 2021, and 2020, was \$3,801, \$3,824, and \$3,940, respectively.

**(8) Line of Credit**

The Company has a \$100,000 line of credit agreement with JPMorgan Chase Bank, which is due on demand. Interest is payable monthly at the bank's floating prime rate plus two percent. The agreement is collateralized by all the assets of the Company and the personal guarantee of the Company's principal owner. The line of credit agreement renews each year in October. There was a balance on the line of credit of \$0, \$7,279, and \$8,236, as of December 31, 2022, 2021 and 2020, respectively.

**(9) Notes Payable and Other Income**

On January 19, 2021 the Company received a promissory note in the amount of \$33,990. This note was made pursuant to the Paycheck Protection Program (the "PPP") created by Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP loan could be forgiven if the Company complied with certain criteria provided by the Small Business Administration (SBA). Any amount of the PPP loan which was not forgiven the Company is liable to pay. The note bore 1% interest with a maturity date of January 19, 2026. The note is included in current liabilities as of December 31, 2021. Subsequent to the 2021 year end in June 2022 the Company received full forgiveness and the balance was recognized as other income and is included in other income as of December 31, 2022. Also included in other income as of December 31, 2022 is forgiveness of related party payables.

On April 6, 2020, the Company entered into a note payable with a third-party financial institution as part of the Payroll Protection Program administered by the United States Small Business Administration ("SBA"). The loan had an initial principal balance of \$39,620, accrued interest at an annual rate of 1%, and a maturity date of April 6, 2022. As of December 31, 2020, the Company was in compliance with all guidelines for receiving forgiveness on the loan. In accordance with ASC 450-30, the Company recognized the balance as other income during the year ended December 31, 2020. The Company received approval for full forgiveness subsequent to the 2020 year end on April 1, 2021. Also included in other income as of December 31, 2021 and 2020 is forgiveness of the related party notes and payables as well as a business stabilization grant of \$7,000 in 2021.



**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 December 31, 2022, 2021 and 2020

(10) Customer Concentrations

A significant portion of the Company’s revenue has been derived from five customers. For the year ended December 31, 2022, the five largest customer balances account for more than 70% and two customer balances individually represent more than 10% of total revenue. For the year ended December 31, 2021, the five largest customer balances account for more than 65% and two customer balances individually represent more than 10% of total revenue. For the year ended December 31, 2020, the five largest customer balances account for 58% and two customer balances individually represent more than 10% of total revenue. Three customers also accounted for more than 65% of accounts receivable for the year ended December 31, 2022. Two customers also accounted for more than 75%, and 59% of accounts receivable for the years ended December 31, 2021 and 2020, respectively.

(11) Affiliate Entity

The Company has an affiliate, HandyPro Handyman Service, Inc. (“HHS”). HHS is a Michigan corporation that operates a business similar to the franchises being offered.

(12) Related Party Transactions

HHS paid certain operating costs of the Company during the years ended December 31, 2016 and 2015. The Company intended to reimburse HHS, as funds became available; however, during 2017 a portion of the note balance was forgiven and during 2020 the remainder of the note balance was forgiven. The notes were due on demand, bore no interest and had no repayment terms. As of December 31, 2022, 2021, and 2020, Notes Payable – Related Party was \$0.

The Company had sales to related parties of \$28,779, \$22,666, and \$63,577 for the years ended December 31, 2022, 2021, and 2020, respectively. Included in expenses for the years ended December 31, 2021, 2020, and 2019 are handyman services charged by related parties of \$55,736, \$21,149, and \$24,239, respectively. A related party owed the Company \$6,500 as of December 31, 2022. The Company owed related parties \$0, \$2,221, and \$0, as of the end of 2022, 2021, and 2020, respectively.

(a) Related Party Lease

The Company has a related party lease for its office space that is classified as an operating lease. The Company entered into the lease agreement on January 1, 2016. The term of the lease is twenty years with an option to renew for a year. As the renewal period is a short term lease under ASC 842, it has not been included in the calculation of the present value of lease payments. Rent payments are \$2,400 a month. The Company used its line of credit interest rate as of the date of adoption of about 5.25% as the incremental borrowing rate to extrapolate a rate to calculate the present value of the lease liability and right-of-use asset. Cash paid for amounts included in the measurement of the operating lease liability was \$28,800 during 2022. Rent expense in the amount of \$28,800 and \$28,800 was paid for the years ended December 31, 2021, 2020, respectively.

