

## FRANCHISE DISCLOSURE DOCUMENT

APOSTLE FRANCHISING, LLC  
A Wisconsin limited liability company  
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Walworth, Wisconsin 53184  
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(262) 607-0435



The franchisee will operate a business that offers radon mitigation and detection services, including certified monitor testing, installation of radon systems, other related systems, and other indoor air quality products under the name “Apostle Radon” (the “Apostle Business”).

The total investment necessary to begin operation of an Apostle Business is \$120,279 to \$201,236. This includes \$42,500 to \$45,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of as a Developer is the total investment to begin operations of a single Apostle Business (described above) plus the Development Fee of \$31,875 times the number of additional Apostle Businesses to be developed.

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 availability of disclosures in different formats, contact David Cook, N2344 Harvey Court, Walworth, Wisconsin 53184, (262) 749-4266.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as a “*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 be laws on franchising in your state. Ask your state agencies about them.

Issuance date: August 4, 2023, as amended August 23, 2023

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

- A. List of State Agencies/Agents for Service of Process
  - B. Franchise Agreement (with Guaranty and Assumption of Obligations and other exhibits)
  - C. Franchisee Disclosure Acknowledgement Statement
  - D. Financial Statements
  - E. Lists of Current and Former Franchisees
  - F. Multi-Unit Development Agreement
  - G. Table of Contents of Operations Manual
  - H. State Addendum (if applicable)
- Receipt of Disclosure Document (Two)

## Item 1

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

The franchisor is APOSTLE FRANCHISING, LLC To simplify the language in this Disclosure Document, the franchisor will be referred to as "Company," "us" or "we." "You" means the entity that buys the franchise. Certain provisions of the franchise agreement also apply to your direct or indirect owners and will be noted. These owners must personally guarantee payment and performance of all of your obligations to us.

APOSTLE FRANCHISING, LLC is a Wisconsin limited liability company organized on January 6, 2023. We do business under our corporate name and under the name "Apostle Radon." Our principal business address is N2344 Harvey Ct., Walworth, Wisconsin 53184. Our agent for service of process in your state, if applicable, is disclosed in Exhibit A.

We do not have a parent company. Our affiliate is David Cook's Radon Services, LLC ("Affiliate"). Our Affiliate developed the Apostle System and has operated a business similar to the franchised businesses offered under this Disclosure Document since November 2014. The owner of our Affiliate, David Cook, operated DC Mitigation, offering the same services as David Cook's Radon Services, as a sole proprietor from April 2014 to November 2014. David Cook's Radon Services, LLC has granted us a license to use and to sublicense the services marks, trademarks, logos and designs and the intellectual property relating to the Apostle System.

We have no affiliates which are offering franchises in any line of business or are providing products or services to our franchisees.

We offer franchises for the establishment and operation of a business that offers radon mitigation and detection services, including certified monitor testing, installation of radon systems, other related systems, and other indoor air quality products using our unique system ("Franchised Business"). You must sign our standard franchise agreement (the "Franchise Agreement") which is attached to this Disclosure Document as Exhibit B. You must operate your Franchised Business following the designs, systems, methods, formulas, specifications, standards, policies and procedures, including certain confidential information and trade secrets, and equipment, furniture, fixtures, materials, supplies, and services required for all Apostle businesses (all of which is referred to as the "System"). We may change, improve or further develop the System at any time. The System is currently identified by and Franchised Businesses will be operated under the service mark "Apostle Radon." The service mark "Apostle Radon," the related logos, and all other proprietary trademarks, service marks, domain names, related logos and other commercial symbols owned by us or our affiliate or to be developed in the future are referred to in this Disclosure Document as the "Marks."

We have no other business activities besides selling and supporting the Franchised Businesses.

It is expected that you will operate the franchise from a home office (the "Franchised Business Office") provided your residence has sufficient capacity and complies with your local ordinances and zoning regulations. The services will be offered to general public with the specific services being targeted to homeowners. You will compete with independent and franchised businesses that offer radon mitigation and detection services. Our focus is to provide such services



to homeowners with care, compassion, and honesty. The market for these services is developed and competitive. The sale of these services is not seasonal in nature.

You must comply with all local, state and federal laws that apply to the operation of the Franchised Business. To our knowledge, there are currently 19 states that have certification and/or licensing requirements for radon inspection. Except for franchisees located in Illinois (which has unique requirements), we require all franchisees to obtain and maintain a radon measurement and mitigation certification from the National Radon Proficiency Program (NRPP). There may be additional laws, regulations or licensing requirements that will apply to a Franchised Business in your area. Therefore, you must investigate whether any such laws, regulations or licensing requirements exist and what you need to do to comply.

We have never operated a Franchised Business. Our affiliate, David Cook's Radon Services LLC, has operated a business similar to the Franchised Business since November 2014. The owner of our affiliate, David Cook, operated the business as a sole proprietor from April 2014 to November 2014.

We have never offered franchises in any other line of business. None of our affiliated companies have offered franchises for businesses similar to the Franchised Business or franchises in any other line of business.

**Item 2**  
**BUSINESS EXPERIENCE**

David Cook – Owner and President

Mr. Cook has been our Owner and President since our inception in February 2023. From November 2014 to present, Mr. Cook has been Owner of David Cook's Radon Services, LLC.

Rachel Cook – Office Manager

Ms. Cook has been our Office Manager since our inception in February 2023. From December 2022 to present, Ms. Cook has been Office Manager of David Cook's Radon Services, LLC. From December 2021 to December 2022, Ms. Cook was the Kid's Admin for Lakeland Community Church in Lake Geneva, Wisconsin. From October 2010 to November 2021, Ms. Cook was a Registered Nurse for Mercy Health in Lake Geneva, Wisconsin.

**Item 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

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**Item 4**

## **BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

### **Item 5** **INITIAL FEES**

#### **Initial Franchise Fee**

When you sign the Franchise Agreement, you must pay an initial franchise fee of \$42,500 for an Area of Primary Responsibility with up to 45,000 single-unit housing units. In the event the territory exceeds 45,000 single-unit housing units, the initial franchise fee will be increased by \$1.00 per household, up to a total initial franchise fee of \$45,000.

We offer a reduced initial franchise fee of \$38,250 if you are an honorably discharged veteran.

We offer a reduced initial franchise fee of \$34,000 if you are an existing Apostle franchisee currently operating an Apostle Business in compliance with the franchise agreement.

The initial franchise fee is payable in full when the Franchise Agreement is signed and is not refundable under any circumstances.

Since we are selling franchises for the first time under this disclosure document, we have never sold a franchise for a fee different than the published initial franchise fee.

#### **Multi-Unit Development**

If you are a Developer, you must sign the Franchise Agreement for your first Apostle Franchised Business and pay the initial franchise fee for the first franchise to be developed at the same time as you sign the Multi-Unit Development Agreement. In addition, you must pay a non-refundable Development Fee when you sign the Multi-Unit Development Agreement. The Development Fee is \$31,875 times the number of additional Apostle Businesses to be developed.

The Development Fee is uniform for all Developers. The Development Fee is not refundable under any circumstances.

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**Item 6**  
**OTHER FEES**

**Franchise Agreement**

<b>TYPE OF FEE<sup>1,2</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Royalty Fee	8% of Gross Revenues <sup>3</sup> .	Weekly, on the Tuesday of each calendar week for the previous week reported by you	Covers Gross Revenues for the preceding calendar week. Paid by EFT. 60 days prior notice is given for any change in the frequency of collection.  Subject to a Minimum Annual Royalty Payment <sup>4</sup> .
Brand Development Fund Contribution	Up to 3% of Gross Revenues <sup>3</sup> . Currently 2% of Gross Revenues.	Weekly, on the Tuesday of each calendar week for the previous week reported by you	Covers Gross Revenues for the preceding calendar week. Paid by EFT. 60 days prior notice is given for any change in the percentage.
Technology Fee	Up to \$350 per month, with the right to increase the maximum fee by 10% annually ("Maximum Technology Fee"). Currently \$150 per month.	Monthly, on the first Tuesday of each calendar month	Paid by EFT.  60 days prior notice before we increase or modify the fee currently charge or before imposing an annual increase in the Maximum Technology Fee.
Local Marketing Requirement	\$2,500 per month during months 4 through 12 of operations; \$3,000 per month thereafter	As incurred by you, beginning your 4 <sup>th</sup> month of operation	Paid to us or third parties. 90 days prior notice is given before we increase or modify the requirement.
Cooperative Advertising	As determined by a majority of the members of the cooperative. Contributions to cooperative are credited against the local advertising requirement.	As determined by members of the cooperative	Payable if a cooperative is established in your area. All Franchised Businesses included in the cooperative, including company-owned or affiliate-owned facilities, will have one vote per Business.  Amounts contributed to a cooperative will be credited against your Local Marketing Requirement.
Additional Trainees Attending the Training Program	Then applicable per diem fee (currently \$300), per trainee plus travel and living expenses.	Before training	We provide initial training for up to 2 people at no additional cost providing they attend the same training program. If you want to send additional

TYPE OF FEE <sup>1,2</sup>	AMOUNT	DUE DATE	REMARKS
			individuals or a replacement manager to the initial training or if we require additional owner training for successful completion, we will provide training based on availability for an additional training fee.
Additional Operating Assistance	Then applicable per diem fee (currently \$400) plus travel and living expenses.	Upon billing.	We provide on-site assistance and training to you around the time of opening at no additional cost. This fee is payable if we provide you, at your request, operating training and/or assistance beyond what is typically provided to franchisees, or if we require additional assistance and training because your business operations are not in compliance.
Conference/Convention Fee	Then applicable fee (currently \$750) plus travel and living expenses.	As incurred.	Per person fee for each conference/convention we schedule.
National Account administrative services fee	Reasonable fee for our services. Undetermined at this time.	Upon demand.	If we will be providing administrative, billing and/or collection services with respect to any National Account, we have the right to charge you a reasonable administrative fee for such services.
Transfer Fee	<p>75% of the then-current Initial Franchise Fee if the Transferee is a new franchisee; 50% of the then-current Initial Franchise Fee</p> <p>\$5,000 deposit on the transfer fee due when you request our consent on the proposed transfer</p> <p>\$2,500 for a transfer among existing shareholders, partners or members of</p>	Before transfer	Payable when you transfer the franchise, an interest in Franchised Business, the assets of Franchised Business or an interest in the franchisee.

<b>TYPE OF FEE<sup>1,2</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
	Franchisee entity		
Successor Franchise Fee	10% of the then-current Initial Franchise Fee	When you sign successor franchise agreement	Payable if we approve you to acquire a successor franchise agreement at the end of the initial term.
Product or Supplier Review	\$750 per review plus reimbursement of out-of-pocket costs	As incurred	Payable to us if you request approval of a new product or supplier
Monetary Fees for Non-Compliance	\$500 per day or per occurrence (whichever is applicable)	As incurred	Payable to us if you do not comply with the franchise agreement.  Then-current non-compliance fees will be published in the Operations Manual.
Audit/Inspection Costs	Cost of audit or inspection, including charges of professional advisors, and travel expenses, room and board and compensation or fees of our employees or agents.	Within 10 days of audit report showing understatement	Payable if audit necessary because of your failure to file reports, supporting records, financial statements, or other required information in a timely fashion or if any audit reveals an understatement of the reported Gross Revenue of greater than 2%.
Interest on late payments	Interest will be charged for any late payments at an interest rate of 1.5% per month, but not to exceed maximum required by law.	Upon billing	Payable on all amounts not paid when due.
Insufficient funds fee	\$250 per occurrence	Upon demand	If at any time we make an electronic transfer of funds and you do not have sufficient funds in the account.
Late report fee	\$100 for each instance in which you fail to submit a report or financial statements to us by the due date.	Upon billing	Payable if you do not submit a report by the due date.
Management Fee	Then-current management fee, plus travel and living expenses of our appointed manager. Currently fee is \$600 per day plus expenses.	As agreed	Payable to us during period that our appointed manager manages the Franchised Business, at our option, after 14 days from your receipt of a default notice or 30 days

TYPE OF FEE <sup>1,2</sup>	AMOUNT	DUE DATE	REMARKS
			following your death or disability.
Customer Resolution Fee	\$300 per complaint, plus reimbursement of money refunded to customer	As incurred	If you request or we require our assistance in resolving a customer dispute.
System Modifications	All reasonable costs and expenses associated with system modification	As required	<p>If we make changes to our franchise system, you must adapt your business to conform to the changes. Examples may include new technology, equipment, software or trade dress updates.</p> <p>Costs and expenses may be paid to the franchisor or a third-party supplier that we designate.</p>
Indemnification	Will vary under circumstances	As incurred	<p>You must reimburse us for all our damages, costs, liabilities and expenses incurred by us in the defense of any such claim brought against us or in any such action in which we are named as a party; for any liability, cost or expense we suffer, sustain or incur arising out of or relating to your development and/or operation of your Franchised Business or any of your Owners', Managers', employees', or other agents' acts or failure to act in the operation of the Franchised Business, and all cost, expense or loss we incur in enforcing the provisions of the Franchise Agreement, in defending our actions taken relating to the Franchise Agreement, or resulting from your breach of the Franchise Agreement.</p>
Costs and Attorney's Fees	Will vary under circumstances	As incurred	You must reimburse us for costs and attorney's fees incurred in enforcing the covenants not to compete, in

TYPE OF FEE <sup>1,2</sup>	AMOUNT	DUE DATE	REMARKS
			obtaining an injunction or order for specific performance or in any other legal proceeding relating to the Franchise Agreement.
Reimbursement for insurance costs	Costs and premiums incurred by us on your behalf, plus a 10% administrative fee	Upon demand	Payable if we incur costs to purchase insurance for you if you fail to do so.
Reimbursement of Taxes	Actual assessed taxes against us based on your operation of the Franchised Business or on any payments you make to us	Upon demand	Only payable if taxes of this type are assessed against us.
Taxes	Amount of taxes	As incurred	You must reimburse any taxes we must pay due to the operation of your Franchised Business or payments you make to us.
Liquidated Damages	An amount equal to 156 times the average Gross Revenues of your Apostle Business during the 156-week period immediately preceding the date of termination (or if you have been in business less than 156 weeks, during the entire period you have been in business) times 8%	As incurred	Payable if we terminate the franchise agreement with cause or you terminate it without cause.
Broker Fees	Actual cost of brokerage commissions, finder's fees or similar charges incurred by us in connection with a transfer of the franchise, an interest in Franchised Business, the assets of Franchised Business or an interest in the franchisee.	As incurred.	You must reimburse us for any fees we incur to a third-party or buyer due to the transfer of your Franchised Business(es).

1. Unless otherwise noted, all fees are imposed by and payable to us. All fees are non-refundable. The above fees are uniformly imposed on franchisees.

2. You must pay the royalty fee, brand fund contribution, software license fees and any other amounts due to us by electronic transfer of funds.

3. The term "Gross Revenues" means the total receipts of all money or property of any kind, for or in connection with the services rendered by you, and any products sold, directly or indirectly, in connection with the Apostle Business. The term shall be deemed to include checks, drafts, money orders, credit card payments, and all other instruments and forms of payment whether or not the same are postdated or are later dishonored or rescinded or payment is stopped thereon. Gross Revenues will be deemed received for purposes of this Agreement on the date that payment in whatever form is actually collected and received by the Apostle Business. The term shall not include applicable sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

4. The total Royalty Fees that you must pay us during every 12-month period of January 1<sup>st</sup> through December 31<sup>st</sup> ("Calendar Year") the following minimum annual royalty payment:

<b>Calendar Year</b>	<b>Minimum Annual Royalty Payment</b>
1 <sup>st</sup> Calendar Year	\$4,800
2 <sup>nd</sup> Calendar Year	\$8,000
3 <sup>rd</sup> Calendar Year	\$12,000
4 <sup>th</sup> Calendar Year	\$17,600
5 <sup>th</sup> and subsequent Calendar Years	\$24,000

("Minimum Annual Royalty Payment"). The Minimum Annual Royalty Payment due during your first Calendar Year will be prorated based on the number of weeks your Apostle Business was in operation during your first Calendar Year. If, during any Calendar Year, you do not pay us an amount in Royalty Fees that equals or exceeds the Minimum Annual Royalty Payment, you must pay us, without demand, the difference between Royalty Fees actually paid during the Calendar Year and the Minimum Annual Royalty Payment ("Catch-Up Payment") within twenty (20) days following the end of each Calendar Year.

### **Multi-Unit Development Agreement**

<b>TYPE OF FEE<sup>1,2</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Development Transfer Fee	\$7,500	Before transfer	Payable when you transfer the development rights or an interest in Developer
Undeveloped Territory Transfer Fee	75% of the then-current Initial Franchise Fee for the first undeveloped territory being transferred; 50% of the then-current Initial Franchise Fee for the second and subsequent territories being transferred  \$5,000 deposit on the Undeveloped Territory	Before transfer	Payable when you transfer undeveloped territories



TYPE OF FEE <sup>1,2</sup>	AMOUNT	DUE DATE	REMARKS
	Transfer Fee due when you request our consent on the proposed transfer for each undeveloped territory being transferred		
Indemnification	Varies	As incurred	You have to reimburse us if we are held liable for claims arising from your operation of the development business or incur costs in defending them.
Costs and Attorney's Fees	Varies	As incurred	You must reimburse us for costs and attorneys' fees for enforcement of covenants, for obtaining specific performance of injunctive relief, and if we are successful in an action to enforce the Multi-Unit Development Agreement.
Broker Fees	Actual cost of brokerage commissions, finder's fees or similar charges incurred by us in connection with a transfer of the Development Agreement, an interest in Developer, or the assets of Developer.	As incurred.	You must reimburse us for any fees we incur to a third-party or buyer due to the transfer of Developer.

All fees under the Multi-Unit Development Agreement are imposed uniformly and are non-refundable.

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**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount-Range Estimated</b>	<b>Method of Payment</b>	<b>When Payable</b>	<b>To Whom Payment is Made</b>
Initial Franchise Fee (Note 1)	\$42,500 to \$45,000	Lump sum	Upon signing franchise agreement	Us
Storage Unit (Note 2)	\$0 to \$400	As incurred	As incurred	Third Party Storage Facility
Internet Service (per month) (Note 3)	\$225 to \$300	As incurred	As incurred	Internet provider
Furniture and Fixtures (Note 4)	\$0 to \$500	As incurred	As agreed	Suppliers
Vehicles (Note 5)	\$22,100 to \$65,300	As incurred	As agreed	Suppliers
Vehicle Modification (Note 6)	\$925 to \$4,425	As incurred	As agreed	Suppliers
Equipment (Note 7)	\$5,000 to \$7,200	As incurred	As agreed	Suppliers
Power Tools (Note 7)	\$1,800 to \$2,800	As incurred	As agreed	Suppliers
Hand Tools (Note 7)	\$400 to \$600	As incurred	As agreed	Suppliers
Computer Equipment (Note 8)	\$1,500 to \$3,650	As incurred	As agreed	Suppliers
Software License Fees (3 months) (Note 8)	\$1,191 - \$1,458	As incurred	As agreed	Suppliers
Office Supplies	\$100 to \$200	As incurred	As agreed	Suppliers
Technology Fees (3 months)	\$450	As incurred	As agreed	Suppliers
Third Party Accounting Service Expense (Note 9)	\$150 to \$300	As incurred	As agreed	Accounting Service
Initial Inventory	\$9,000 to \$11,000	As incurred	As agreed	Suppliers
Initial Supply of Promotional Materials	\$3,000 to \$5,000	As incurred	As agreed	Suppliers
Uniforms	\$500 to \$1,000	As incurred	As agreed	Suppliers
Licenses, Permits, Registrations	\$500 to \$750	As incurred	As arranged	Licensing agencies
Professional Services (Note 10)	\$2,000 to \$3,500	As incurred	As agreed	Accountants, attorneys, other advisors
Membership/Association Dues (Note 11)	\$2,029 to \$5,598	As incurred	As agreed	Third Parties
Radon Measurement and	\$1,256 to	As incurred	As agreed	Suppliers

Mitigation Training and Certification (Note 12)	\$3,400			
Insurance (Note 13)	\$2,100 to \$3,000	As incurred	As arranged	Insurance company
Training Expenses (Note 14)	\$3,053 to \$9,905	As arranged	As agreed	Third Parties; Your employees
Grand Opening Marketing (Note 15)	\$10,500	As incurred	As arranged	Suppliers
Additional Funds (for 3 months of operation) (Note 16)	\$10,000 to \$15,000	As incurred	As arranged	You determine
TOTAL ESTIMATED INITIAL INVESTMENT	\$120,279 to \$201,236			

Explanatory Notes:

This is our estimate of the costs you will incur to develop and open a Franchised Business. The factors that underlie this estimate can vary considerably depending on a number of variables, and the actual investment you may make in developing and opening your Franchised Business may be less or greater than the estimates given. Payments to us are non-refundable. You will need to determine if payments to third parties are refundable.

1. Your Initial Franchise Fee is \$42,500 and is payable in full when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstances.
2. The lower estimate assumes you have the ability to store materials in a garage and/or basement and the higher estimate assumes you will rent storage space.
3. This estimate assumes internet service will cost between \$75 and \$100 per month.
4. You must purchase and/or lease and install the furniture and fixtures necessary to operate your Apostle Business from an approved supplier. The cost of the furniture and fixtures will vary according to local market conditions, suppliers and other related factors. We reserve the right to require that you purchase your furniture and fixtures from us or our affiliate.
5. The lower estimate assumes you will purchase a used van (150 midroof Transit or similar) with fewer than 100,000 miles and the higher estimate assumes you will purchase a new van (150 midroof Transit or similar). Both estimates include 8% sales tax and \$500 for title and registration.
6. We require that you outfit your Vehicle with a ladder rack, shelving, and graphics, and a GPS unit. The lower estimate assumes you only include graphics on the doors and the higher estimate assumes you will install a full vehicle wrap.
7. You must purchase and/or lease and install the equipment, power tools, and hand tools necessary to operate your Apostle Business from an approved supplier. The cost of the

equipment, power tools, and hand tools will vary according to local market conditions, suppliers and other related factors. We reserve the right to require that you purchase your furniture, fixtures, equipment and tools from us or our affiliate.

8. You must purchase the computer equipment, hardware and software necessary for opening your Apostle Business. We currently require you to purchase and use: ThermoGrid for Customer Relationship Management (CRM), creation of estimates and invoices, scheduling, job management, report generation, and payment processing (in conjunction with Clover Connect); Radon Management Cloud for use with the onsite RadStar Alpha testing monitor; Microsoft 365 for word processing, spreadsheets, and presentations; QuickBooks Online for accounting. You also may purchase, at your option, OneStep GPS software for tracking vehicles. The higher estimate assumes you choose to purchase OneStep GPS software. The lower estimate assumes that you will initially only have one user for ThermoGrid and the higher estimate assumes that you will initially have two users for ThermoGrid.
9. We currently require you to use a third-party accounting service. This estimate assumes the third-party accounting service will cost between \$50 and \$100 per month.
10. This estimate includes legal fees, accounting services and other professional services you engage.
11. We currently require at least one of your owners, including the Majority Equity Owner, and any owners and designated managers involved in day-to-day operations of your Apostle Business to join Business Network International (BNI), the American Association of Radon Scientists and Technologists (AARST), a realtor's association in your Area of Primary Responsibility, a chamber of commerce in your Area of Primary Responsibility, and the local Rotary International Club closest to your Area of Primary Responsibility. The lower estimate assumes that only one individual joins these organizations and the higher estimate assumes that two individuals join these organizations.
12. We currently require at least one of your owners, including your Majority Equity Owner, and any Designated Manager(s) obtain and maintain radon measurement and radon mitigation certification through the National Radon Proficiency Program (NRPP). Certification includes the following required steps: (1) attend and successfully complete radon measurement and radon mitigation training through Spruce Training for a cost of \$496; (2) take and successfully pass the NRPP Radon Measurement Professional and Radon Mitigation Specialist examinations for a total cost of \$300; (3) apply for certification through NRPP for a total cost of \$460. Some states charge fees for licensing, ranging between \$250 to \$500. The lower estimate assumes that you will send 1 attendee to our initial training program and the higher estimate assumes that you will send 2 attendees to our initial training program. NOTE: The State of Illinois has unique requirements. We estimate that radon measurement and radon mitigation training, certification and licensing will cost between \$1,073 and \$2,146 for Illinois franchisees.
13. The insurance you must maintain is described in Item 8. Our estimate does not include other insurance policies you may have to maintain under the terms of your lease or as may

be required by other third parties. The unearned portions of the insurance premiums are generally refundable depending on your carrier.

14. We cover the cost of the initial training program, but you will be responsible for the travel, lodging, meals and other living expenses of your owner(s) and manager while attending the initial training program. At the present time, we provide initial training of approximately 10 days for up to 2 people. The Majority Equity Owner and any Designated Manager(s) must attend the approximately 10 days of initial training which covers the operation of an Apostle Business. We provide training at our affiliate-owned Apostle Business located in Walworth, Wisconsin area, or such other location we may select from time to time. These amounts do not include any fees or expenses for training any other personnel. There is no charge for the first 2 attendees; however, there is currently a \$300 per-attendee per day initial training charge for each additional attendee.
15. You must conduct an advertising and marketing campaign to promote the grand opening of your Apostle Business and spend a minimum of \$10,500. We may recommend you spend more if you will be the first Apostle Business in the market. These amounts must be spent during the 8 weeks following your completion of the initial training program.
16. This is an estimate of your working capital requirements for the first 3 months of operations, based on our experience of opening and operating Apostle Businesses. New businesses often generate a negative cash flow. The estimated range for necessary working capital for the first 3 months is as shown in the charts above, and includes general operating expenses, such as supplies, payroll, payroll expenses, royalties, advertising, utilities, insurance, security, repairs, maintenance and complimentary sales and other costs. Your actual cost will depend on factors including without limitation your management skill, experience and business acumen, local economic conditions, the local market for your Apostle Business, wage and labor rates, competition in the marketplace, the local market for your products and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service.
17. We relied on our experience and our owner's over 9 years of experience operating an Apostle Business to compile these estimates. Except as otherwise noted, none of these payments are refundable. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a Franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

### **Multi- Unit Development Agreement**

If you sign an Multi-Unit Development Agreement, you should anticipate the initial costs listed in the chart above for the opening of the first Apostle Business plus the Development Fee of \$31,875 times the number of Apostle franchises to be developed under the Multi-Unit Development Agreement after the first one.

**Item 8**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We may develop certain proprietary and/or branded products, materials, supplies, apparel, or other items branded with the Marks ("Proprietary Products") for use or sale in your Franchised Business. If we do develop Proprietary Products, you may be required to purchase the Proprietary Products from us or a supplier we designate.

You must purchase your point-of-sale (POS) system, word processing, spreadsheets, and presentations software, accounting software, customer relationship management (CRM), operations and payment processing software, radon testing software, fans, test kits, clear sump lids, grommets, initial radon mitigation certification courses, and radon mitigation certification continuing education (CE) courses from designated suppliers. We reserve the right to designate a supplier for digital marketing and social media, which may be us, an affiliate, or a third party. Payments to this designated supplier may account for up to 100% of your Grand Opening Marketing or Local Marketing requirements. We reserve the right to designate a supplier for third party accounting services, which may be us, an affiliate, or a third party.

You must purchase fixtures, furniture, equipment, power tools, PVC pipe, hand tools, vehicles, computer hardware, fire collars, roofing boots, condensate bypasses, pipe strapping and other supplies, third party accounting services and certain other services from approved suppliers and/or that meet our standards and specifications. Currently neither we nor our affiliate is an approved supplier of any products or services.

We require you to become a member of Business Network International (BNI), the American Association of Radon Scientists and Technologists (AARST), a realtor's association in your Area of Primary Responsibility, a chamber of commerce in your Area of Primary Responsibility, and the local Rotary International Club closest to your Area of Primary Responsibility. The current membership fee for Business Network International (BNI) is \$750 per person per year. The current membership fee for the American Association of Radon Scientists and Technologist (AARST) is between \$179 and \$199 per person per year. We estimate the membership fee to join a local realtor's association to be between \$500 and \$700 per person per year. We estimate the membership fee to join a chamber of commerce to be between \$300 and \$700 per person per year. The current membership fee for Rotary International Club is between \$300 and \$450 per person per year.

We will provide you with the specifications and standards and lists of approved or recommended suppliers and approved supplies in the Operations Manual or otherwise in writing or by electronic communication. These specifications and standards relate to product quality, consistency, reliability, frequency of delivery, financial capability, labor relations and customer relations.

We may modify the list of approved product types, brands and/or suppliers, and you may not, after receipt in writing of any modification, reorder any product type or brand or reorder from any supplier which is no longer approved. If you propose to use any of type or brand of fixtures, furniture, equipment, signs or supplies, and/or suppliers which are not then approved, you must first notify us and submit sufficient information, specifications and samples concerning such product type or brand and/or supplier as we request for our determination of whether the product complies with our

specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you of whether or not the proposed brand and/or supplier is approved within a reasonable time of submission of all required information. We reserve the right to charge you a non-refundable fee of \$750 per review, plus reimbursement of out-of-pocket costs. Our criteria for approving suppliers is not available to franchisees. If we later revoke the approval of a brand or supplier previously approved, we will notify you in writing and you must then cease making purchases of the brand or from the supplier.

In addition to purchases or leases discussed above, you must maintain, at your expense, the insurance coverage we require and must meet the other insurance related obligations in the Franchise Agreement. All required insurance policies must be issued by one or more insurance carriers acceptable to us and must name us as an additional insured. Currently the following is required:

<b>Coverage Types</b>	<b>Required Limits of Coverage</b>
General Liability	\$2 million aggregate \$1 million per occurrence
Contractor’s Blanket	No information on coverage limits in the policy
Radon Mitigation E&O and Limited Pollution	\$500,000 aggregate \$500,000 per claim
Umbrella Liability Coverage	\$1 million minimum coverage
Personal Injury	\$5,000 per person medical benefits
Personal and Advertising Coverage	\$1 million limit
Products/Completed Operations	\$1 million aggregate limit
Property Insurance	Coverage for 100% of the replacement cost of all equipment, fixtures, furniture, inventory, building (if applicable) and tenant buildout (if applicable)
Vehicle Coverage	Coverage for any vehicles used in the franchised business – whether owned or non-owned \$1 million combined singled limit per accident Required to follow state requirements for underinsured or uninsured coverage
Business Interruption Coverage	Lost income for up to 6 months
Workman’s Compensation	Minimum state requirements

You must obtain any additional insurance and/or higher minimum limits as we may

reasonably require during the franchise term.

None of our officers owns any ownership interest in an approved or designated supplier.

The cost of all purchases from designated suppliers, approved suppliers or following our standards and specifications represents 80% to 90% of your total purchases in establishing your franchise, and 70% to 80% of your total purchases in operating the franchise.

Since we are offering franchises for the first time under this disclosure document, in our fiscal year ended December 31, 2022, neither we nor our affiliate derived revenue from the purchase of goods and services by our Franchisees.

We do not currently receive payments from approved suppliers with respect to your purchases but reserve the right to do so. There are currently no purchasing or distribution cooperatives. We may in the future negotiate purchase arrangements with suppliers. You will receive no material benefits based on your purchases from approved suppliers. However, you must comply with the requirements to purchase from designated or approved suppliers to be in compliance with your Franchise Agreement.

Prior to your use of them, you must submit to us for approval or disapproval samples of all local marketing, advertising and promotional materials, programs and information, and content for your webpage (linked to our website), any listing on the Internet, or any information to be displayed on any social media site not prepared by us or our approved advertising or public relations agency or not previously approved by us. If you do not receive written approval within 10 business days from the date of our receipt of such materials, programs or content submitted by you, the materials, programs or content will be deemed disapproved. You may not use any marketing, advertising or promotional materials or programs or content that we have disapproved. All marketing, advertising and promotional materials and content you use must be completely factual, in good taste (as determined in our sole discretion) and must conform to the highest standards of ethical advertising. You agree to refrain from any marketing, advertising or promotion practice which may be harmful to your Franchised Business, us, our Marks or other Apostle Businesses.

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**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 Franchise Disclosure Document.**

<b><u>Obligation</u></b>	<b><u>Section In Franchise Agreement</u></b>	<b><u>Section in Multi-Unit Development Agreement</u></b>	<b><u>Disclosure Document Item</u></b>
(a) Site selection and acquisition/lease	Sec. 4.A.	Sec. 3.2	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Sec. 4.C., D., E., F.	Sec. 3.2	Item 7 and 8
(c) Site development and other pre-opening requirements	Sec. 4.A., C., D., E., F.	Sec. 3.2	Items 6, 7, 11
(d) Initial and ongoing training	Sec. 5.A., B., C., D., E., F., G.	Sec. 5	Item 11
(e) Opening	Sec. 4.F.	None	Item 11
(f) Fees	Sec. 3.C., 5.A., B., D., E., G., 5.I.(C), 9., 10.D., J., 11.A., B., D., F., 12.B., 13.C., D., 14.C., D., E., and 17.K.	Sec. 2, 8.4, 8.5, 9.4, 12.10	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sec. 5.H., 10.E., I., J., K., L., M., N., 11.B.	Sec. 5	Item 8, 11 and 16
(h) Trademarks and proprietary information	Sec. 6. and 7	Sec. 1.3, 1.4,, 1.5, 5, 6	Items 13 and 14
(i) Restrictions on products/services offered	Sec. 5.H., 10.A., B., C., D., E., K.	None	Items 8 and 16
(j) Warranty and customer service requirements	Sec. 10.E., G., 14.C.	None	None
(k) Territory development	Sec. 2.B.	Sec. 1.2, 3, Exhibit B	Item 12
(l) On-going product/services purchases	Sec. 5.F., 10.B., C., D., E., J., K., L., M., N.	None	Item 8

<u>Obligation</u>	<u>Section In Franchise Agreement</u>	<u>Section in Multi-Unit Development Agreement</u>	<u>Disclosure Document Item</u>
(m) Maintenance, appearance and remodeling requirements	Sec. 10.B.	None	Item 11
(n) Insurance	Sec. 10.J.	None	Items 6 and 7
(o) Advertising	Sec. 11	None	Items 6, 7, and 11
(p) Indemnification	Sec. 8.C., 10.M., 14.D.	Sec. 8.5, 11.3	Item 6
(q) Owner's participation/management/staffing	Sec. 10.H., I.	None	Items 11 and 15
(r) Records/reports	Sec. 12.A., B.	Sec. 3.5	Item 6 and 11
(s) Inspections/audits	Sec. 6.F., 12.C., 14.C.	None	Item 6 and 11
(t) Transfer	Sec. 13	Sec. 8	Item 6 and 17
(u) Renewal	Sec. 3	None	Item 6 and 17
(v) Post-termination Obligations	Sec. 15	Sec. 9	Item 17
(w) Non-competition Covenants	Sec. 7.C., 15.F., 16	Sec. 5.1, 6.4, 9.3, 9.4	Item 17
(x) Dispute Resolution	Sec. 17.C., D., E., F.	Sec. 12	Item 17
(y) Guaranty	Sec. 19, Exhibit 2	Sec. 14, Exhibit C	Item 15

**Item 10**  
**FINANCING**

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

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

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

**Before you open your Franchised Business**

1. We will furnish you with plans and specifications reflecting our requirements for fixtures, furniture, equipment, tools, signs and interior modifications for your Vehicle(s).

(Franchise Agreement, Section 4.D.).

2. We will provide standards and specifications and list of approved suppliers for purchasing furniture, fixtures, equipment, tools, inventory, computer systems, signs, and other materials and supplies necessary for a Franchised Business to begin operations. (Franchise Agreement, Sections 4.E., 10.D. and 10.E.)