Maturities under the lease are as follows as of December 31, 2022:

2023	\$ 28,800
2024	28,800
2025	28,800
2026	28,800
2027	28,800
Thereafter	230,400
Total lease payments	<u>\$ 374,400</u>
Less: imputed interest	<u>(101,217)</u>
Present value of lease liability	<u>\$ 273,183</u>

**HANDYPRO INTERNATIONAL, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022, 2021 and 2020

The Company subleases office space. The Company had two subleases at the beginning of 2018 that terminated in June 2018. One of the tenants has remained in the office space month to month after their sublease terminated. During 2020 the Company also had another tenant for three months. Sublease rental income was \$9,600, \$9,600, and \$10,785 for the years ended December 31, 2022, 2021, and 2020, respectively.

(13) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) Covid 19 Contingency

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2020, 2021, 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(14) Date of Management's Evaluation

Management has reviewed and evaluated subsequent events through April 15, 2023, the date on which the financial statements were issued.



**EXHIBIT F**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

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## FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, HandyPro International, LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a HandyPro franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been accurately represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1. Yes\_\_\_ No\_\_\_ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes\_\_\_ No\_\_\_ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes\_\_\_ No\_\_\_ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes\_\_\_ No\_\_\_ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes\_\_\_ No\_\_\_ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes\_\_\_ No\_\_\_ Have you had the opportunity to discuss the benefits and risks of developing and operating a HandyPro Franchise with an existing HandyPro franchisee?
7. Yes\_\_\_ No\_\_\_ Do you understand the risks of developing and operating a HandyPro Franchise?
8. Yes\_\_\_ No\_\_\_ Do you understand the success or failure of your HandyPro Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9. Yes\_\_\_ No\_\_\_ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Michigan, if not resolved informally or by mediation?
10. Yes\_\_\_ No\_\_\_ Do you understand that you must satisfactorily complete the initial training program before we will allow your HandyPro Franchise to open or consent to a transfer of the HandyPro Franchise to you?





11. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a HandyPro Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a HandyPro Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes\_\_ No\_\_ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the HandyPro Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
15. Yes\_\_ No\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

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Signature of Franchise Applicant

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Signature of Franchise Applicant

---

Name (please print)

---

Name (please print)

---

Date

---

Date





EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

**EXHIBIT G**  
**STATE ADDENDA AND AGREEMENT RIDERS**

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## STATE ADDENDA AND AGREEMENT RIDERS

### ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR HANDYPRO INTERNATIONAL, LLC

The following modifications are made to the HandyPro International, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 20\_\_ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means the laws of the state where the HandyPro Business is located. When the term “**Supplemental Agreements**” is used, it means: none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

#### **CALIFORNIA**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor’s Choice of Law State. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor’s Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department of Business Oversight at [www.dbo.ca.gov](http://www.dbo.ca.gov).

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

## **HAWAII**

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED**

**TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS  
AND OBLIGATIONS OF BOTH US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates."
2. States which have refused, by order or otherwise, to register these Franchises are:  
  
None
3. States which have revoked or suspended the right to offer the Franchises are:  
  
None
4. States in which the proposed registration of these Franchises has been withdrawn are:  
  
None

**ILLINOIS**

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

Illinois law governs the Agreements.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

### Fee Deferral

Item 5 of the Franchise Disclosure Document is revised to include the following: Payment of the Initial Franchise Fee and Territory Fee is deferred until all of our initial obligations under the Franchise Agreement have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. This requirement has been imposed by the Illinois Attorney General's Office based on our financial condition.