3. We will determine that you have met the requirements to open for business and issue a written consent to open (Franchise Agreement, Section 4.F.)

4. We will provide you access to an electronic copy of the Operations Manual (described below). (Franchise Agreement, Section 5.H.)

5. We will provide initial training to your Owner(s) and Designated Manager(s) (Franchise Agreement, Section 5.A.). This training will be described in detail later in this item.

6. We will provide on-site start-up assistance and training to you in your Area of Primary Responsibility within 60 days of the opening of your Apostle Business for up to 2 days. If we require or you request additional on-site start-up assistance, we will provide the additional assistance at your expense (Franchise Agreement, Section 5.B.)

#### During your operation of Franchised Business

1. We provide guidelines regarding the Grand Opening Marketing that you must conduct during the first 8 weeks following your completion of the initial training program. (Franchise Agreement, Section 11.B.)

2. We furnish you with guidance and assistance in the operation of your Franchised Business as we deem appropriate. Operating assistance may consist of advice and guidance with respect to sale of products and provision of services, and any changes in the authorized services and products; recommended pricing; purchasing requirements; advertising and promotional programs; administrative, bookkeeping, accounting, sales and general operating procedures; and employee training programs. This guidance will be furnished in the Operations Manual (defined below), lists of approved suppliers, other written materials, electronic communication, consultations by phone, webinars and/or consultations at our office or at your Franchised Business. (Franchise Agreement, Section 5.F.)

3. Upon your request and at our sole discretion, we will send a representative to your Area of Primary Responsibility to provide additional guidance and assistance for a fee. We may require this additional guidance and assistance if you are not operating your Franchised Business in compliance with the Franchise Agreement. (Franchise Agreement, Sections 5.G.)

4. During the term of the Franchise Agreement, we provide you access on a web platform to an operating and procedures manual (the "Operations Manual"), containing mandatory and suggested specifications, standards and operating procedures prescribed from time to time by us for Franchised Businesses and information on other obligations you have under the Franchise Agreement. The Operations Manual may be modified at any time to reflect changes in the System, including additions

to and deletions from authorized products and services, specifications, standards and operating procedures of a Franchised Business and under the Franchise Agreement. The current Table of Contents of the Operations Manual is included as Exhibit G of this Disclosure Document. The total number of pages in the Operations Manual is currently 215. (Franchise Agreement, Section 5.H.)

5. We issue, modify and supplement the services and products authorized for Franchised Businesses, and the standards, specifications and procedures for purchasing and for the operation of Franchised Businesses. (Franchise Agreement, Section 10)

6. We may establish a National Accounts program and secure National Accounts to be serviced by our franchisees. (Section 5.I.)

7. We will maintain and administer a system-wide brand fund (the "Brand Development Fund") for the creation and development of advertising, marketing and promotional programs as we deem necessary or appropriate to advertise or promote Franchised Businesses. (Franchise Agreement, Section 11.A.) We can require you to contribute up to 2% of Gross Revenue to the Brand Development Fund. We and our affiliates are not obligated to contribute to the Brand Development Fund, although we may do so in our discretion.

We will direct all advertising, marketing and promotional programs financed by the Brand Development Fund, with sole discretion over the creative concepts, materials, and endorsements used in them, and the geographic, market, and media placement and allocation of the programs. The Brand Development Fund may be used to pay the costs of preparing and producing video, audio, written and electronic advertising materials; administering national, regional or local advertising and promotional programs including, without limitation, direct mail, social media and other media advertising; establishing and maintaining a website for the franchise system; supporting public relations, market research and marketing activities; providing advertising, marketing and promotional materials or content to the Apostle franchises; employing advertising or public relations agencies to assist in any of the activities of the Brand Development Fund; and other brand development activities.

The Brand Development Fund will be a separate and distinct account and will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs and overhead we may incur in activities reasonably related to the administration of the Brand Development Fund and its advertising, marketing and promotional programs (including, conducting market research, preparing advertising, marketing and promotional materials, establishing and maintaining a website for Franchised Businesses, establishing and maintaining technology for use in the operation of the Franchised Businesses, and collecting and accounting for contributions to the Brand Development Fund). We may spend in any fiscal year an amount greater or less than the total contribution of Franchised Businesses to the Brand Development Fund in that year. We may cause the Brand Development Fund to borrow from itself or other lenders to cover deficits of the Brand Development Fund or cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay advertising, marketing and promotional costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Brand Development Fund and will furnish it to you on written request. There is no requirement that the Brand Development Fund be audited.

The Brand Development Fund is intended to maximize recognition of the Marks and patronage of Franchised Businesses. Although we intend to use the Brand Development Fund to develop advertising, marketing and promotional materials, and to place advertising in a manner that will benefit all Franchised Businesses, we have no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Development Fund by Franchised Businesses operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising, marketing and promotional materials or the placement of advertising. Contributions to the Brand Development Fund will not be used principally to solicit new franchise sales. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Brand Development Fund. We have the right to discontinue or reestablish the Brand Development Fund. If the Brand Development Fund is discontinued, all amounts remaining in the Brand Development Fund on the date of discontinuance will be distributed to franchisees in proportion to their respective contributions for the most recent 12 months.

We currently do not have an advertising council of franchisees that advises us on advertising policies.

We may approve the establishment of a local or regional advertising cooperative consisting of franchisees in a certain area for purposes of developing cooperative local or regional advertising or promotional programs. The area covered by the cooperative will be determined by us. The members of the cooperative will determine what advertising and promotional programs it will undertake, subject to our prior approval, and you must contribute to the advertising cooperative the amount and in the manner determined by a majority of the cooperative. Payments you make to the cooperative are credited toward your local advertising expense requirement. The members of the cooperative are responsible for the administration of the cooperative and each Apostle Business (whether franchised or owned by us or an affiliate) will have one vote. The cooperative does not have to operate from written governing documents and does not have to prepare annual or periodic financial statements. We have the power to form, change, dissolve or merge cooperatives. Facilities owned and operated by us or our affiliates will be members of any cooperative covering their area and will contribute in the same manner as other members. There are no cooperatives currently in existence.

Before you use them, samples of all local marketing, advertising and promotional materials, programs and information and content for your webpage, any listing on the Internet or any information to be displayed on any social media site not prepared or previously approved by us must be submitted to us for approval. If we have not approved any submitted advertising within 10 business days, it will be deemed disapproved. You may not use any marketing, advertising or promotional materials, programs, information or content that we have disapproved. (Franchise Agreement, Sections 11.E.)

### Computer System

You must purchase and use the computer systems (software and the hardware to support it) and other technology requirements that we require for use at your Apostle Business. The required office computer system includes Microsoft 365 for word processing, spreadsheets and presentations;

ThermoGrid for customer relationship management (CRM), creation of estimates and invoices, scheduling, job management, report generation, and payment processing software (in conjunction with Clover Connect); Radon Management Cloud for use with the onsite RadStar Alpha testing monitor; QuickBooks for accounting software, and the hardware to support these programs. You also may purchase, at your option, OneStep GPS software for tracking vehicles. The initial cost of purchasing the required office computer system is \$1,500 to \$3,650. You will pay a monthly fee for Microsoft 365 (estimated at \$6 per month) and QuickBooks (estimated at \$50 per month). You will pay an initial training fee (estimated at \$750) and a monthly fee for ThermoGrid (estimated at \$89 per month per user). You will pay an annual fee (estimated at \$189 per monitor, a total of \$756 for 4 monitors) for annual calibration of your RadStar Alpha testing monitor and use of the Radon Management Cloud.

We can require you to upgrade your computer system at any time. There are no limits under the Franchise Agreement on the number of times you must upgrade or substitute software or hardware on the amount you may be required to spend on these upgrades or substitutions. We have the right to have access your computer system to retrieve information regarding the operations of your Franchised Business and there are no limitations under the Franchise Agreement on our right to access.

You must have high-speed Internet and maintain an e-mail account for use in operating your Franchised Business, for communication with us and for access to our franchise internet. We may require you to use an e-mail account designated by us.

We have no obligation to provide ongoing maintenance, support or upgrades to the required computer system. The estimated annual cost for maintenance of the required computer systems is \$600 to \$2,400.

#### Typical Length of Time for Opening

We estimate that the length of time between the signing of the Franchise Agreement and the opening of your Franchised Business will be 90 days, depending on the amount of time it takes you to prepare for and successfully pass your National Radon Proficiency Program (NRPP) radon measurement professional and mitigation specialist examinations, to complete the initial training program, and other factors.

You may not open for business until: (1) at least one Owner (including the Majority Equity Owner) and any Designated Manager(s) have completed the initial training program to our satisfaction; (2) you have furnished us with evidence of the required insurance coverage; (3) you have furnished us with evidence that you have obtained your radon measurement and radon mitigation certifications and licenses; (4) you have furnished us with evidence that you have met all licensing requirements applicable to the Apostle Business; (5) you have established an entity to operate the Apostle Business; and (6) we have provided you with written consent to open. You must complete these opening requirements and begin operation of your Apostle Business within 90 days of the date of signing the Franchise Agreement.

## Training

Before your Franchised Business opens, your Owners must attend and complete to our satisfaction, our initial training program on the operation of a Franchised Business. Prior to attending the initial training program, you must (1) successfully complete the ThermoGrid training program for the ThermoGrid software you are required to use in the operation of your Franchised Business; (2) review the ANSI/AARST Radon Standards (Protocol for Conducting Measurements of Radon and Radon Decay Products in Homes and Soil Gas Mitigation Standards for Existing Homes); and (3) obtain your National Radon Proficiency Program (NRPP) radon measurement and mitigation certification and required state licenses. We expect these pre-training activities to take approximately 50 to 60 hours.

You are sent other pre-training materials that you must complete prior to arriving for the Initial Training Program. The Initial Training Program will last approximately 10 days and will be conducted at our affiliate Apostle Business or other location determined by us. Initially, we expect to conduct initial training classes as needed. You must attend our initial training program between 2 days and 14 days prior to opening your Apostle Franchised Business. In addition, you will be responsible for all compensation, travel, lodging and other living expenses incurred by your Owner(s) and Designated Manager(s) while attending training.

If we determine during a training program that your Owners or Designated Managers are not qualified to manage a Franchised Business, we can require the Owners or Designated Managers to attend and successfully complete additional training for an additional fee or we can terminate your franchise, effective upon delivery of written notice to you.

As of the date of this Disclosure Document, we provide the following initial training:

### **INITIAL FRANCHISE TRAINING**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>LOCATION</b>
Introduction	2	0	Walworth, Wisconsin
Install Videos	4-6	0	Walworth, Wisconsin
Install Workshops	6-8	0	Walworth, Wisconsin
Sales Training	2-4	0	Walworth, Wisconsin
Monitor Training and Reporting Procedures	4-6	0	Walworth, Wisconsin
Office Procedures	1-2	0	Walworth, Wisconsin

Accounting	1-2	0	Walworth, Wisconsin
Marketing/Social Media	2-4	0	Walworth, Wisconsin
Operations Manual	4-6	0	Walworth, Wisconsin
Associations and Slideshows	1-2	0	Walworth, Wisconsin
CRM Training	2-4	0	Walworth, Wisconsin
Meet the Crew/Van Storage	1-2	0	Walworth, Wisconsin
Client Interaction	1-2	0	Walworth, Wisconsin
Safety	1-2	0	Walworth, Wisconsin
Installations and Testing		40-50	Walworth, Wisconsin
Meet and Greet with Professionals	6	0	Walworth, Wisconsin
Conclusion	2-4	0	Walworth, Wisconsin
<b>Total</b>	<b>40-46</b>	<b>40-50</b>	

The training will be conducted by David Cook, Rachel Cook, Kevin Garecht, Brad Garecht, and Amy Wolski, as well as others we designate.

David Cook is our Founder and President. He has owned our affiliate since 2014 and has over 8 years' experience in the subjects taught. Rachel Cook is our Office Manager and has worked in management of our affiliate since 2022 and has over 1 years' experience in the subjects taught. Kevin Garecht has worked in sales and installation for our affiliate since 2021 and has over 2 years' experience in the subjects taught. Brad Garecht is a technician for our affiliate and has over 1 years' experience in the subjects taught. Amy Wolski has been a marketing consultant for our affiliate since 2022 and has over 4 years' experience in the subjects taught.

We reserve the right to make changes to the instructors at any time.

Currently the instructional materials for the initial training program are the Operations Manual, the ANSI/AARST Radon Standards (Protocol for Conducting Measurements of Radon and Radon Decay Products in Homes and Soil Gas Mitigation Standards for Existing Homes), and a Sun Radon testing monitor.

If you want to have more Owners or Designated Managers (up to 2 attendees at no fee) trained



by us when you attend the initial training program or if you want to send new or additional Owners or Designated Managers to training after you attend the initial training program, we will provide this training for a fee provided training space is available. You are responsible for all travel and living expenses and wages incurred by your Owners and Designated Managers who attend training. (Franchise Agreement, Section 5.A.)

Within 60 days of the opening of your Apostle Business, we will send one of our representatives to your Area of Primary Responsibility to provide on-site start-up assistance for up to 2 days. If you request or we require additional on-site start-up assistance, we will provide this assistance for a fee. If we provide additional on-site start-up assistance, you are responsible for all travel and living expenses incurred by our representative in traveling to your Area of Primary Responsibility. (Franchise Agreement, Section 5.B.)

We may offer and we may require your Owners and Designated Managers to attend supplemental training, seminars, programs, regional franchise meetings, teleconferences, or webinars during the term of the franchise at times and places we designate. You will be responsible for your and your employees' travel and living expenses. (Franchise Agreement, Section 5.D.)

We may periodically hold an Annual Conference for all franchisees. Your Owners, including the Majority Equity Owner, and Designated Managers must attend the Annual Conference. You must pay the travel and living expenses your Owners and Designated Managers incur in attending the Annual Conference. Failure to attend any Annual Conference during the term of the franchise is a material default under the Franchise Agreement. (Franchise Agreement, Section 5.E.)

## **Item 12** **TERRITORY**

When you sign the Franchise Agreement, we will assign an area of primary responsibility ("Area of Primary Responsibility") for your Franchised Business. The Area of Primary Responsibility will be either (i) a certain mile radius (between 10 miles and 35 miles) from the Franchised Business Office or (ii) a geographic area with at least 31,000 single-unit housing units, and further defined by demographic information, man-made or natural boundaries, zip codes, political boundaries, or traffic patterns. If we mutually agree to an Area of Primary Responsibility with greater than 45,000 single-unit housing units, the initial franchise fee will be increased by \$1.00 per single-unit housing unit in excess of 45,000 in the Area of Primary Responsibility.

The following factors will be considered in defining an Area of Primary Responsibility, in our sole discretion as to the relevance, in addition to population density: geographical boundaries, cultural demographics, household composition and income, population count, age, competition, and housing density.

If your Franchised Business Office is located in your home, you may relocate your Franchised Business Office with reasonable notice to us but without our prior written consent. If your Franchised Business Office is located in a commercial space, as long as you are in full compliance with the Franchise Agreement, you may relocate your Franchised Business Office within your Area of Primary Responsibility. Your Area of Primary Responsibility will remain unchanged if you relocate.

You do not have the right to expand into additional areas of primary responsibility or establish additional offices. If you desire to do so, you must meet our then-current criteria for new franchisees, demonstrate your capability to operate successfully, and obtain our agreement. You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

We grant you an exclusive territory. As long as you are in compliance with the Franchise Agreement and meet the minimum annual performance requirements described below, we will not establish another franchised, company-owned or affiliate-owned Apostle Business in your Area of Primary Responsibility. However, there are exceptions to your territorial protection. We reserve the right both within and outside the Area of Primary Responsibility, to: (i) offer and sell similar services and products using our Marks or other marks through an alternate distribution system, including the Internet or similar electronic media; (ii) establish businesses offering similar services and products using different marks; (iii) acquire or be acquired by a company establishing businesses identical or similar to Franchised Businesses; (iv) service a national account located within your Area of Primary Responsibility, either ourselves or through an affiliate or other Apostle franchisee if you are not participating in the national account program; and (v) engage in any other business activities not expressly prohibited by the Franchise Agreement. We are not required to pay you if we exercise any of these rights within your Area of Primary Responsibility.

Continuation of your exclusive territory is dependent on achieving certain sales volumes or market penetration.

You may only directly market for customers and service customers within your Area of Primary Responsibility and are strictly prohibited from direct marketing for customers and servicing customers outside of your Area of Primary Responsibility without our prior written consent. We may permit you to directly market for customers and service customers outside the Area of Primary Responsibility in areas that are not serviced by another franchisee (an “Area Available for Sale”). If the Area Available for Sale is purchased by another franchisee, you must immediately stop direct marketing for customers and immediately stop servicing customers in the Area Available for Sale and assist us in transitioning customers to the new franchisee. You are prohibited from selling any products or services through alternate channels of distribution such as the internet.

*Minimum Annual Performance Requirements*

You must maintain a certain level of Gross Revenues during each Calendar Year. The required level of Gross Revenues is as follows:

<b>Calendar Year</b>	<b>Minimum Annual Performance Requirement</b>
1 <sup>st</sup> Calendar Year	\$60,000
2 <sup>nd</sup> Calendar Year	\$100,000
3 <sup>rd</sup> Calendar Year	\$150,000
4 <sup>th</sup> Calendar Year	\$220,000
5 <sup>th</sup> and subsequent Calendar Years	\$300,000

(“Minimum Annual Performance Requirement”). The Minimum Annual Performance Requirement

during your first Calendar Year will be prorated based on the number of weeks your Apostle Business was in operation during your first Calendar Year. If, during any Calendar Year you do not maintain the Minimum Annual Performance Requirement, we may: (1) require your Owners and Designated Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, at the end of the next Calendar Year, you have not achieved the Minimum Annual Performance Requirement, we may eliminate your territorial protection or terminate the Franchise Agreement.

The Minimum Gross Revenue Criteria should not be construed as and is not intended to be a statement of projected income by us.

Other than the Minimum Gross Revenue Requirement and the occurrence of any events upon which we may terminate your Franchise Agreement, no other circumstances permit us to modify your rights in your Area of Primary Responsibility.

#### *National Accounts*



A “National Account” means a business, institution, governmental agency or other person or entity that either itself or through common ownership, association or independent contractors, has multiple locations in a number of geographic areas that fall within multiple franchise territories, has ongoing demands for services and products that in a number of geographic areas or that exceed the capability of any single franchised business, and/or prefers a single contact in order to control pricing, billing, customer satisfaction, and/or similar requirements. In order to participate in the National Accounts Program, you must (i) be and remain in compliance with Franchise Agreement, and (ii) comply with our published standards, policies and procedures for participation in the National Accounts Program. Further, in order to provide services to a particular National Account, you must comply with the requirements of that particular National Account. You will have the right to decline participation in the National Accounts Program or with respect to a particular National Account. In the event that you decline to participate in the National Accounts Program, decline to service any National Account location within your Area of Primary Responsibility, or are prohibited from providing services to the National Account location within your Area of Primary Responsibility pursuant to the standards, policies and procedures of the National Accounts Program or the requirements of a particular National Account, we (either directly, or indirectly through a franchisee) may provide services at National Account locations or to National Account customers located within your Area of Primary Responsibility.

We reserve all rights not specifically granted to you.

### **Item 13** **TRADEMARKS**

We grant you the non-exclusive right and obligation to use the Marks under your Franchise Agreement. You may also use other current or future trademarks to operate your Apostle Business as we designate from time to time. Our affiliate David Cook’s Radon Services, LLC owns and is using the Marks in connection with Apostle Businesses and has granted a license to us to use and sublicense the use of the Marks to our franchisees. David Cook’s Radon Services, LLC has applied

for and/or obtained a registration for the Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

<b>Service Mark</b>	<b>Filing Date</b>	<b>Serial No.</b>
Apostle Radon (Word Mark)	August 23, 2023	98146297
	August 23, 2023	98146337
Apostle Radon and Indoor Air Solutions (Word Mark)	January 13, 2023	97753506
	January 13, 2023	97757782

We derive the right to use the Marks under a License Agreement dated June 1, 2023 (“License Agreement”) with our affiliate, David Cook’s Radon Services, LLC, the owner of the Marks. The License Agreement permits us to license to our franchisees the use of the name and mark “Apostle Radon,” and the related design mark, and the Proprietary System developed by David Cook’s Radon Services, LLC. The term of the License Agreement is 20 years, with automatic 10-year renewals, unless David Cook’s Radon Services, LLC provides us a written notice of termination for good cause. We have the non-exclusive right to use the Marks and Proprietary System in connection with the offer and sale of franchises to third parties to own and operate Apostle Franchised Businesses. David Cook’s Radon Services, LLC may terminate our rights under the License Agreement in the event of our breach. Under the License Agreement we must furnish David Cook’s Radon Services, LLC with specimens of the use of the Marks, including, but not limited to advertising and promotions. The License Agreement does not limit our or your rights to use the name or the Proprietary System. There are no other agreements currently in effect that significantly limit our or your rights to use the Apostle Radon name or the Proprietary System.

We do not yet have trademark registrations of our principal mark or logo design, “Apostle Radon.” An application for the word mark has been filed as noted in the above table. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Our affiliate will file all required affidavits necessary to maintain these registrations.

There is currently no pending material federal or state court litigation regarding our use or ownership rights in any of our Marks. 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. Before you sign the Franchise Agreement, you should investigate independently whether your use of the Marks in your area might infringe on the rights of any third party, particularly in your intended area of operation.

You must follow our rules, guidelines and requirements when using the Marks. You cannot use our name or the Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent, which we may withhold in our sole discretion. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Apostle Business that you are an independently owned and operated licensed franchisee of ours. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. All rights and goodwill from the use of the Marks accrue to us.

We have the sole right to control use of the Marks on all websites, social media, digital marketing and mobile applications.

If it becomes necessary or advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one 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.

You must notify us immediately if you learn about an infringing or challenging use of the Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging that 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 we will control any proceeding or litigation relating to the Marks. We have no obligation to pursue any infringing users of the 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 notify us immediately if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving the Marks. 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.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

**Item 14**  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not hold any patents material to the franchise.

You must immediately notify us in writing of any apparent infringement or challenge to our or your use of the copyrighted items, including derivative works. We will take the action we think is appropriate. You must assist us in any hearings or suits to protect the copyrighted items as is necessary.

We claim copyrights in the Operations Manual and other written materials containing proprietary information.

If you, your Owners, managers or employees develop any ideas, concepts, methods, techniques or improvements relating to your Franchised Business, you agree to disclose that information to us and all of that information will become part of our confidential information. You must also assure that all corresponding intellectual property rights are assigned to us.

You may not use our confidential information (as defined in the Franchise Agreement) in any unauthorized manner. You must take reasonable steps to prevent disclosure of our confidential information to others, including having your managers and employees sign a confidentiality agreement. All of your managers and other employees who have access to the confidential information must maintain the confidentiality of that information and sign a confidentiality agreement in a form approved by us. You must provide us with copies of the signed confidentiality agreements.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect which significantly limit our right to use or license the use of any copyrighted materials. There are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights, trade secrets or confidential information, although we intend to take whatever action, we deem necessary to protect the best interests of the franchised System.

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

We expect only business entities, and not individuals, to operate the Franchised Business. You must designate a Majority Equity Owner who must meet our approval. The Majority Equity Owner must maintain a majority ownership in your entity. The Majority Equity Owner (1) must participate in and complete our Initial Training Program and all other training programs we require from time to time, (2) must obtain and maintain radon measurement and mitigation certifications we require from time to time, and (3) must have authority to make decisions on your behalf and bind you with respect to matters and agreements between you and us.

Either your Majority Equity Owner or a Designated Manager (who may be an Owner) must exert his or her full time best-efforts to the development and operation of your Franchised Business. Either your Majority Equity Owner or a Designated Manager will be responsible for all day-to-day operational decisions affecting your Franchised Business. If your Majority Equity Owner will be

responsible for the day-to-day supervision of your Apostle Business, he or she may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or that otherwise interferes with his or her role as manager of your Franchised Business. If you have a Designated Manager, your Designated Manager must attend and complete the Initial Training Program and all other training programs that we require from time to time and must meet our approval. If you have a Designated Manager, the Designated Manager must have the authority to make all day-to-day operations decisions affecting your Franchised Business, and may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or that otherwise interferes with his or her role as your Designated Manager. Even if you have a Designated Manager, your Majority Equity Owner must devote reasonable time and best efforts to the management of your Franchised Businesses.

Each of your Owners must personally guarantee your obligations under the Franchise Agreement, and must agree to be bound by, and personally liable for the breach of, every provision in these agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the preservation of the confidentiality of our confidential information as defined in the Franchise Agreement and compliance with the covenants not to compete described in the Franchise Agreement. The "Guaranty and Assumption of Obligations" is an exhibit to the Franchise Agreement.

**Item 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale the services and products that we authorize for sale by Apostle businesses and must offer them only in the manner we have prescribed. You may not offer for sale or sell any services or products that we have not authorized unless you obtain our prior written approval. We have the right to change (either add or delete) the types of required and/or authorized services and products at any time and there are no limits on our right to do so. You may not use the Vehicles for any purpose other than the operation of the Franchised Business.

In order to provide radon mitigation and detection services for a National Account, you must agree to abide by the terms of our contract with the National Account as well as our National Accounts standards, policies and procedures.

You are limited as to the customers to whom you may offer your services to the extent that you cannot provide radon mitigation and detection services outside of your Area of Primary Responsibility, except with our prior written consent. You may not sell products or services through other channels of distribution such as wholesale, internet or mail order sales. Otherwise, except as provided in Item 12, we place no restrictions upon your ability to serve customers and we do not impose any restrictions limiting your access to customers.

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**Item 17**

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

**THE FRANCHISE RELATIONSHIP**

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.A.	Term is for 10 years from date of signing the franchise agreement.
b. Renewal or extension of the term	Section 3	If you are in compliance with the franchise agreement, you can acquire a successor franchise for 2 additional terms of 5 years.
c. Requirements for franchisee to renew or extend	Section 3	Compliance with Franchise Agreement during its term, give notice, meet current training requirements, upgrade vehicles and equipment, sign then-current franchise agreement, you and your owners sign release, and pay successor franchise fee. The renewal agreement you must sign to renew the franchise may contain materially different terms and conditions than your original franchise agreement.
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Sections 14.A. and 14.B.	We can terminate only for cause.
g. "Cause" defined – curable defaults	Section 14.B.	You have 10 days to cure defaults in payment or reporting, 10 days to deliver proof of insurance or reimburse company, 10 days to comply with federal, state or local law, and 30 days for all defaults not listed in Section 14.B.



PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined – non-curable defaults	Section 14.A.	Failure to open Franchised Business or satisfactorily complete training in time required, made material misrepresentation or omission in application, abandonment, surrender or failure to operate for 5 or more consecutive days, do not re-instate lapsed license for five 5 days, conviction of a felony or engage in immoral, dishonest or unethical conduct, unauthorized transfers, unauthorized use or disclosure of confidential information or Operations Manual, unauthorized use of Marks, having interest in competing business, creation of a threat to public health or safety not corrected within 24 hours, 3 or more defaults in any 12 month period, fail to attend 2 or more conferences, your radon measurement or radon mitigation certifications or licenses are revoked and you fail to reinstate within 7 days, or you fail to meet Minimum Annual Performance Requirements for 2 consecutive Calendar Years.
i. Your obligations on termination/non-renewal	Section 15	Pay outstanding amounts, cease operating, cease using Marks, return items containing Marks, cancel fictitious names, transfer telephone number and Digital Marketing accounts to us, return of Manual and other confidential information, comply with covenants not to compete, furnish evidence of compliance within 30 days (see also o. and r. below)
j. Assignment of contract by franchisor.	Section 13.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Sections 13.B. and 13.D.	Includes transfer of any interest in Franchise Agreement, Franchised Business, a substantial portion of its assets, or ownership change in franchisee entity.
l. Franchisor approval of transfer by franchisee	Sections 13.C.	We have right to approve all transfers but will not unreasonably withhold approval.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 13.C.	You have complied with Franchise Agreement during the term, all amounts due us and our affiliates are paid, transferee entity and owners qualify and complete training, lessor consents to lease assignment, transferee assumes your agreement or signs new agreement (at our option), transfer fee paid, general release signed by you and your owners, we approve terms of transfer and you subordinate buyer's debt to you to our interest in franchise business, and you or transferee remodel the Business Location (see also r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.F.	We can match any offer for your business or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 15.G.	We may within 30 days of termination or expiration purchase certain assets of your Franchised Business at lesser of cost or fair market value.
p. Death or disability of franchisee	Section 13.E.	Ownership interest of deceased or disabled owner must be assigned to approved buyer within 6 months or your franchise may be terminated. In the interim, Franchised Business must be operated by a trained manager or manager appointed by us.
q. Non-competition covenants during the term of the franchise	Section 7.C.	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.A.	No involvement in a competing business for 2 years within 30miles of your Area of Primary Responsibility or area of primary responsibility of any other Franchised Business (same restrictions apply after assignment).
s. Modification of the Agreement	Sections 16.B. and 17.M.	Operations Manual and standards and specifications are subject to change. No modifications to the Franchise Agreement except if in writing and signed by both parties.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t. Integration/merger clause	Section 17.M.	Only terms of the Franchise Agreement (including exhibits, attachments, Operations Manual and other written materials) and representations made in this Disclosure Document are binding.
u. Dispute resolution by arbitration or mediation	Sections 17.C.	With a few exceptions, disputes must be mediated before filing a lawsuit.
v. Choice of forum	Section 17.F.	Litigation must be in the state in which our principal place business is located (currently Wisconsin); subject to state law.
w. Choice of law	Section 17.F.	Law of the state in which our principal place of business is located, except franchise laws only apply if you meet jurisdictional requirements, subject to state law.

**This table lists certain important provisions of the Multi-Unit Development Agreement. You should read these provisions in the agreements attached to this disclosure document.**

PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the franchise term	Section 4	Agreement expires on our acceptance and execution of the Franchise Agreement for the last franchise to be developed.
b. Renewal or extension of the term	Not applicable	Not applicable
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 7	We can terminate if you commit a listed violation.
g. "Cause" defined – curable defaults	Section 7	Not applicable

PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT	SUMMARY
h. "Cause" defined – non-curable defaults	Section 7	Bankruptcy or similar proceeding, failure to comply with development schedule, dissolution of entity or death of an Owner, conviction of a felony or engage in immoral, dishonest, or unethical conduct, breach of the agreement, verbal or physical assault of franchisor parties, unauthorized transfer, breach of any Franchise Agreement.
i. Your obligations on termination/non-renewal	Section 7.4	No further right to develop; however, termination does not affect existing franchise agreements.
j. Assignment of contract by franchisor.	Section 8.1	We have an unrestricted right to assign.
k. "Transfer" by franchisee – definition	Section 8.2	Include transfer of any interest in the MUDA or in the Developer.
l. Franchisor approval of transfer by franchisee	Section 8.2	We have right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 8.4	All amounts due us and our affiliates are paid, transferee entity and owners qualify and complete training, transferee assumes your agreement or signs new agreement (at our option), transfer fees paid, general release signed by you and your owners, we approve terms of transfer and you subordinate buyer's debt to you to our interest in franchise business (see also r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p. Death or disability of franchisee	Not applicable	Not applicable

PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Section 6.4	No involvement in a similar business or with a business granting franchises for similar businesses; subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 9	For 2 years after termination or expiration of the MUDA you will not have any interest in a similar business with the Development Area or within 30miles of any Apostle Business except under a Franchise Agreement with us. For 2 years, you will not divert customers to competitive businesses or employ any of our or our affiliates' employees, subject to applicable state law.
s. Modification of the Agreement	Section 13.4	No modifications unless in writing and signed.
t. Integration/merger clause	Section 13.4	Only the terms of the MUDA are binding (subject to state law). Any representations or promises outside of the disclosure document and may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 12	With a few exceptions, disputes must be mediated before filing a lawsuit.
v. Choice of forum	Section 12.6	Litigation must be in the state in which our principal place business is located (currently Wisconsin); subject to state law.
w. Choice of law	Section 12.6	Law of the state in which our principal place of business is located, except franchise laws only apply if you meet jurisdictional requirements, subject to state law.

**Item 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote its franchise.

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**Item 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

**STATEMENT OF ACTUAL ANNUAL GROSS REVENUES, COST OF GOODS SOLD,  
DIRECT LABOR COSTS, AND PROFIT MARGIN FOR THE 12 MONTH PERIOD  
JANUARY 1, 2022 TO DECEMBER 31, 2022 OF 1 AFFILIATE-OWNED BUSINESS**

The following is a statement of gross revenues, cost of goods sold, direct labor costs, and profit margin for the 12 month period ended December 31, 2022 for 1 affiliate-owned Apostle Business.

**One outlet has earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

Account	2022	
<b>REVENUE</b>		
Total Revenue	\$434,682.65	100.00%
<b>TOTAL REVENUE</b>	<b>\$434,682.65</b>	<b>100.00%</b>
<b>COGS</b>		
Materials	\$111,743.98	25.71%
Installation Labor	\$108,799.25	25.03%
<b>TOTAL COGS</b>	<b>\$220,543.23</b>	<b>50.74%</b>
<b>FRANCHISE FEES/COSTS</b>		
Royalty (8%)	\$34,774.61	8%
Brand Development Fund (currently 1%; up to 2%)	\$4,346.83	1%
Technology Fee (currently \$150 per month; up to \$350)	\$1,800.00	0.41%

per month with an option to increase the maximum to be charged by 10% annually)		
<b>TOTAL FRANCHISE FEES/COSTS</b>	<b>\$40,921.44</b>	<b>9.41%</b>
<b>GROSS PROFIT/MARGIN</b>	<b>\$173,217.98</b>	<b>39.85%</b>

**STATEMENT OF ACTUAL ANNUAL GROSS REVENUES, COST OF GOODS SOLD, DIRECT LABOR COSTS, AND PROFIT MARGIN FOR THE 12 MONTH PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021 OF 1 AFFILIATE-OWNED BUSINESS**

The following is a statement of gross revenues, cost of goods sold, direct labor costs, and profit margin for the 12 month period ended December 31, 2021 for 1 affiliate-owned Apostle Business.

<b>Account</b>	<b>2021</b>	
<b>REVENUE</b>		
Total Revenue	\$290,845.95	100.00%
<b>TOTAL REVENUE</b>	<b>\$290,845.95</b>	<b>100.00%</b>
<b>COGS</b>		
Materials	\$84,613.21	29.09%
Installation Labor	\$51,203.88	17.61%
<b>TOTAL COGS</b>	<b>\$135,817.09</b>	<b>46.70%</b>
<b>FRANCHISE FEES/COSTS</b>		
Royalty (8%)	\$23,267.68	8%
Brand Development Fund (currently 1%; up to 2%)	\$2,908.46	1%
Technology Fee (currently \$150 per month; up to \$350 per month with an option to increase the maximum to be charged by 10% annually)	\$1,800.00	0.62%

<b>TOTAL FRANCHISE FEES/COSTS</b>	<b>\$27,976.14</b>	9.62%
<b>GROSS PROFIT/MARGIN</b>	<b>\$127,052.72</b>	43.68%

**STATEMENT OF ACTUAL ANNUAL GROSS REVENUES, COST OF GOODS SOLD, DIRECT LABOR COSTS, AND PROFIT MARGIN FOR THE 12 MONTH PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020 OF 1 AFFILIATE-OWNED BUSINESS**

The following is a statement of gross revenues, cost of goods sold, direct labor costs, and profit margin for the 12 month period ended December 31, 2020 for 1 affiliate-owned Apostle Business.