**“NATIONAL ACCOUNTS” EXIST IN THIS FRANCHISE SYSTEM. FRANCHISOR RESERVES THE RIGHT TO ESTABLISH, IDENTIFY AND SERVICE “NATIONAL ACCOUNTS” WITHIN YOUR TERRITORY. FRANCHISOR AND ITS AFFILIATE(S) MAY PROVIDE PRODUCTS & SERVICES TO A “NATIONAL ACCOUNT”, AND OTHER HANDYPRO FRANCHISEES MAY PROVIDE WARRANTY WORK WITHIN YOUR TERRITORY WITH NO COMPENSATION PAID TO YOU.**

### INDIANA

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes regarding prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise, Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

## **IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any



person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to HandyPro International, LLC, 22500 Orchard Lake, Farmington, MI 48336 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: \_\_\_\_\_

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

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

Its: \_\_\_\_\_

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

**MARYLAND**

**AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS**

Item 5 of the FDD and the Franchise agreement are amended to state: “All fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, will be held in escrow pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee.”

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”



Representations in the Franchise Agreement and Supplemental Agreements 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.

Item 17 of the FDD and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and franchisee questionnaire are 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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

## **MICHIGAN**

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our sub-franchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

## **MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subs. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit, or demand regarding your use of the Marks if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 4.3 of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

## NEW YORK

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 DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23<sup>RD</sup> FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

The following is added at the end of Item 3:

Except as provided above, regarding 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 injunction 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.

The following is added to the end of Item 4:

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 the officer or general partner of the franchisor held this position in the company or partnership.

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.

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.

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.

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.

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.

You must make minimum royalty, advertising, 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.

## **NORTH DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel, or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.



Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

**OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials \_\_\_\_\_ Date \_\_\_\_\_

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller’s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to HandyPro International, LLC, 22500 Orchard Lake, Farmington, MI 48336 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

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

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

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

Its: \_\_\_\_\_

**RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.



The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

## **SOUTH DAKOTA**

Intentionally left blank.

## **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for HandyPro International, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **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.

**Use of Franchise Brokers.** The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
FRANCHISOR

\_\_\_\_\_  
FRANCHISEE

**WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision conflicts with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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**(Signatures on following page)**



**APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any other specified agreement(s) entered by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- |                                     |            |                                     |              |                                     |              |
|-------------------------------------|------------|-------------------------------------|--------------|-------------------------------------|--------------|
| <input type="checkbox"/>            | California | <input checked="" type="checkbox"/> | Michigan     | <input type="checkbox"/>            | Rhode Island |
| <input type="checkbox"/>            | Hawaii     | <input type="checkbox"/>            | Minnesota    | <input type="checkbox"/>            | South Dakota |
| <input checked="" type="checkbox"/> | Illinois   | <input checked="" type="checkbox"/> | New York     | <input checked="" type="checkbox"/> | Virginia     |
| <input type="checkbox"/>            | Iowa       | <input type="checkbox"/>            | North Dakota | <input type="checkbox"/>            | Washington   |
| <input type="checkbox"/>            | Indiana    | <input type="checkbox"/>            | Ohio         | <input checked="" type="checkbox"/> | Wisconsin    |
| <input checked="" type="checkbox"/> | Maryland   |                                     |              |                                     |              |

Dated: \_\_\_\_\_, 20\_\_\_\_

**FRANCHISOR:**

HANDYPRO INTERNATIONAL, LLC

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

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

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



## **EXHIBIT H**

### **CONTRACTS FOR USE WITH THE HANDYPRO BUSINESS**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the HandyPro Business. The following are the forms of contracts that HandyPro International, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

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(Sample Contracts begin on next page)



## EXHIBIT H-1

### HANDYPRO FRANCHISE

#### SAMPLE GENERAL RELEASE AGREEMENT

##### **WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (“Release”) is made as of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of HandyPro International, LLC, a Michigan limited liability company (“Franchisor,” and together with Releasor, the “Parties”).

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a HandyPro business.

**WHEREAS**, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (**enter into a successor franchise agreement**), and Franchisor has consented to such transfer (**agreed to enter into a successor franchise agreement**); and

**WHEREAS**, as a condition to Franchisor’s consent to the transfer (**Franchisee’s ability to enter into a successor franchise agreement**), 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 (**Franchisor entering into a successor franchise agreement**), 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 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 and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee 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.

3. Non-disparagement. 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 Michigan.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. If 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 its reasonable costs and attorneys' fees.

e. All 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 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 consummating, evidence, or confirm the Release contained herein in the matter contemplated hereby.



IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_, a  
\_\_\_\_\_

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

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

Its: \_\_\_\_\_

**FRANCHISEE'S OWNERS:**

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

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## EXHIBIT H-2

### HANDYPRO FRANCHISE

#### SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of HandyPro International, LLC, a Michigan limited liability company, and its successors and assigns (“us,” “we” or “our”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a HandyPro business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a HandyPro business or the solicitation or offer of a HandyPro franchise, whether now in existence or created in the future.

“*Franchisee*” means the HandyPro franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a HandyPro business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a HandyPro business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HandyPro business, including “HANDYPRO,” and any other trademarks, service marks, or trade names that we designate for use by a HandyPro business. The term “Marks” also includes any distinctive trade dress used to identify a HandyPro business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce: (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position; or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“*Restricted Period*” means the two (2)-year period after you cease to be a manager or officer of Franchisee’s HandyPro business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “*Restricted Period*” means the 12-month period after you cease to be a manager or officer of Franchisee’s HandyPro business.

“*Restricted Territory*” means the geographic area within: (i) a 50-mile radius from Franchisee’s HandyPro business (and including the premises of the approved location of Franchisee); and (ii) a 50-mile radius from all other HandyPro businesses that are operating or under construction as of the beginning of the *Restricted Period*; provided, however, that if a court of competent jurisdiction determines that the foregoing *Restricted Territory* is too broad to be enforceable, then the “*Restricted Territory*” means the geographic area within a 25-mile radius from Franchisee’s HandyPro business (and including the premises of the approved location of Franchisee).

“*System*” means our system for the establishment, development, operation, and management of a HandyPro business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. To avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the HandyPro business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s HandyPro business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s HandyPro business by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree not to unfairly compete with us during the *Restricted Period* by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the *Restricted Territory*. If you engage in any Prohibited Activities during the *Restricted Period*, then you agree that your *Restricted Period* will be extended by the period of time during which you were engaging in the Prohibited Activity.

**6. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have



violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**8. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other HandyPro franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners, or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**9. Miscellaneous.**

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of the state where the HandyPro business is located, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.



EXECUTED on the date stated below.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

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## EXHIBIT H-3

### HANDYPRO FRANCHISE

#### SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of HandyPro International, LLC, a Michigan limited liability company, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow HandyPro franchisees to use, sell, or display in connection with the marketing and/or operation of a HandyPro Business, whether now in existence or created in the future.

“*Franchisee*” means the HandyPro franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*HandyPro Business*” means a business that provides home repair and improvement services to residential and commercial customers and other related products and services using our Intellectual Property.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a HandyPro Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a HandyPro Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HandyPro Business, including “HANDYPRO” and any other trademarks, service marks, or trade names that we designate for use by a HandyPro Business. The term “Marks” also includes any distinctive trade dress used to identify a HandyPro Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of a HandyPro Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

**2. Background.** You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. To avoid such damage, you agree to comply with this Agreement.

**3. Know-How and Intellectual Property: Nondisclosure and Ownership.** You agree:  
(i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the

HandyPro Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of HandyPro International, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

**4. Immediate Family Members.** You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

**5. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**6. Breach.** You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other HandyPro franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**7. Miscellaneous.**

a. Although this Agreement is entered into in favor of HandyPro International, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Michigan, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

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**EXHIBIT H-4**

**AUTOMATED CLEARING HOUSE (ACH) PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

**Bank Account Information:**

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

**Authorization:**

Franchisee hereby authorizes HandyPro International, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____	Date: _____
Name: _____	
Its: _____	
Federal Tax ID Number: _____	

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**

## EXHIBIT H-5

### HANDYPRO INTERNATIONAL, LLC FRANCHISE

#### SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“**Agreement**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between HandyPro International, LLC (“**Franchisor**”), \_\_\_\_\_ (“**Former Franchisee**”) and \_\_\_\_\_ (“**New Franchisee**”).

#### **RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ (“**Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a HandyPro franchise located at \_\_\_\_\_ (“**Franchised Business**”); and

WHEREAS Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all its rights and delegate its duties with regard to the Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing of a franchise agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all Former Franchisee’s rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration,



or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a HandyPro franchise as stated in Franchisor's Franchise Disclosure Document.

6. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor always informed of its current address and telephone number during the three (3) year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including all actions that may be required or contemplated by the Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the state where the HandyPro business is located.