<b>Account</b>	<b>2020</b>	
<b>REVENUE</b>		
Total Revenue	\$200,854.77	100.00%
<b>TOTAL REVENUE</b>	<b>\$200,854.77</b>	100.00%
<b>COGS</b>		
Materials	\$66,808.04	33.26%
Installation Labor	\$15,468.56	7.70%
<b>TOTAL COGS</b>	<b>\$82,276.60</b>	40.96%
<b>FRANCHISE FEES/COSTS</b>		
Royalty (8%)	\$16,068.38	8%
Brand Development Fund (currently 1%; up to 2%)	\$2,008.55	1%
Technology Fee (currently \$150 per month; up to \$350 per month with an option to increase the maximum to be charged by 10% annually)	\$1,800.00	0.62%
<b>TOTAL FRANCHISE FEES/COSTS</b>	<b>\$19,876.93</b>	9.90%



<b>GROSS PROFIT/MARGIN</b>	<b>\$98,701.24</b>	<b>49.14%</b>
----------------------------	--------------------	---------------

Notes to tables above:

1. “Gross revenue” is the total revenue earned by the franchisee without any deductions being taken. The “Mean” is the average and is calculated by the sum of all gross revenue reported being divided by the number of territories included in the sum. The “Median” is the middle number of all gross revenue reported, and if there are two middle numbers, is calculated as the average of those two middle numbers. The gross revenue for each franchisee in the set is listed from high to low to determine the highest gross revenue number and the lowest gross revenue number.

2. Our affiliate-owned business operated as DC Mitigation from March 2014 to November 2014 and as David Cook’s Radon Services from November 2014 to May 2023. In May 2023, our affiliate-owned unit began using the Apostle Marks as described in Item 13 above.

Other than operating under a different trademark, the characteristics of the represented affiliate operation does not materially differ from that of a new franchisee.

The financial performance representations in the Tables are historic information and not a forecast of future financial performance. The financial information we utilized in preparing the preceding financial performance representations was based on our unaudited financial statements of our affiliate David Cook’s Radon Services LLC ended December 31, 2022, December 31, 2021, and December 31, 2020. None of this information was audited by us or by any independent accountant or auditing firm, and no one had audited, reviewed or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Apostle Franchising, LLC does 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 David Cook, N2344 Harvey Court, Walworth, Wisconsin 53184, (262) 749-4266, the Federal Trade Commission, and the appropriate state regulatory agencies.

*The remainder of this page has been left blank intentionally.*

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary\***  
**For calendar years 2020, 2021 and 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Affiliate-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	1	1	0
	2021	1	1	0
	2022	1	1	0

\*We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchisees as of the date of this Franchise Disclosure Document.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)\***  
**For calendar years 2020, 2021 and 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Total	2020	0
	2021	0
	2022	0

\*We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchisees as of the date of this Franchise Disclosure Document.

**Table No. 3**  
**Status of Franchised Outlets\***  
**For calendar years 2020, 2021 and 2022**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of the Year</b>
Total	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

\*We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchisees as of the date of this Franchise Disclosure Document.

**Table No. 4**  
**Status of Affiliate-Owned Outlets**  
**For calendar years 2020, 2021 and 2022**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Wisconsin	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

**Table No. 5**

<b>PROJECTED OPENINGS</b> <b>as of June 30, 2023</b>			
STATE	FRANCHISE AGREEMENTS SIGNED BUT UNIT NOT OPEN	PROJECTED FRANCHISED NEW UNITS IN THE NEXT FISCAL YEAR	PROJECTED OPENINGS BY US OR OUR AFFILIATE IN NEXT FISCAL YEAR
Wisconsin	0	3	0
Illinois	0	2	0
TOTAL	0	5	0

Our affiliate David Cook’s Radon Services, LLC owns one Apostle business operating under the name Apostle Radon in Walworth, Wisconsin. Since we are offering franchises for the first time under this disclosure document, we have not yet granted any franchises. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

There are currently no current or former franchisees who have signed agreements restricting their ability to speak openly about their experience with us.

There are currently no trademark-specific franchise organizations associated with the franchise system being offered.

*The remainder of this page has been left blank intentionally.*

**Item 21**  
**FINANCIAL STATEMENTS**

Attached at Exhibit D is the audited financial statements of APOSTLE FRANCHISING, LLC from inception (February 20, 2023) to July 13, 2023. Since we have only been in operation since February 2023, we cannot provide 3 years of audited financial statements.

**Item 22**  
**CONTRACTS**

The Franchise Agreement and Guaranty and Assumption of Obligations (and other exhibits) that you will sign is attached at Exhibit B to this Disclosure Document. If your state requires an addendum to the Franchise Agreement describing certain state laws or regulations which may supersede the Franchise Agreement, it will be found at Exhibit H.

If you are purchasing two or more Apostle Franchised Businesses, The Multi-Unit Development Agreement (and other exhibits) that you will sign is attached at Exhibit F to this Disclosure Document. If your state requires an addendum to the Multi-Unit Development Agreement describing certain state laws or regulations which may supersede the Multi-Unit Development Agreement, it will be found at Exhibit H.

Before signing the Franchise Agreement, you must complete and sign a Franchise Disclosure Acknowledgement Statement, a copy of which is attached to this Franchise Disclosure Document as Exhibit C. The purpose of this Statement is to indicate your receipt of various documents that you may have received from us in connection with your purchase of an Apostle Franchised Business.

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

**Item 23**  
**RECEIPTS**

The Receipts of the Disclosure Document (one copy for you and one copy for us) are found at the end of the exhibits to this Disclosure Document.

**Exhibit A**

**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

California

Commissioner  
California Department of Financial Protection  
and Innovation  
320 West Fourth Street  
Los Angeles, CA 90013-2344  
(866) 275-2677

For service of process:  
Commissioner  
Department of Financial Protection and Innovation  
320 West Fourth Street  
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities  
Department of Commerce and  
Consumer Affairs  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808)586-2722

For service of process:

Hawaii Commissioner of Securities  
335 Merchant Street, Room 203  
Honolulu, HI 96813

Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217)782-4465

For service of process:

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

Indiana

Securities Commissioner  
State of Indiana  
Securities Division  
302 W. Washington Street, Room E-111  
Indianapolis, IN 46204  
(317)232-6681

For service of process:

Secretary of State  
201 State House  
Indianapolis, IN 46204

Maryland

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202  
(410)576-6360

For service of process:

Maryland Securities Commissioner  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202

Michigan

Consumer Protection Division  
Franchise Section  
Michigan Department of Attorney General  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
Lansing, MI 48913  
(517)373-7117

For service of process:

Michigan Department of Commerce  
Corporations and Securities Bureau  
525 W. Ottawa Street  
G. Mennen Williams Building  
Lansing, MI 48913

Minnesota

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651)539-1500

For service of process:

Minnesota Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101

New York

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10271  
(212)416-8236

For service of process:

New York Department of State  
One Commerce Plaza, 6<sup>th</sup> Floor  
99 Washington Street  
Albany, NY 12231

North Dakota

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – 5<sup>th</sup> Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701)328-4712

For service of process:

North Dakota Securities Commissioner  
600 East Boulevard Avenue  
State Capitol – 5<sup>th</sup> Floor, Dept. 414  
Bismarck, ND 58505-0510

Rhode Island

Principal Securities Examiner  
Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Bldg. 69-1  
Cranston, RI 02920  
(401)462-9527

For service of process:

Director of Rhode Island Department of  
Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex – Bldg. 69-1  
Cranston, RI 02920

South Dakota

Director  
Division of Insurance  
Securities Regulation  
124 South Euclid, Suite 104  
Pierre, SD 57501  
(605)773-3563

For service of process:  
Director  
Department of Labor and Regulation  
South Dakota Division of Insurance  
124 South Euclid, Suite 104  
Pierre, SD 57501

Virginia

Director, Division of Securities  
and Retail Franchising  
State Corporation Commission  
1300 E. Main Street, 9th Floor  
Richmond, VA 23219  
(804)371-9051

For service of process:  
Clerk of the State  
Corporation Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

Washington

Administrator  
Dept. of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, WA 98507-9033  
(360)902-8760

For service of process:  
Director  
Washington Dept. of Financial  
Institutions, Securities Division  
210 11<sup>th</sup> St. SW  
Olympia, WA 98504

Wisconsin

Franchise Administrator  
Division of Securities  
Department of Financial Institutions  
P.O. Box 1768  
Madison, WI 53701-9033  
(608)266-8559

For service of process:  
Wisconsin Commissioner of Securities  
201 W. Washington, Suite 300  
Madison, WI 53703

**Exhibit B**

**FRANCHISE AGREEMENT**





**FRANCHISE AGREEMENT**

**SUMMARY PAGE**

- |  |                                    |
|--|------------------------------------|
| <b>1. Franchisee</b>                     | _____                              |
| <b>2. Initial Franchise Fee</b>          | \$ _____                           |
| <b>3. Principal Business Address</b>     | _____                              |
| <b>4. Area of Primary Responsibility</b> | Set forth on <u>Attachment 1</u> . |
| <b>5. Opening Deadline</b>               | 90 days after Effective Date       |

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**APOSTLE FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

THIS AGREEMENT is being entered into between you, \_\_\_\_\_, a \_\_\_\_\_ organized under the laws of \_\_\_\_\_, as franchisee, and us, Apostle Franchising, LLC, a limited liability company organized under the laws of Wisconsin with our principal place of business at N2344 Harvey Ct., Walworth, Wisconsin 53184 and, if you are an entity, your "Owners" (defined below).

**1. INTRODUCTION.**

This Agreement has been written in an informal style in order to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Agreement covers before you sign it. In this Agreement, we refer to Apostle Franchising, LLC as "we," "us" or the "Company." We refer to you as "you" or "Franchisee." Certain provisions of this Agreement are applicable to your shareholders, members or other owners of Franchisee on whose business skill, financial capability and personal character we are relying in entering into this Agreement. Those individuals will be referred to in this Agreement as "Owners."

Through the expenditure of considerable time, effort and money, we and our affiliate David Cook's Radon Services, LLC ("Affiliate") have developed a unique system for the establishment and operation of a business that offers radon mitigation and detection services, including certified monitor testing, installation of radon systems, other related systems, and other indoor air quality products, under the name "Apostle Radon" which is referred to in this Agreement as the "Apostle Business." The Apostle Business operates under uniform formats, designs, systems, methods, formulas, specifications, standards, policies and procedures, including certain confidential information and trade secrets (all of which we refer to in this Agreement as the "System"). We and our Affiliate may improve, further develop or otherwise modify the System from time to time. We identify the System by the use of certain trademarks, service marks, logos, trade name, domain names and other commercial symbols we designate from time to time, currently including "Apostle Radon", "Apostle", the Apostle Radon logo and certain associated designs, artwork and logos, owned by our Affiliate and licensed to us (collectively, the "Marks").

We grant to franchisees whose Owners meet our qualifications and who are willing to undertake the investment and effort necessary to establish and develop an Apostle Business, a franchise to own and operate an Apostle Business in accordance with the System.

This Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own and be franchised to operate an Apostle Business. In signing this Agreement, you acknowledge that you understand the importance of the Company's high standards of quality and service and the necessity of operating your Apostle Business in strict conformity with the Company's standards and specifications. You further represent to us, as an inducement to our agreeing to enter into this Agreement, that you and your Owners have made no misrepresentations in applying for or obtaining the franchise. You acknowledge that in all our dealings, all of our officers,

directors, managers, employees and agents act only in a representative capacity, not in an individual capacity.

## **2. GRANT OF FRANCHISE.**

**A. Term.** Subject to the provisions of this Agreement, we grant to you a franchise to own and operate an Apostle Business in the geographic area as described in Exhibit 1, and to use the System in the operation of the Apostle Business for a term of ten (10) years beginning on the date of this Agreement, unless this Agreement terminates before the end of such term as provided in Section 14. Termination or expiration of this Agreement will constitute a termination or expiration of the Franchise. (All references to the "term" of this Agreement refer to the period from the date of this Agreement to the date on which this Agreement actually terminates or expires. All references in this Agreement to section and paragraph numbers refer to the sections and paragraphs of this Agreement unless otherwise stated.)

**B. Full Term Performance.** You specifically agree to, for the full term of this Agreement, operate the Apostle Business in the geographic area identified in Exhibit 1, perform the obligations of this Agreement, and continuously exert your best efforts to promote and increase the sales and services of the Apostle Business within the Area of Primary Responsibility, and to effect the widest and best possible distribution of the sale of Apostle services and related products and to solicit potential customers for Apostle services and related products within the Area of Primary Responsibility.

**C. Rights to Area of Primary Responsibility.** As long as this Agreement is in force and effect and you are not in default under any of the terms of this Agreement and subject to the rights reserved by Company in Paragraph 2.D. below and the minimum annual royalty payment and minimum annual performance requirement set forth in Paragraphs 9.B. and 9.C. below, Company will not grant another Apostle Business franchise or operate itself or through an affiliate any other Apostle Business within the area described in Exhibit 1 ("Area of Primary Responsibility"). Company has the right to, outside of the Area of Primary Responsibility, grant such other Apostle Businesses or itself establish Apostle Businesses as it, in its sole and exclusive discretion, deems appropriate.

You may not advertise or solicit customers, perform services or sell products related to the Apostle Business outside the Area of Primary Responsibility without our prior written consent, which consent we may give, condition or withdraw as we deem appropriate. If you receive a request for services or products from outside the Area of Primary Responsibility, you must refer that request to the franchisee, if any, that owns the applicable area of primary responsibility, or seek our written permission to process such a request.

If we permit you to advertise, solicit, service or sell in areas outside the Area of Primary Responsibility that are not serviced by another franchisee (each, an "Area Available for Sale" or "AAFS"), you must comply with all the conditions and other requirements that we may from time to time specify (in the Operations Manual or otherwise in writing) with respect to such activities. At any time upon our demand or upon your actual notice that an AAFS has been purchased by another

franchisee, you agree to immediately cease all activities in such AAFS to comply with our procedures for the transition of customers for such AAFS.

**D. Company's Reservation of Rights.** Company and any affiliates reserve the right, both within and outside of the Area of Primary Responsibility to:

1. offer and sell services and products, or license others to offer and sell services and products, which comprise, may in the future comprise or which do not comprise, a part of the System through any alternative distribution channels including, but not limited the Internet or similar electronic media, using the Marks (“Alternate Distribution Channels”);

2. establish businesses which are franchised, licensed or owned by Company or any affiliate in any area as we deem appropriate or offer and sell services or products which are similar to the services and products offered under the System under trade names, trademarks, service marks, trade dress or other commercial symbols different from the Marks;

3. acquire or be acquired by a company establishing businesses identical or similar to the Apostle Business, even if the other business operates, franchises, and/or licenses competitive businesses anywhere;

4. service a national account located within your Area of Primary Responsibility, either ourselves or through an affiliate or another Apostle, if (1) you refuse to accept the job under the terms of an national account program the Company establishes; (2) you are unable to accept the job under the terms of an national account program the Company establishes because the job is too large for you to handle on your own; or (3) you are not able to service client on a timely basis and time is of the essence for the client;

5. engage in any other business activities not expressly prohibited by this Agreement.

**E. Alternate Distribution Channels.** You shall not sell any services or products offered for sale under the System through any Alternative Distribution Channels.

### **3. SUCCESSOR FRANCHISE AGREEMENT.**

**A. Franchisee's Right to Enter Into a Successor Franchise Agreement.** Subject to the provisions of Paragraphs 3.B. and 3.C. below, and if during the entire term of this Agreement you have substantially complied with all of the provisions of this Agreement and any other agreement between us, then upon expiration of the initial term of this Agreement, you will have the right to enter into a Successor Franchise Agreement for two (2) successive terms of five (5) years each.

**B. Notice of Election to Enter Into a Successor Franchise Agreement; Non-Renewal.** You must give us written notice of your intention to enter into a successor franchise at least nine (9) months but not more than twelve (12) months before the end of the initial term of this Agreement. Within sixty (60) days of our receipt of your notice, we agree to give you written notice

of whether you have met the conditions for entering into a successor franchise agreement and any deficiencies in your operation or historical performance of your Apostle Business which could cause us not to renew the Franchise. If you have not met the conditions and deficiencies exist, our notice will state what actions, if any, you must take to correct the deficiencies in the operation of your Apostle Business and will specify the time period in which those deficiencies must be corrected. Entering into a successor franchise agreement will be conditioned on your continued compliance with all the terms and conditions of this Agreement up to the date of expiration and timely correction of any deficiencies. If we send a notice of non-renewal it will state the reasons for our refusal to grant you a successor franchise agreement. If we do not give you a deficiency notice within sixty (60) days after receipt of your renewal notice, or if we do not give you notice of our decision not to renew the Franchise six (6) months before the expiration of the term of this Agreement, we may extend the term of this Agreement for any period of time necessary in order to provide you reasonable time to cure the deficiencies or to provide the six (6) month non-renewal notice required under this Agreement.

**C. Successor Franchise Agreements/Releases.** To enter into a successor franchise agreement, you (and your Owners) and the Company must:

(1) at our option, either execute an extension of this Agreement or execute the then current form of standard franchise agreement (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), which agreement will replace this Agreement in all respects and which may contain different (including higher) royalty fees, brand development fund contributions and other fees, different territorial protections, and other provisions that differ from those contained in this Agreement, and such ancillary agreements as Company is then customarily using in the grant or renewal of franchises for the ownership and operation of an Apostle Business, including guarantees from all owners of the franchisee;

(2) comply with our then-current qualification and training requirements for renewing franchises;

(3) upgrade the vehicles, furniture, fixtures, equipment, signs and materials in accordance with our then-current standards and specifications;

(4) execute a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, and our respective members, managers, officers, employees and agents; and

(5) pay a renewal fee of ten percent (10%) of the then-current Initial Franchise Fee when you execute the successor Franchise Agreement to cover our costs in connection with the grant of a successor franchise agreement.

If either you or any of your Owners refuse to sign the required agreement(s), guarantees and/or releases within thirty (30) days after their delivery to you, you will be deemed to have elected not to renew the Franchise.

**D. Continued Operation Following Expiration.** You have no right to continue to operate the Apostle Business after the expiration of the initial term of this Agreement unless you are

granted a renewal Franchise in accordance with this Section 3. If we permit you to continue to operate the Apostle Business after the expiration of the initial term of this Agreement but before the execution of a renewal Franchise Agreement as required by Paragraph 3.C., then the temporary continuation of the Apostle Business will be on a month-to-month basis and will be terminable at the will of Company by giving you written notice of termination at least thirty (30) days before the termination is effective. If the laws of the jurisdiction in which you or the Apostle Business are located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction.

#### **4. BUSINESS DEVELOPMENT AND OPENING**

**A. Franchised Business Office.** You must maintain an office within your principal residence or other location used solely for conducting activities related to the Apostle Business (“Franchised Business Office”). Prior to attending the initial training program, you agree to install at the Apostle Business Office at least one (1) operational telephone landline or cellular line, email, call-waiting and voicemail. The equipment shall be operational and functioning during the Term of this Agreement. We will approve of your Franchised Business Office as long as (1) you warrant that the residence has sufficient capacity and is readily accessible to us should circumstances require us to visit the Franchised Business Office and (2) in the case of a commercial office space, the Franchised Business Office is located with your Area of Primary Responsibility. If each of the above conditions has been met as of the Effective Date, then the address where the Franchised Business Office will be located will be inserted in Exhibit 1 and will be known as the Franchised Business Office for the Apostle Business.

**B. Majority Equity Owner.** You must dedicate one of your Owners having a majority ownership interest in your Apostle Business who will be the Majority Equity Owner and will devote reasonable time and best efforts to the management of the Apostle Business (“Majority Equity Owner”). The Majority Equity Owner must obtain and maintain their radon measurement and radon mitigation certifications and successfully complete our initial training program. You shall give us immediate notice of any change in the Majority Equity Owner and must arrange for the new Majority Equity Owner to attend our initial training program and obtain its radon measurement and radon mitigation certifications.

**C. Development of the Business.** You agree at your own expense to do the following: (1) secure all financing required to fully develop the Apostle Business; (2) obtain all required permits and licenses; (3) equip and outfit the required vehicles in compliance with plans and specifications we have approved; (4) purchase all required fixtures, furniture, equipment, and signs; and (5) purchase an opening inventory of required products, materials and supplies.

**D. Vehicle Acquisition and Maintenance.** You must acquire and maintain, at your expense, one or more vehicles as specified by us for use in the Apostle Business (“Vehicles”). Each Vehicle shall be equipped, outfitted, insured and maintained in accordance with our specifications and standards. You must maintain the interior, exterior and mechanical parts of all required Vehicles in good repair and condition and regularly service and maintain the Vehicles to keep them clean and in good working order.



**E. Fixtures, Furniture, Equipment and Signs.** You agree to purchase and install, at your expense, all fixtures, furniture, equipment (including required computer systems) and signs we may direct from time to time and to purchase and use in the development and operation of the Apostle Business only fixtures, furniture, equipment and signs from approved suppliers and/or that meet our standards and specifications.

**F. Business Opening.** You agree not to open your Apostle Business for business until: (1) your obligations under this Section 4 have been fulfilled; (2) your Owner(s) and Designated Manager(s) have completed the initial training program to our satisfaction; (3) you have furnished us evidence that your Owners(s) and Designated Manager(s) have obtained their respective radon measurement and radon mitigation certifications and licenses; (4) you have furnished us with evidence of insurance coverage required by Paragraph 10.J.; (5) you have furnished us with evidence that you have met all licensing requirements applicable to the Apostle Business; (6) you have furnished us copies of all insurance policies required by this Agreement, or by a lease, or such other evidence of insurance coverage and payment of premiums as Company may request; (7) hire and train the personnel necessary or required for the operation of the Apostle Business; (8) pay in full all amounts due to franchisor; and (8) we have provided you with written consent to open. You must complete the business opening requirements set forth herein and commence operation of your Apostle Business within ninety (90) days from the date of execution of this Agreement.

**G. Relocation.** If your Franchised Business Office is located within your principal residence, you may relocate the Franchised Business Office with reasonable notice to us but without our prior written consent. If your Franchised Business Office is located in a commercial office space, you may relocate your Franchised Business Office within your Area of Primary Responsibility, but only with our prior written consent. Any relocation under this Section 4.G. will be at your sole expense and we have no obligation to provide you relocation assistance. You must continue to operate the Apostle Business at all times during the relocation. If your Franchised Business Office is located in a commercial office space, you must be in full compliance with this Agreement and any other agreements with us as a condition of our approval of your relocation.

## **5. TRAINING AND OPERATING ASSISTANCE.**

**A. Initial Training.** Before the opening of your Apostle Business, we will furnish, and at least one (1) Owner, including the Majority Equity Owner, must attend and complete to our satisfaction, an initial training program of up to ten (10) days covering the operation of an Apostle Business. In preparation for the Initial Training, your Owners and any Designated Managers must complete pre-training materials sent to you by the Company and complete certifications required by Company before attending Initial Training. We, in our discretion, will determine when the initial training will take place, where it will take place, and how long it will last. The total days of initial training provided may vary dependent upon the prior experience of the attendees and other factors. Up to two (2) Owners and/or Designated Managers will be provided training for the Initial Franchise Fee, as long as the two (2) Owners and/or Designated Managers attend the same initial training program. If you send additional people to the initial training program, you must pay the current tuition fee for such training and scheduling will be based on available space.

If, during the initial training program, we determine, in our sole discretion, that your Owners or Designated Managers are not qualified to manage an Apostle Business, we have the right to require your Owners or Designated Managers to attend and successfully complete additional training for an additional fee and/or to terminate this Agreement, effective upon delivery of written notice thereof to you. Upon such termination, you must return any and all manuals and other proprietary materials delivered to you prior to and during training.

We reserve the right in our sole discretion to require that all additional or replacement Designated Managers attend and successfully complete the initial training program. If we require that additional or replacement Designated Managers attend the initial training program, you must pay the current per diem fee for such training. If we do not require but you desire to send additional or replacement Designated Managers to our initial training program, you must pay the current per diem fee for such training and scheduling will be based on available space.

You will be solely responsible for all expenses, including, without limitation, travel, room, board, transportation expenses, and wages, incurred by your Owners or Designated Managers in connection with attending any initial training program. Your Owners, including your Majority Equity Owner, and your Designated Managers, if applicable, must complete the initial training program to our satisfaction between one (1) and fourteen (14) days prior to the opening of your Apostle Business.

**B. On-Site Start-Up Assistance.** Within the first sixty (60) days of the opening of your Apostle Business, we will send one of our representatives to your Area of Primary Responsibility to provide on-site opening assistance for up to two (2) days. We, in our discretion, will determine when the on-site assistance and training will take place and how long it will last. If you request or we require, in our sole discretion, additional on-site start-up assistance, you shall pay us our then-current daily fee for such on-site assistance and you will be responsible for all expenses, including, without limitation, travel, room, and board, incurred by our representative(s) in traveling to your Area of Primary Responsibility.

**C. Employee Training.** We have the right to specify training programs and materials that you must follow and use in training your instructors and other designated employees in the System for protection of the brand and Marks.

**D. Supplemental Education.** We may from time to time provide, and may require, that previously trained and experienced Owners or Designated Managers attend and successfully complete supplemental training, seminars, programs, regional franchise meetings, teleconferences or webinars (“Supplemental Education”) to be conducted at locations designated by us. You will be solely responsible for all expenses, including, without limitation, travel, room, board, transportation expenses, and wages, incurred by your Owners or Designated Managers in connection with attending any supplemental training programs. We reserve the right to designate a third party to conduct such Supplemental Education.

**E. Annual Conference.** If the Company holds an Annual Conference for franchisees, at least one Owner, including the Majority Equity Owner, and any Designated Manager(s) must

attend Company's Annual Conference each time it is held during the term of this Agreement, unless we agree in writing that you will not be required to attend in our sole discretion. We may charge you a fee to attend the conference ("Conference Registration Fee"). We may also charge you the Conference Registration Fee for your Designated Manager(s) that we require attend the conference. If you fail to attend or fail to cause your Designated Manager(s) to any conferences during the term of this Agreement that are mandatory, you remain obligated to pay the Conference Registration Fee(s). You are solely responsible for all expenses, including, without limitation, travel, room, board, transportation expenses, and wages, incurred by your Owners or Designated Managers in connection with attending the conference. This provision shall not obligate the Company to hold an Annual Conference of franchisees each year. Any failure to attend any Annual Conference during the term of this Agreement shall be a material breach of this Agreement.

**F. Operating Assistance.** We will furnish you with such ongoing guidance and assistance in connection with the operation of your Apostle Business as we from time to time deem appropriate. Operating assistance may consist of advice and guidance with respect to: (1) sale of services and products authorized for sale and the specifications, standards, methods and operating procedures used by Apostle Businesses; (2) prices for the services and products offered for sale at the Apostle Business which in our judgment constitute good business practice; however, such advice or guidance shall not be deemed or construed to impose upon you any obligation to charge any fixed, minimum or maximum prices for any service or product offered for sale by your Apostle Business except as permitted by law; (3) any changes in the services and products authorized for sale by the Apostle Business; (4) purchasing vehicles, furniture, fixtures, equipment, signs, computer systems, and supplies; (5) developing and implementing advertising and promotional programs; (6) administrative, bookkeeping, accounting, sales and general operating procedures for the proper operation of an Apostle Business; (7) establishing and conducting employee training programs at an Apostle Business; and (8) changes in any of the above that occur from time to time. We may advise you from time to time of operating problems of your Apostle Business disclosed by reports submitted to or inspections made by us.

This guidance will, in our sole discretion, be furnished in the form of the Company's Operations Manual or other written materials, webinars, telephone consultations, electronic communication, and/or consultations at the offices of the Company or at the Apostle Business.

**G. Additional Operating Assistance.** At your request, we may provide you, at our discretion, additional guidance and assistance at your Apostle Business by a representative of the Company. In the event that you are not operating your Apostle Business in compliance with the standards, specifications and operating procedures set forth in this Agreement or in the Operations Manual, we may require additional training for your Owner(s), including your Majority Equity Owner, and your Designated Manager(s) at either the Area of Primary Responsibility of your Apostle Business or other location we designate. In either event, we will charge you the then-current per diem fees for such additional training and assistance and travel expenses for our representative who conducts such training and assistance at your Area of Primary Responsibility.

**H. Operations Manual.** We will grant you access during the term of the franchise to the Operations Manual, which may consist of one or more manuals for the Apostle Business and will

be provided to you by secure access on a web platform or franchise intranet (collectively referred to as the "Operations Manual"). The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures and policies which we prescribe from time to time for the Apostle Business, as well as information relative to other obligations you have in the operation of your Apostle Business and under this Agreement. We have the right to add to, and otherwise modify, the Operations Manual from time to time to reflect changes in, additions to and deletions from authorized services and products, specifications, standards and operating procedures, policies and other obligations in operating an Apostle Business under this Agreement. Revisions to the Operations Manual will be deemed effective immediately, unless we specify a later effective date for a particular revision. The master copy of the Operations Manual that we maintain online will be controlling, in the event a dispute develops with respect to the contents of the Operations Manual. You agree that you will not at any time copy any part of the Operations Manual, permit any part of it to be copied, disclose it to anyone other than employees having a need to know its contents for purposes of operating your Apostle Business, or give anyone other than employees having a need to know its contents for purposes of operating your Apostle Business access to the Operations Manual without our prior written consent.

**I. National Accounts.** We may, but are not obligated to, develop various National Accounts under a National Accounts Program. We, in our discretion, shall determine the best method of pursuing, negotiating with and servicing National Accounts, and shall establish the terms for each National Account contract in its sole discretion, based on the needs of the National Account and its customers, the Company, the System and the Apostle franchisees. A "National Account" as used herein is a business, institution, governmental agency or other person or entity that either itself or through common ownership, association or independent contractors, has multiple locations in a number of geographic areas that fall within multiple franchise territories, has ongoing demands for services and products that in a number of geographic areas or that exceed the capability of any single franchised business, and/or prefers a single contact in order to control pricing, billing, customer satisfaction, and/or similar requirements.

A. In order to participate in the National Accounts Program, you must (i) be and remain in compliance under this Agreement, and (ii) comply with our published standards, policies and procedures for participation in the National Accounts Program as they may be modified and supplemented from time to time. Further, in order to provide services to a particular National Account, you must comply with the requirements of that particular National Account. You shall have the right to decline participation in the National Accounts Program or with respect to a particular National Account.

B. Regardless of any other provisions of this Agreement, we grant to you no territorial rights of any kind whatsoever in connection with the National Accounts Program. You agree that we and third parties designated by us may solicit prospective National Accounts located within your Area of Primary Responsibility in order to develop them as National Accounts. Further, in the event that you decline to participate in the National Accounts Program, decline to service any National Account location within your Area of Primary Responsibility, or are prohibited from providing services to the National Account location within your Area of Primary Responsibility pursuant to the standards, policies and procedures of the National Accounts

Program or the requirements of a particular National Account, Company, its affiliates or designated agents or other Apostle franchisees may provide services at National Account locations or to National Account customers located within your Area of Primary Responsibility without violating your rights to the Area of Primary Responsibility. You shall not be entitled to any compensation with respect to services provided to any National Account location or customer within your Area of Primary Responsibility after you have declined to provide such service or you are prohibited to provide such services pursuant to the standards, policies and procedures of the National Accounts Program or the contract with any particular National Account.

C. If we will be providing administrative, billing and/or collection services with respect to any National Account, we have the right to charge you a reasonable administrative fee for such services.

## 6. **MARKS.**

**A. Ownership and Goodwill of Marks.** You acknowledge that our Affiliate owns the Marks which have been licensed to the Company and that your right to use the Marks is derived solely from this Agreement and is limited to your operation of your Apostle Business pursuant to and in compliance with this Agreement, the System, and all applicable specifications, standards and operating procedures we prescribe from time to time during the term of the franchise. Any unauthorized use of the Marks by you will constitute an infringement of our and our Affiliate's rights in and to the Marks. You acknowledge and agree that all usage of the Marks by you and any goodwill established by your use of the Marks will inure to the exclusive benefit of us and our Affiliate, and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate an Apostle Business in compliance with this Agreement).

You must not, at any time during the term of this Agreement or after its termination or expiration do any of the following: (1) make any oral or written representation or admission that any of the Marks is in any way invalid or infringes the rights of any person or is open to any other form of attack, (2) contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of the Marks, or (3) take any action that derogates, tarnishes or dilutes our claimed rights in and to the Marks.

All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork and logos we may authorize you to use during the term of this Agreement.

**B. Limitations On Your Use of Marks.** You agree to use the Marks as the sole identification of your Apostle Business, except that you must display in the manner we prescribe notices to employees, customers, vendors and other third parties identifying yourself as the independent owner of the Apostle Business pursuant to a Franchise Agreement with us. You may not use or register any Mark as part of any entity name or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos and additional trademarks and service marks licensed to you under this Agreement), or in any modified form. You may not apply to register or register any Mark in any forum. You may not use any Mark in connection with the sale of any

unauthorized product or service or in any other manner we have not expressly authorized in writing. You agree to display the Marks prominently and in the manner we prescribe in operating your Apostle Business, including signs and forms, and in connection with marketing, advertising and promotional materials. You also agree to use only notices of trademark or service mark registrations and copyrights as we specify and to obtain any fictitious or assumed name or "doing business as" registrations that are required under applicable law.

**C. Website; Use of Marks on the Internet.** The Company and its Affiliate have developed a web site (the "Apostle Website") at [www.apostleradon.com](http://www.apostleradon.com). The Apostle Website, as it may be developed and changed from time to time, is the sole property of the Company's Affiliate. Company may provide you with a page or linked page on the Apostle Website. The specifications, standards and procedures you must follow for developing and maintaining a page on the Apostle Website shall be set forth in the Operations Manual or otherwise in writing. All content on your page on the Apostle Website is subject to our prior written approval, which may be revoked at any time in our sole discretion.

You shall not obtain or register any domain names/URL addresses for the Internet incorporating the Marks or create, develop, maintain and/or use your own web site on the Internet using any of the marks without our prior written consent. If we do grant consent to the establishment of your own local website, the website may not be published to the public or content revised without our express written approval. You shall not use any of the Marks on the Internet in any directory listing or advertising without the Company's prior written consent. You shall not make any reference to or any association with the Marks on any social media site, social network, blog, or other on-line venue or in any other manner on the Internet without the Company's prior written consent, which may be revoked at any time in our sole discretion. If any of the foregoing uses is specifically permitted by the Company, your use must conform completely to all of the Company's applicable standards, policies and procedures as set forth in the Operations Manual or otherwise in writing.

**D. Notification of Infringements and Claims.** You agree to notify us in writing within one (1) week of any apparent or suspected unauthorized use of the Marks, any challenge to the validity of the Marks, any challenge to our Affiliate's ownership of, our right to use or license others to use, or your right to use, the Marks or similar trade names, domain names, trademarks, service marks or trade dress, or any claim by any person of any rights in any Mark or any similar trade name, domain name, trademark, service mark or trade dress of which you may become aware. You agree not to communicate with any person except us or our or our Affiliate's attorneys and your attorneys in connection with any such infringement, challenge or claim. We and our Affiliate have sole discretion to take such action as we deem appropriate and the sole right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding, arising out of any infringement, challenge or claim or otherwise relating to any Mark. We and our Affiliate have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. You agree to sign any and all instruments and documents, provide such assistance and take any action that our or our Affiliate's attorneys say are necessary or advisable to protect and maintain our interests in any such litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding related to the Marks or to otherwise

protect and maintain our interests in the Marks. COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

**E. Discontinuance or Substitution of Marks.** If it becomes advisable at any time, in our or our Affiliate's sole discretion, for your Apostle Business to modify or discontinue use of any Mark or for your Apostle Business to use one or more additional or substitute trademarks, service marks, trade names or domain names, you agree to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trademarks, service marks, trade dress or domain names, within a reasonable time after our notice to you at your expense. If we require you to modify or discontinue use of any Mark, we and our Affiliate have no obligations or liability to you for your actual expenditures or other costs you incur in order to comply with this obligation.