*(Signatures on following page)*



**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR:**

HANDYPRO INTERNATIONAL, LLC

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

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

**FORMER FRANCHISEE:**

\_\_\_\_\_

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

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

**NEW FRANCHISEE:**

\_\_\_\_\_

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

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

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## EXHIBIT H-6

### LEASE ADDENDUM

This Addendum to Lease (“**Addendum**”), dated \_\_\_\_\_, 20\_\_\_\_, is entered into by and between \_\_\_\_\_ (“**Lessor**”), and \_\_\_\_\_ (“**Lessee**”).

A. The parties hereto have entered into a certain Lease Agreement dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ (“**Lease**”).

B. Lessor acknowledges that Lessee intends to operate a HandyPro franchise from the leased premises (“**Premises**”) pursuant to a Franchise Agreement (“**Franchise Agreement**”) with HandyPro International, LLC (“**Franchisor**”) under the name HandyPro or other name designated by Franchisor (herein referred to as “**Franchised Business**” or “**Franchise Business**”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

**NOW, THEREFORE**, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Assignment. Lessee shall have the right, without further consent from Lessor, to sublease or assign all of Lessee’s right, title, and interest in the Lease to a Franchise Assignee at any time during the term of the Lease, including any extensions or renewals thereof, in accordance with the Collateral Assignment of Lease attached hereto as Attachment 1 or otherwise. No assignment shall be effective until a Franchise Assignee gives Lessor written notice of its acceptance of the assignment and assumption of the Lease. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to and accepted in writing by a Franchise Assignee. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. Franchisor shall have the right to sublet or reassign the Lease to another Franchise Assignee without Lessor’s consent in accordance with Section 3(a) in which event Franchisor shall be released of any obligation or liability under the Lease. As used in this Addendum, “**Franchise Assignee**” means: (i) Franchisor or Franchisor’s parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor’s parent, subsidiary, or affiliate.

2. Default and Notice.

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall contemporaneously give both Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. Franchisor shall have the right, but not the obligation, to cure the default during Lessee’s cure period plus an additional ten (10) day period. Franchisor will notify Lessor whether it intends to cure the default prior to the end of Lessee’s cure period.

b. All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, to the following address:

HandyPro International, LLC  
22500 Orchard Lake Rd., Ste A  
Farmington, MI 48336

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Lessee and Lessor agree not to terminate, alter, or amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, alteration, or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

3. Termination or Expiration.

a. Upon Lessee's default and failure to timely cure under either the Lease or the Franchise Agreement, a Franchise Assignee designated by Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest under the Collateral Assignment of Lease or otherwise, provided such Franchise Assignee cures a default of the Lease no later than ten (10) days following the end of Lessee's cure period.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises, and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the HandyPro marks and system, and to distinguish the Premises from a Franchised Business.

c. If any Franchise Assignee purchases any assets of Lessee, Lessor shall permit such Franchise Assignee to remove all the assets being purchased, and Lessor waives any lien rights that Lessor may have on such assets.

4. Consideration; No Liability.

a. Lessor acknowledges that the Franchise Agreement requires Lessee to receive Franchisor's approval of the Lease prior to Lessee executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Lessor acknowledges Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Attachment 1.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor, and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Lessor has entered this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

5. Amendments. No amendment or variation of the terms of the Lease or this Addendum shall be valid unless made in writing and signed by the parties hereto.

6. Reaffirmation of Lease. Except as amended or modified herein, all the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

7. Beneficiary. Lessor and Lessee expressly agree that Franchisor is a third-party beneficiary of this Addendum.

**IN TESTIMONY WHEREOF**, witness the signatures of the parties hereto as of the day, month, and year first written above.

**LESSOR:**

**LESSEE:**

\_\_\_\_\_

\_\_\_\_\_

By:

By:

\_\_\_\_\_

\_\_\_\_\_

Title:

Title:

\_\_\_\_\_

\_\_\_\_\_

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**EXHIBIT H-6 Attachment 1**

**ATTACHMENT 1 TO LEASE ADDENDUM**

**COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, as of the \_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”), the undersigned, \_\_\_\_\_ (“Assignor”) hereby assigns, transfers and sets over unto HandyPro International, LLC (“Assignee”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (“Lease”) with respect to the premises located at \_\_\_\_\_.