**F. Right of Inspection.** In order to determine whether you are operating the Apostle Business in compliance with this Agreement and the policies, procedures, standards and specifications in the Operations Manual for the protection of the Marks and to ensure that you are properly employing the Marks in the operation of your Apostle Business, we or our agents shall have the right to enter and inspect your Apostle Business, including but not limited to the operations and the services being performed, including installations, at all reasonable times and without prior notice to you. We have the right to observe the manner in which you are rendering services and conducting your operations, to interview your employees and customers, to take photographs, and to select equipment and supplies for test of content and evaluation purposes to make certain that the equipment and supplies are satisfactory and meet the quality control provisions and performance standards established by us. We shall also have the right to conduct customer satisfaction surveys. You agree to fully cooperate with our representatives conducting any such inspection.

## **7. CONFIDENTIAL INFORMATION; NON-COMPETITION.**

**A. Types of Confidential Information.** We and our Affiliate possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge developed by our Affiliate, us and our franchisees: (1) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of the Apostle Businesses; (2) sources of supply, purchasing, and methods of providing the services and products sold by Apostle Businesses; (3) knowledge of sales and profit performance of any one or more the Apostle Businesses; (4) knowledge of test programs, concepts or results relating to new services and products; (5) advertising, marketing and promotional programs; (6) the selection and training of the Apostle Business managers and other employees; (7) the contents of the Operations Manual or other written materials provided to you; (8) any customized software or proprietary software developed by or for us for the System; and (9) all customer information, lists, data and records. All such information will be referred to in this Agreement as "Confidential Information." We will disclose much of the Confidential Information to you, and will do so in furnishing to you the training programs, the Operations Manual, or other materials in written or electronic form and in providing guidance and assistance to you under this Agreement. In addition, in the course of the operation of the Apostle

Business and for six (6) months after the termination or non-renewal of this Agreement, you or your employees may develop ideas, inventions, formulas, concepts, methods, techniques or improvements relating to the System or the Apostle Business, you agree to immediately disclose to us any such ideas, inventions, formulas, concepts, methods, techniques or improvements, which we may then authorize you and other the Apostle Businesses to use. You will also assure that any corresponding intellectual property rights (including without limitation any rights in utility or design patents, know-how, trade secrets, trademarks, services marks and copyrights) in such ideas, inventions, formulas, concepts, methods, techniques or improvements will be our property and the title and rights to which shall be legally assigned to us immediately in writing by you, the Owners, your managers and/or employees. All of such information developed by you or your employees will be included in the term "Confidential Information," as defined above.

**B. Confidentiality Agreement.** You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of the Apostle Business in compliance with this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute misappropriation, an unfair method of competition, a breach of this Agreement and copyright infringement. You acknowledge and agree that the Confidential Information belongs to us, is proprietary information, that also is subject to copyright prosecution, contains trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you and your Owners: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure to your employees and the use of confidentiality and non-competition agreements, trade secret disclosure forms, exit acknowledgements and other documents in a form that we prescribe with Owners, managers and employees who attend or receive our training and/or have access to the Confidential Information. Upon our request, you must provide us with copies of signed confidentiality and non-competition agreements of any Owners, managers and employees. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the public domain (as long as the availability of this information is not because of a disclosure, whether deliberate or inadvertent, by you or your Owners) and (b) disclosure of the Confidential Information in legal proceedings when you are legally required to disclose it and you have first given us the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially .

**C. In-Term Non-Competition Agreement.** You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure, that such unauthorized disclosure would cause us irreparable harm, and we would be unable to encourage a free exchange of ideas and information among the Apostle Businesses if owners of the Apostle Businesses were permitted to hold interests in any competitive businesses, as described below. You also acknowledge that we have granted this Franchise Agreement to you in part in consideration of, and in reliance on, your and your Owners' agreement to deal exclusively with us. Therefore, during the term of this



Agreement, neither you nor any Owner, nor any member of your or their immediate families, may, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with, any person or legal entity, own, maintain, operate, engage in, consult with, or have any interest (as a disclosed or beneficial owner) in any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business (except another the Apostle Business operated pursuant to a franchise agreement with us), or any entity which is granting franchises or licenses or entering into joint venture relationships for any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business (The ownership of 5% or less of a publicly traded company will not be deemed to be prohibited by this Paragraph). Further, during the term of this Agreement, you shall not divert any customers or prospective customers from your Apostle Business to any other business.

## **8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. Independent Contractor; No Fiduciary Relationship.** It is understood and agreed by both you and the Company that this Agreement does not create a fiduciary relationship between us, that you and the Company are independent contractors and that nothing in this Agreement is intended to make either of us a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. You agree to conspicuously identify yourself at installation sites and your office, if applicable, and in all dealings with potential and existing customers, employees, suppliers, and others as the owner of an independent Apostle Business pursuant to a franchise agreement with us. You further agree to place any notices of independent ownership on your signs, vehicle wraps, forms, business cards, stationery, advertising and other materials that we may require from time to time.

**B. No Liabilities, No Warranties.** We have not authorized or empowered you to use the Marks except as provided by this Agreement. You agree not use any Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, application for any license or permit, or any other legal obligation, or in any manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither you nor the Company will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than that of franchisor and franchisee.

**C. Indemnification; Tax Liability.** We will not be obligated by, or have any liability under, any agreements, representations or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of your development and/or operation of your Apostle Business, whether or not caused by the negligent or willful action or failure to act on the part of you, the Owners, managers, employees or agents. You must pay when due all taxes, accounts and other indebtedness of every kind you incur in conducting your Apostle Business. We will have no liability for any sales, use, excise, income, gross receipts, property or other taxes, whether levied against you, the Apostle Business or your assets, or on us, in connection with the business you conduct, or on any payments you make to us pursuant to this Agreement or any franchise agreement, including but not limited to royalty fees (except for our own income taxes). You agree to indemnify, defend and hold us, our

affiliates, and our and our affiliates' shareholders, directors, officers, employees, agents and assignees, harmless against and to reimburse us for: (1) all such obligations, damages, and taxes for which we are held liable and for all costs we reasonably incur in the defense of any such claim brought against us or in any such action in which we are named as a party plus an administrative fee of ten percent (10%); (2) any liability, cost or expense we suffer, sustain or incur arising out of or relating to your development and/or operation of your Apostle Business or any of your Owners', managers', employees', or other agents' acts or failure to act in connection therewith; and (3) all cost, expense or loss we incur in enforcing the provisions of this Agreement, in defending our actions taken relating to this Agreement, or resulting from your breach of this Agreement. This indemnification includes without limitation actual and consequential damages, reasonable arbitrators', attorneys', accountants' and expert witness fees (including those for appeal), costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. We have the right to defend any such claim against us. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

D. **No Employment Relationship.** You expressly acknowledge that Company is not your employer or an employer of any of your employees. In addition, Company is not a joint employer with you. You acknowledge that Company's training, guidance, advice and assistance, your obligations under this Agreement and the standards, specifications, policies and procedures required by Company under this Agreement and in the Manual are imposed not for the purpose of exercising control over you but rather for the limited purpose of protecting the Marks, System and Confidential Information, goodwill and brand consistency. You shall notify and communicate clearly with your employees in all dealings, including without limitation, employment applications and other employment forms, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that you (and only you) are their employer and that Company is not their employer. You are solely responsible for the management and supervision of the Apostle Business as an independent franchise owner/operator.

## 9. **INITIAL AND CONTINUING FEES.**

A. **Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount set forth on the Summary Page (the "Initial Franchise Fee"). This fee is not refundable.

### B. **Royalty Fee.**

1. In further consideration of the rights granted under this Agreement, throughout the term of this Agreement, you agree to pay Company on Tuesday of the following week for the preceding week (Sunday to Saturday), a royalty fee in the amount of eight percent (8%) of Franchisee's Gross Revenues ("Royalty Fee").

2. The total Royalty Fees that you must pay us during every 12-month period of January 1<sup>st</sup> through December 31<sup>st</sup> ("Calendar Year") the following minimum annual royalty payment:

<b>Calendar Year</b>	<b>Minimum Annual Royalty Payment</b>
1 <sup>st</sup> Calendar Year	\$4,800
2 <sup>nd</sup> Calendar Year	\$8,000
3 <sup>rd</sup> Calendar Year	\$12,000
4 <sup>th</sup> Calendar Year	\$17,600
5 <sup>th</sup> and subsequent Calendar Years	\$24,000

(“Minimum Annual Royalty Payment”). The Minimum Annual Royalty Payment due during your first Calendar Year will be prorated based on the number of weeks your Apostle Business was in operation during your first Calendar Year. If, during any Calendar Year, you do not pay us an amount in Royalty Fees that equals or exceeds the Minimum Annual Royalty Payment, you must pay us, without demand, the difference between Royalty Fees actually paid during the Calendar Year and the Minimum Annual Royalty Payment (“Catch-Up Payment”) within twenty (20) days following the end of each Calendar Year.

3. Company reserves the right to collect payment of the royalty fee on a different day of each week or more or less often than weekly.

C. **Minimum Annual Performance Requirement.** You must maintain a certain level of Gross Revenues during each Calendar Year. The required level of Gross Revenues is as follows:

<b>Calendar Year</b>	<b>Minimum Annual Performance Requirement</b>
1 <sup>st</sup> Calendar Year	\$60,000
2 <sup>nd</sup> Calendar Year	\$100,000
3 <sup>rd</sup> Calendar Year	\$150,000
4 <sup>th</sup> Calendar Year	\$220,000
5 <sup>th</sup> and subsequent Calendar Years	\$300,000

(“Minimum Annual Performance Requirement”). The Minimum Annual Performance Requirement during your first Calendar Year will be prorated based on the number of weeks your Apostle Business was in operation during your first Calendar Year. If, during any Calendar Year you do not maintain the Minimum Annual Performance Requirement, we may: (1) require your Owners and Designated Managers we determine to attend additional training programs; or (2) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If, at the end of the next Calendar Year, you have not achieved the Minimum Annual Performance Requirement, we may eliminate your territorial protection or terminate the Franchise Agreement.

C. **Brand Development Fund Contribution.** As more fully described in Paragraph 11.A, we maintain and administer an advertising, marketing and promotional fund covering all of our franchisees (the "Brand Development Fund") for such advertising, marketing and promotions as we may deem necessary or appropriate in our sole discretion. You must contribute to the Brand

Development Fund an amount up to two percent (2%) of Gross Revenues (as defined below) of your Apostle Business. This Brand Development Fund contribution will be payable weekly along with the royalty fee as provided in Paragraph 9.F. below. Company will give you at least sixty (60) days written notice before increasing or decreasing the percentage of the Brand Development Fund contribution.

**D. Technology Fee.** We reserve the right to charge you a technology fee ("Technology Fee") of up to Four Hundred Dollars (\$350.00) per month ("Maximum Technology Fee"). We reserve the right to increase the Maximum Technology Fee by ten percent (10%) per year. We have the right to determine how and for what purposes the technology fees will be used, which may include covering our costs or paying fees to third party providers for technology development, maintenance, and usage for the franchise system, and subscription and license fees paid by us in order for franchisees to have access to and use certain technology tools. This Technology Fee contribution will be payable monthly along with the weekly royalty fee and weekly brand development fund contribution as provided in Paragraph 9.F. below. We will give you at least sixty (60) days written notice before increasing or decreasing the Technology Fee or imposing an annual increase in the Maximum Technology Fee.

**E. Definition of "Gross Revenues".** As used in this Agreement, the term "Gross Revenues" means the total receipts of all money or property of any kind, for or in connection with the services rendered by you at any location, and any products sold, directly or indirectly, in connection with the Apostle Business. The term shall be deemed to include checks, drafts, money orders, credit card payments, and all other instruments and forms of payment whether or not the same are postdated or are later dishonored or rescinded or payment is stopped thereon. Gross Revenues will be deemed received for purposes of this Agreement on the date that payment in whatever form is actually collected and received by the Apostle Business. The term shall not include applicable sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

**F. Electronic Funds Transfer.** You must make the weekly payments for the royalty fees, Brand Development Fund contributions, and any and all other fees that may become due and payable to us hereunder by either electronic transfer or electronic debiting of your business account, or in any other manner that Company may hereinafter designate. Upon the execution of this Agreement, you must execute the electronic funds transfer authorization form attached to this Agreement as Exhibit 4, and thereafter and shall execute any other documents as may be required from time to time by Company to permit Company to electronically transfer funds or debit your account for the purpose of making the required payments. You may not make any change in your banking relationships, including any change in the account number of your business account, or any change in banks, without our prior written approval and your execution of new authorization forms. On Monday of each week, you must submit to us, in the form and manner we specify a statement of Gross Revenues for the previous week. Payments of the royalty fee, Brand Development Fund contributions and any other fees due for each week will be transferred on Tuesday of each week based on the Gross Revenues for the previous calendar week reported by you. Payments of the Technology Fee and any other fees due for each month will be transferred on the first Tuesday of each month. You agree to make the funds available for withdrawal by electronic transfer or debiting before Tuesday of each week. If a Tuesday of any week is a bank holiday, payments will be transferred on the next business day. If at any time a withdrawal is made and you do not have sufficient funds in the

account, you must pay us an insufficient funds fee in the amount of Two Hundred Fifty Dollars (\$250.00). We reserve the right to change the frequency of payments upon sixty (60) days' notice to you.

If you fail to submit a report of the Gross Revenues of your Apostle Business and we do not have access to this information, we may transfer or debit from your account an amount which is one hundred twenty percent (120%) of the last amount we transferred for payment of weekly royalty fees, Brand Development Fund contributions, and any other continuing fees. If the amount of the royalty fees and Brand Development Fund contributions we transferred is less than the amount that you actually owe to us (once we have determined the true and correct Gross Revenues of the Apostle Business), we will transfer from your account the balance of the royalty fee, Brand Development Fund contribution, and other fees due. If the amount transferred from your account is greater than the royalty fees, Brand Development Fund contributions and other fees actually owed, we will credit the excess against the next transfer for royalty fees, Brand Development Fund contributions and other fees due.

**G. Interest on Late Payments.** To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, you will pay us upon demand interest on all amounts due and owing to us not paid on the due date in the amount of the lesser of one point five percent (1.5%) per month or the highest legal rate permissible under applicable law for open account business credit. You acknowledge that the inclusion of this Paragraph in this Agreement does not mean we agree to accept or condone late payments nor does it indicate that we have any intention to extend credit to, or otherwise finance your operation of the Apostle Business. Further, you acknowledge that notwithstanding the provisions of this Paragraph 9.G., your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14.

**H. Application of Payments.** When we receive a payment from you, we have the right in our sole discretion to apply the payment received as we deem appropriate to any past due indebtedness of yours due to us or our affiliates, whether for royalty fees, Brand Development Fund contributions, other fees or payments due to us, interest, or for any other reason, regardless of how you may designate a particular payment to be applied.

## **10. IMAGE AND OPERATING STANDARDS.**

**A. Importance of Maintaining Standards.** By signing this Agreement, you indicate that you understand and acknowledge that every detail of the System is important -- not only to you, but to us and to other the Apostle Businesses -- in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, to establish and maintain a reputation for operating high quality services, to achieve the degree of quality expected by customers of the Apostle Business, and to protect the goodwill of the Marks and all the Apostle Businesses.

You also acknowledge that a fundamental requirement of the System, this Franchise Agreement, and other the Apostle Businesses is adherence by all franchisees to the Company's

standards, policies, specifications and procedures as they may develop and change over time, except for certain regional or individual differences we may approve from time to time.

**B. Condition and Appearance.** In order to achieve the standards of quality, service and appearance that are necessary in the System, you agree that:

(1) you will maintain the condition and appearance of the vehicles, furniture, fixtures, equipment, signs, and office in accordance with our standards and consistent with the image of an Apostle Business and its high-quality services and products and observe the highest standards of efficient and courteous service. In that connection, you will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repair, and repainting and redecorating of the office at reasonable intervals; and (b) repair or replacement of damaged, worn out or obsolete vehicles, furniture, fixtures, equipment, signs and supplies;

(2) you will replace or add new vehicles, furniture, fixtures, equipment, and supplies when we reasonably specify in order to meet customer demand, meet changing standards or accommodate new services, new products, and new methods of providing the new services and products; and

(3) you will place or display on the vehicles only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve.

We reserve the right to require you to complete a full reimaging, renovation, refurbish and modernization of the Apostle Business, within the time frame we require, including the vehicles, equipment, computer systems, signs, decor items, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies and other products and materials, to meet the then-current design criteria for Apostle Businesses (“Franchise Trade Dress Update”). You shall only be required to perform a Franchise Trade Dress Update once every five (5) to seven (7) years and you shall not be required to perform a Franchise Trade Dress Update if there is less than one (1) year remaining in the Term. Nothing herein shall be deemed to limit your other obligations during the Term to operate the Apostle Business in accordance with our standards and specifications for the System including but not limited to the obligations set forth in this Article 10.

We reserve the right to designate a supplier, which may be us, for products and supplies you must purchase to maintain system standards, including but not limited to furniture, fixtures, equipment, supplies, and signage.