This Collateral Assignment of Lease (“Assignment”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under that certain franchise agreement for a HandyPro franchise between Assignee and Assignor (“Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignee’s rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (2%) per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

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*(Signatures on following page)*



IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

**ASSIGNOR:**

\_\_\_\_\_

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

Its: \_\_\_\_\_

**ASSIGNEE:**

HANDYPRO INTERNATIONAL, LLC

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

Its: \_\_\_\_\_

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## EXHIBIT H-7

### ADDENDUM TO FRANCHISE AGREEMENT FOR NATIONAL ACCOUNT PARTICIPATION

This Addendum to Franchise Agreement (“Addendum”) is made and entered into as of \_\_\_\_\_, 201\_\_\_\_, by and between HandyPro International, LLC (“Franchisor” or “HandyPro International”) and \_\_\_\_\_ (“Franchisee”).

WHEREAS, Franchisor and Franchisee have entered into a franchise agreement (“Franchise Agreement”) pursuant to which Franchisee was granted a license to use the Marks and Systems in the operation of a HandyPro Franchise in a specific area (“Territory”).

WHEREAS, HandyPro International has entered, or will enter, into a contract(s) (“Contract”) for a national accounts program (“NAP”) to provide services (“Services”) in various locations to various national account customers (“NAP Customer”).

WHEREAS, HandyPro International will utilize its (“Franchisees”) to provide the Services and HandyPro will handle the account management and billing services related to the Contract for the Services.

NOW, for and in consideration of the mutual covenants, terms, and conditions herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. HandyPro International represents that it is pursuing and attempting to negotiate national account contracts for products and services provided by Franchisees in the System. Franchisee acknowledges that HandyPro International is not required to pursue a national account contract with any customer or on any terms. HandyPro International, in its sole discretion, shall determine the best method of pursuing, negotiating with and servicing national account customers and shall establish the terms of each account, based on the customers’ needs.

2. Franchisee is responsible for all expenses, including travel and lodging, associated with any NAP Customer work. Franchisee acknowledges that NAP Customer work is subject to all Franchisee’s requirements under the Franchise Agreement, including but not limited to, payment of Royalties, National Advertising Fund Contributions, indemnification, and insurance.

3. Franchisee understands and agrees that Franchisee has no right to any NAP Customer or jobs except as assigned by Franchisor to Franchisee in Franchisor’s sole discretion. Franchisee shall automatically be disqualified from any NAP Customer work if any of the following occur:

- a. If a NAP Customer has notified HandyPro International in writing that the customer does not want to deal with Franchisee for any reason.
- b. If Franchisee is not qualified or certified by Franchisor to perform a particular type of work.
- c. If Franchisee is in default or otherwise not in good standing under the Franchise Agreement.



- d. If Franchisee does not meet minimum insurance requirements for a NAP contract.
- e. If HandyPro International is unable to timely communicate with Franchisee about a customer work request despite making reasonable efforts to do so.

In any of the above instances, Franchisee will automatically be disqualified and HandyPro International may contract the work to another Franchisee or affiliate. In the event a NAP Customer notifies Franchisor at any time during the performance of customer work that it is dissatisfied with Franchisee for any reason, Franchisor, its affiliates, or designee may complete the customer work or contract with another company or another franchisee to complete the customer work at Franchisee's expense, including payment of Franchisor's administrative fees.

4. Franchisee agrees to accept the NAP prices ("NAP Prices") as set by the HandyPro International and attached hereto as Exhibit A. Franchisee understands and agrees an Administrative fee will be deducted from all payments for work performed for any NAP customer. This will be paid to the HandyPro International for administering the NAP, servicing customers, and collecting from customers ("Administrator Fees"). HandyPro International represents that it will establish its fees with the goal of making the fees low enough to maintain the reasonableness of HandyPro International's charges to national account customers, but high enough to cover HandyPro International's costs and provide for a reasonable profit. HandyPro International will notify Franchisee within 10 business days of any changes to the NAP Prices and/or Administrator Fees and supply Franchisee with new NAP Prices. Franchisee is responsible for complying with all insurance and tax requirements, even if jobs are located outside Franchisee's Territory or state.

5. Franchisee's participation in the NAP is voluntary. Franchisee may terminate further participation in the NAP for any reason, by completing any assigned jobs and giving at least seven (7) business days' written notice to HandyPro International and Franchisor.

6. Franchisee understands and agrees that Franchisee must be and remain in good standing with Franchisor under the Franchise Agreement to participate in the NAP. Franchisee agrees to service national account customers when requested to do so in accordance with NAP standards and procedures and any terms in the contract with the NAP customer that have been communicated to Franchisee in Exhibit B of this Addendum. Franchisee understands that at no time does the Franchisee can choose which NAP jobs they would like to participate in if they are part of the NAP program. Franchisee specifically acknowledges that HandyPro International may represent to a NAP customer that Franchisee will comply with terms and conditions negotiated between HandyPro International and the national account customer.

7. Franchisee acknowledges that jobs with NAP customers may not be assigned or subcontracted without written permission from HandyPro International, and that Franchisee's participation in the NAP is not assignable without the express written consent of Franchisor.

8. HandyPro International will pay Franchisee only upon receipt of funds from the NAP Customer. Such payment(s) will be provided to Franchisee promptly after receipt of funds by HandyPro International from NAP Customer. Typically, such payment should occur within 45-60 days after the invoice for the NAP Customer work invoice has been properly submitted and approved.



- 9. This Addendum will terminate:
  - a. Automatically if the Agreement terminates, expires or is not renewed.
  - b. On written notice to Franchisee.
  - c. On written notice to Franchisor and Franchisee if HandyPro International decides for any reason that it will no longer pursue or service national account customers needing products and services provided by franchisees in Franchisor’s system.
  - d. On written notice to Franchisee if HandyPro International terminates Franchisee’s participation in the NAP for Franchisee’s failure to comply with the written standards and procedures of the NAP.

10. Each party agrees that it shall take any necessary steps, sign, and execute all necessary documents, agreements or instruments which are required to implement the terms of this Addendum and each party agrees to refrain from taking any action which would have the effect of prohibiting or hindering the performance of any other party.

11. Franchisee agrees that all insurance required by the Agreement will cover Franchisee’s activities under the NAP and will name HandyPro International as an additional insured.

12. Except as specifically modified by this Addendum, all the terms and conditions of the Franchise Agreement (including provisions for notice, construction, and dispute resolution) are reaffirmed in their entirety.

Except as specifically provided in this Addendum, all the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Agreement and this Addendum, the terms of this Addendum shall control.

**FRANCHISEE:**

\_\_\_\_\_

**FRANCHISOR:**

**HANDYPRO INTERNATIONAL, LLC**

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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**EXHIBIT H-8**

**TAX INFORMATION AUTHORIZATION**

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**(Tax Information Authorization form begins on next page)**



Form **8821**  
 (Rev. January 2021)  
 Department of the Treasury  
 Internal Revenue Service

### Tax Information Authorization

► Go to [www.irs.gov/Form8821](http://www.irs.gov/Form8821) for instructions and the latest information.  
 ► Don't sign this form unless all applicable lines have been completed.  
 ► Don't use Form 8821 to request copies of your tax returns or to authorize someone to represent you. See instructions.

OMB No. 1545-0045  
**For IRS Use Only**  
 Received by:  
 Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Function \_\_\_\_\_  
 Date \_\_\_\_\_

**1 Taxpayer information.** Taxpayer must sign and date this form on line 6.

Taxpayer name and address		Taxpayer identification number(s)	
		Daytime telephone number	Plan number (if applicable)

**2 Designee(s).** If you wish to name more than two designees, attach a list to this form. **Check here if a list of additional designees is attached**

Name and address HandyPro International, LLC 22500 Orchard Lake Rd., Ste A Farmington, MI 48336	CAF No. None PTIN N/A Telephone No. 734.254.9160 x201 Fax No. 734.254.9171
<b>Check if to be sent copies of notices and communications</b> <input checked="" type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____
<b>Check if to be sent copies of notices and communications</b> <input type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

**3 Tax information.** Each designee is authorized to inspect and/or receive confidential tax information for the type of tax, forms, periods, and specific matters you list below. See the line 3 instructions.

By checking here, I authorize access to my IRS records via an Intermediate Service Provider.

(a) Type of Tax Information (Income, Employment, Payroll, Excise, Estate, Gift, Civil Penalty, Sec. 4980H Payments, etc.)	(b) Tax Form Number (1040, 941, 720, etc.)	(c) Year(s) or Period(s)	(d) Specific Tax Matters
Income	1040	2023 - 2030	Gross Receipts / Income support
Income	1065	2023 - 2030	Gross Receipts / Income support
Income	1120	2023 - 2030	Gross Receipts / Income support

**4 Specific use not recorded on the Centralized Authorization File (CAF).** If the tax information authorization is for a specific use not recorded on CAF, check this box. See the instructions. If you check this box, skip line 5 . . . . .

**5 Retention/revocation of prior tax information authorizations.** If the line 4 box is checked, skip this line. If the line 4 box isn't checked, the IRS will automatically revoke all prior tax information authorizations on file unless you check the line 5 box and **attach a copy** of the tax information authorization(s) that you want to retain . . . . .   
 To revoke a prior tax information authorization(s) without submitting a new authorization, see the line 5 instructions.

**6 Taxpayer signature.** If signed by a corporate officer, partner, guardian, partnership representative (or designated individual, if applicable), executor, receiver, administrator, trustee, or individual other than the taxpayer, I certify that I have the legal authority to execute this form with respect to the tax matters and tax periods shown on line 3 above.

► IF NOT COMPLETED, SIGNED, AND DATED, THIS TAX INFORMATION AUTHORIZATION WILL BE RETURNED.

► DON'T SIGN THIS FORM IF IT IS BLANK OR INCOMPLETE.

Signature	Date
Print Name	Title (if applicable)

**EXHIBIT H-9**  
**SBA LOAN**



**ADDENDUM TO FRANCHISE AGREEMENT**

THIS ADDENDUM ("Addendum") is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Franchisor"), located at \_\_\_\_\_, and \_\_\_\_\_ ("Franchisee"), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

**CHANGE OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

**COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.





**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

**FRANCHISOR:**

**FRANCHISEE:**

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

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

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

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

**Note to Parties: This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.**

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## STATE EFFECTIVE DATES

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
CALIFORNIA	NOT REGISTERED
HAWAII	NOT REGISTERED
ILLINOIS	09/09/22
INDIANA	NOT REGISTERED
MARYLAND	PENDING
MICHIGAN	09/24/22
MINNESOTA	NOT REGISTERED
NEW YORK	08/23/22
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	10/26/22
WASHINGTON	NOT REGISTERED
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.

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**EXHIBIT I**  
**RECEIPT**

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(Receipts begin on next page)



**RECEIPT**  
**(Retain This Copy)**

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 HandyPro International, 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.

Under Iowa law, if applicable, HandyPro International, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires HandyPro International, LLC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten (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 HandyPro International, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is:
Keith Paul, 22500 Orchard Lake Rd., Ste. A, Farmington, MI 48336, 734-254-9160
Harry Starr, 847 Westchester Road, Grosse Point Park, MI 48230, 313-964-4447

Issuance Date: 04/15/23

I received a Franchise Disclosure Document issued April 15, 2023 that included the following exhibits:

- Exhibit A State Administrators/Agents for Service of Process
- Exhibit B Franchise Agreement
- Exhibit C Brand Standards Manual Table of Contents
- Exhibit D List of Current and Former Franchisees
- Exhibit E Financial Statements
- Exhibit F Franchise Disclosure Questionnaire
- Exhibit G State Addenda and Agreement Riders
- Exhibit H Contracts for use with the HandyPro Franchise
- Exhibit I Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**



**RECEIPT**  
**(Our Copy)**

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 HandyPro International, 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.

Under Iowa law, if applicable, HandyPro International, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires HandyPro International, LLC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten (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 HandyPro International, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

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- Exhibit H Contracts for use with the HandyPro Franchise
- Exhibit I Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

**Please sign this copy of the receipt, date your signature, and return it to HandyPro International, LLC, located at 22500 Orchard Lake Rd., Ste. A, Farmington, Michigan 48336.**