If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the vehicles, office, furniture, fixtures, equipment, signs and supplies do not meet our standards, we may notify you, specifying the action you need to take to correct the deficiency. If you do not initiate within ten (10) days after receipt of our notice, and then continue in good faith and with due diligence a bona fide program to complete any required maintenance or replacement, we have the right, but not the obligation, to do the required maintenance and replacement on your behalf, and you

agree to reimburse us on demand. The foregoing is in addition to any other remedies we may have, including, but not limited to, those regarding termination of this Agreement under Section 14.

**C. Service Methods and Products.** The presentation of the Apostle Business image to the public is an essential element of a successful franchise system. Therefore, you agree that (1) you will offer for sale all services and products that we authorize from time to time in our sole discretion; (2) you will offer and sell approved services and products only in the manner we have prescribed; (3) you will not offer for sale or sell any services or products we have not approved unless you have obtained our prior written approval; and (4) you will not use the Vehicles for any purpose other than the operation of your Apostle Business. You must at all times maintain an inventory of approved products, supplies and materials sufficient in quantity and variety to fulfill all customer needs and realize the full potential of an Apostle Business.

**D. Approved Products, Distributors and Suppliers.** The reputation and goodwill of the Apostle Business is based upon, and can be maintained only by, the sale of distinctive, high quality services and products and the delivery of those services and products in an efficient manner. We have developed standards and specifications for various services, including technology services, furniture, fixtures, equipment, tools, signs and supplies incorporated in or used in connection with the services and products authorized for sale at the Apostle Business. We have also developed standards and specifications for suppliers of the above products and services, including, without limitation, standards and requirements related to product quality, consistency, reliability, frequency of delivery, financial capability, labor relations and customer relations. You therefore agree that your Apostle Business will use only such furniture, fixtures, equipment, signs and supplies, and will offer for sale at your Apostle Business only such products that conform to our specifications and quality standards and/or are purchased from suppliers we have approved from time to time (which may include us and/or our affiliates).

You acknowledge and agree that we may approve a single supplier for any product, which supplier may include us or an affiliate, and that we may approve a supplier only as to certain products. Further, we may concentrate purchases with one or more suppliers to obtain lower prices or other benefits for the Apostle Business.

We may from time to time modify the list of approved product types, brands and/or suppliers, and you may not, after receipt in writing of any modification, reorder any product type or brand or reorder from any supplier which is no longer approved. If you would like to purchase any of the foregoing items of any brand or type or from a supplier which is not then approved, you must submit to Company a written request for approval of the proposed product or supplier and such other information as Company requires. Company has the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered, at Company's option, either directly to Company or to any independent, certified entity which Company designates for testing of the product. Company has the right to charge you or the supplier a non-refundable fee of Seven Hundred Fifty Dollars (\$750.00) per review. You or the supplier will also be responsible for covering Company's costs of inspection and testing incurred in making a suitability determination. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval of the supplier or product if the supplier does not

continue to meet all of our criteria. We will, within one hundred twenty (120) days from your written request for approval, notify you as to whether or not the proposed product and/or supplier is approved.

**E. Specifications, Standards, Policies and Procedures.** You agree to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written or electronic communication to you) relating to the management and operation of the Apostle Business. The mandatory specifications, standards, and operating policies and procedures we prescribe from time to time in the Operations Manual, or otherwise communicate to you in writing or electronically, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" include all such mandatory specifications, standards, and operating policies and procedures. The mandatory specifications will include, without limitation:

- (1) the manner in which the services are provided to customers;
- (2) the safety, maintenance, cleanliness, function and appearance of the Vehicles, your office, and the furniture, fixtures, equipment, signs, materials and supplies used in providing services to customers;
- (3) as applicable, the types and sources of supply for products authorized for sale to customers;
- (4) standard operating hours;
- (5) recommended pricing of services and products and maximum and minimum pricing as permitted by law;
- (6) qualifications, training, dress, general appearance and demeanor of the Apostle Business technicians who interact with customers;
- (7) use of the Marks and use of supplies, forms and materials imprinted with the Marks;
- (8) bookkeeping, accounting, customer data collection, and other recordkeeping systems and forms;
- (9) methods and materials for advertising, marketing and promotion; and
- (10) identification of you as the owner of your Apostle Business.

**F. Compliance with Laws.** You agree to secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of an Apostle Business. You agree to operate your Apostle Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to worker's compensation insurance, unemployment insurance, and withholding and payment of federal and state



income taxes, social security taxes and sales taxes. You agree to abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information obtained through the operation of your Apostle Business. You agree that you will not take any action, or fail to take any action, that may cause any licenses or permits to be revoked, suspended or restricted, and you are solely responsible for compliance with all applicable laws, regulations, ordinances and standards pertaining thereto. You must immediately notify us of steps taken or threatened to be taken by the issuing authority to revoke, suspend or restrict any of such licenses or permits. You must notify us in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, writ, injunction, award or decree, by any court, agency or other governmental unit which may adversely affect the operation or financial condition of you or your Apostle Business, or of any notice of violation of any law, ordinance, or regulation relating to safety.

**G. Good Business Practices.** You must at all times give prompt, courteous and efficient service to your customers and in all dealings with us, your customers and suppliers, the general public, public officials and prospective franchisees adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

**H. Management of the Franchise/Conflicting Interests.** Your Apostle Business must at all times be under the direct, day-to-day, full-time supervision of your Majority Equity Owner or a Designated Manager who has satisfactorily completed our training program. Your Owner(s) or Designated Manager(s) who are responsible for the day-to-day supervision of your Apostle Business may not engage in any other business or other activity, directly or indirectly, requiring substantial management responsibility, time commitments, or which may otherwise conflict with your obligations under this Agreement.

**I. Staffing.** You shall hire such managers and employees as are necessary for the operation of the Apostle Business in compliance with this Agreement and the policies, procedures, standards and specifications set forth in the Operations Manual. You are exclusively responsible for all employment decisions and functions related to the operation of the Apostle Business, including recruiting, hiring, firing, compensation, benefits, work hours and schedules, work rules, recordkeeping, supervision and discipline of employees. Franchisee shall notify and communicate clearly with its employees in all dealings, including without limitation, its employment applications, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that Franchisee (and only Franchisee) is their employer and that Company is not their employer. Franchisee shall comply with any state workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment or employee benefit law or regulation and shall establish employer accounts as required by applicable federal and/or state law. You shall implement a training program for your employees in compliance with Company's standards and specifications as set forth in the Manual in order to maintain uniformity within the franchise system for the protection of the brand and Marks.

**J. Insurance.** You must at all times during the term of this Agreement maintain in force, at your sole expense, comprehensive public liability insurance, product liability insurance and motor vehicle liability (including owned and non-owned auto liability) insurance against claims for bodily

and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Apostle Business or your conducting business pursuant to this Agreement. Such policies must be issued by an insurance carrier with a minimum rating of “A-“ by AM Best or comparable rating. Such insurance coverage must be maintained under policies of insurance containing minimum liability protection in such amounts and for such risks as we may specify from time to time in the Operations Manual or otherwise in writing. Current minimum insurance requirements are as follows:

<b>Coverage Types</b>	<b>Required Limits of Coverage</b>
General Liability	\$2 million aggregate \$1 million per occurrence
Contractor’s Blanket	No information on coverage limits in the policy
Radon Mitigation E&O and Limited Pollution	\$500,000 aggregate \$500,000 per claim
Umbrella Liability Coverage	\$1 million minimum coverage
Personal Injury	\$5,000 per person medical benefits
Personal and Advertising Coverage	\$1 million limit
Products/Completed Operations	\$1 million aggregate limit
Property Insurance	Coverage for 100% of the replacement cost of all equipment, fixtures, furniture, inventory, building (if applicable) and tenant buildout (if applicable)
Vehicle Coverage	Coverage for any vehicles used in the franchised business – whether owned or non-owned \$1 million combined singled limit per accident Required to follow state requirements for underinsured or uninsured coverage
Business Interruption Coverage	Lost income for up to 6 months
Workman’s Compensation	Minimum state requirements

All insurance policies must name us an additional insured, and must provide that we will receive thirty (30) days prior written notice of termination, expiration or cancellation of any such policy. All insurance policies required by this section must provide cross liability coverage. You waive all rights of subrogation against us for damages to the extent paid by insurance, except such rights as you may have to insurance proceeds.

We may reasonably increase the minimum liability protection requirement annually and we have the right to require at any time on reasonable prior notice to you different or additional kinds of

insurance to reflect inflation, changes in standards of liability or higher damage awards in public, product, or motor vehicle liability litigation or other relevant changes in circumstances.

You must submit to us prior to opening your Apostle Business and annually thereafter a copy of the certificate of or other evidence of such insurance policy and all renewals or extensions. If you at any time fail or refuse to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence of such coverage, we at our option and in addition to our other rights and remedies under this Agreement, may obtain such insurance coverage on your behalf, and you agree to promptly execute any applications or other forms or instruments required to obtain any such insurance, allow any inspections of the Apostle Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of ten percent (10%).

Your obligations to obtain and maintain the insurance described above is not limited in any way by reason of any insurance maintained by us, nor will your performance of such obligations relieve you of any obligations under Section 8 of this Agreement.

**K. Proprietary Products.** We may develop certain proprietary and/or branded products, materials, supplies, apparel, or other items branded with the Marks ("Proprietary Products") for use or sale in your Apostle Business. In the event such Proprietary Products are developed and implemented by us as part of the System, you shall carry an adequate supply and maintain a representative inventory of Proprietary Products in such amounts as we prescribe in the Operations Manual or otherwise in writing. You shall use and/or promote, offer, and sell all Proprietary Products prescribed by us as part of the System. You acknowledge that you will be required to purchase the Proprietary Products from us or a supplier we designate. You further acknowledge that failure to abide by this provision will result in diffusing the public image of the Apostle Businesses to the detriment of all franchisees using the System.

**L. Computer System; Proprietary Software.** You must purchase and/or lease and use in the operation of your Apostle Business, the computer system and/or web-based platforms and any other technology requirements as specified by us in the Operations Manual or otherwise in writing. You are responsible for being proficient in the use of any required computer system and/or web-based platforms and software. We shall have the right to access, for any purpose or use related to our operation, management and/or monitoring of the System, any information or reports generated or stored by the required computer system. We shall have the right to access the computer system for your Apostle Business at any reasonable time or through a web-based system as we deem necessary for retrieval of information and reports, maintenance or to inspect for compliance with our requirements. We shall have the right to require you to add to or replace any of the components of your computer system (hardware or software) or other required technology if, in the future, we deem the component to be (a) undersized or otherwise insufficient for the efficient operation and management of an Apostle Business, or (b) incompatible with our computer hardware or software, the computer hardware or software that we designate for franchise network use and/or any intranet established for the franchise network.

If we develop and custom design a software program and hardware system for conducting activities related to the Apostle Business (hereinafter "Software Program"), you agree to implement the Software Program into the Apostle Business, and to comply with all of our specifications and standards regarding the Software Program as provided from time to time in the Operations Manual. If we require you to implement the Software Program, you shall only use the Software Program as we prescribe. At such time as we require you to implement such Software Program, we will require you to purchase, lease or license the designated Software Program, to purchase or lease specified computer hardware compatible with the Software Program requirements and contract for on-going service, maintenance and support for such hardware and Software Program at terms we or suppliers designate.

You will be solely responsible for protecting your computer systems from viruses, computer hackers, and other computer-related and technology-related problems, and you release us from all claims you may have as a result of viruses, hackers, or other computer-related or technology-related problems.

**M. Payment Processing.** You must make arrangements for and accept payment systems we designate from time to time, as part of the operation of the Apostle Business, including but not limited to credit card payments through Visa, MasterCard, and other credit card and debit card issuers and sponsors, check verification services, electronic funds transfer systems, and mobile payment systems. Your payment processing systems must be compliant with current Payment Card Industry Data Security standards, all applicable data privacy laws, and any procedures required by the Operations Manual to prevent credit card fraud. You agree to indemnify and hold harmless us, our managers, members, directors, officers, employees and agents, from and against any and all loss, costs, expenses (including attorneys' fees), taxes, damages and liabilities, however caused, resulting directly or indirectly from your failure to comply with Payment Credit Industry Data Security Standards or data privacy laws.

**N. Internet.** You must maintain at all times an active e-mail account and have high speed access to the Internet for use in the operation of your Apostle Business, for communication with us, and for access to a franchise intranet, if developed. At our option, you must use an e-mail address designated by us.

## **11. MARKETING.**

**A. Brand Development Fund.** Recognizing the value of advertising to the goodwill and public image of the Apostle Businesses, we will administer a Brand Development Fund for the franchise system (the "Brand Development Fund") for such marketing, advertising and promotional programs as we, from time to time deem appropriate in our sole discretion. In Paragraph 9.C, you agreed to contribute to the Brand Development Fund.

We will be entitled to direct all advertising, marketing and promotional programs financed by the Brand Development Fund, with sole discretion over the creative concepts, materials, and endorsements used in them, and the geographic, market, and media placement and allocation of the programs. You agree that the Brand Development Fund may be used to pay the costs of preparing

and producing video, audio, written and electronic advertising materials; administering national, regional or local advertising and promotional programs including, without limitation, direct mail, social media and other media advertising; establishing and maintaining a website for the franchise system; supporting public relations, market research and marketing activities; providing advertising, marketing and promotional materials or content to the Apostle franchises; employing advertising or public relations agencies to assist in any of the activities of the Brand Development Fund; and other brand development activities. The Brand Development Fund will furnish you with approved advertising, marketing and promotional materials on the same terms and conditions as such materials are furnished to other Apostle franchises.

The Brand Development Fund will be a separate and distinct account, and will be accounted for separately from the other funds of the Company and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs and overhead we may incur in activities reasonably related to the administration of the Brand Development Fund and its advertising, marketing and promotional programs (including, without limitation, conducting market research, preparing advertising, marketing and promotional materials, and collecting and accounting for contributions to the Brand Development Fund). We may spend in any fiscal year an amount greater or less than the total contribution of the Apostle franchises to the Brand Development Fund in that year. We may cause the Brand Development Fund to borrow from us or other lenders to cover deficits of the Brand Development Fund or cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay advertising, marketing and promotional costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Brand Development Fund and will make it available to the Apostle franchisees upon request.

You understand and acknowledge that the Brand Development Fund is intended to maximize recognition of the Marks and patronage of the Apostle Businesses. Although we will endeavor to use the Brand Development Fund to develop advertising, marketing and promotional material, to place advertising and engage in other brand development activities in a manner that will benefit all the Apostle franchisees, we undertake no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Development Fund by the Apostle franchisees operating in that geographic area or that any the Apostle franchisee will benefit directly or in proportion to their contribution to the Brand Development Fund from the development of advertising, marketing and promotional materials or the placement of advertising. Except as expressly provided in this Paragraph 11.A, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Brand Development Fund.

We have the right to discontinue or to reestablish the Brand Development Fund. In the event we discontinue the Brand Development Fund, we will distribute all unspent amounts existing in the Brand Development Fund on the date of discontinuance to franchisees in proportion to their respective contributions for the most recent twelve (12) months.

**B. Grand Opening Marketing.** During the first eight (8) weeks following your completion of the initial training program, you must spend a minimum of Ten Thousand Five Hundred Dollars (\$10,500.00) on a grand opening marketing campaign in your Area of Primary Responsibility. The grand opening campaign must be conducted in accordance with the Operations Manual and/or other written guidelines we issue.

**C. Direct Marketing.** You shall promote the Apostle Business and market for new customers throughout the term of the franchise. Except as provided in Paragraph 2.C. above, you may only directly market for customers of the Apostle Business within the Area of Primary Responsibility. Direct marketing shall include all forms of advertising and promotion to new customers which can reasonably be related to a geographic area, including but not limited to cold calling, telephone solicitation, direct mailings, local media and targeted social media advertising.

**D. Local Marketing Requirement.** Beginning your fourth (4<sup>th</sup>) month of operation, we reserve the right to require you to make monthly expenditures on local marketing, advertising and promotion (“Local Marketing Requirement”) in the following amounts:

<b>Time Period</b>	<b>Requirement</b>
Months Four (4) through Twelve (12)	\$2,500 per Month
Month Thirteen (13) and thereafter	\$3,000 per Month

(the “Maximum Local Marketing Requirement”). We reserve the right to increase the Maximum Local Marketing Requirement by ten percent (10%) each year. We may periodically increase or otherwise modify the amount of your Local Marketing Requirement upon ninety (90) days’ written notice to you. Your Local Marketing Requirement excludes any contributions you make to the Brand Development Fund, defined in Section 11.A above, but any contributions you make to an advertising cooperative, defined in Section 11.F below, will count toward your Local Marketing Requirement. Your required cooperative advertising contributions could, by themselves, exceed the Local Marketing Requirement. We, our affiliates or a third party we designate may be a supplier of local advertising, marketing and promotional programs for your Apostle Business. If we or our affiliates become a supplier of local advertising, marketing and promotional programs, we reserve the right to collect the Local Marketing Requirement in the same manner as other fees due to us in accordance with Paragraph 9.F. below.

**E. Advertising Review.** Prior to your use of them, you must submit to us for approval or disapproval samples of all local marketing, advertising and promotional materials, programs and information, and content for your webpage (linked to our website), any listing on the Internet, or any information to be displayed on any social media site not prepared by us or our approved advertising or public relations agency or not previously approved by us. We will not unreasonably withhold approval of any marketing, advertising or promotional materials or programs or content for the internet. If you do not receive written approval within five (5) business days from the date of our receipt of such materials, programs or content submitted by you, the materials, programs or content will be deemed disapproved. You may not use any marketing, advertising or promotional materials or programs or content that we have disapproved. All marketing, advertising and promotional materials and content you use must be completely factual, in good taste (as determined in our sole

discretion) and must conform to the highest standards of ethical advertising. You agree to refrain from any marketing, advertising or promotion practice which may be harmful to your Apostle Business, the business of the Company and the goodwill associated with the Marks and other the Apostle Businesses.

F. **Cooperative Advertising.** In addition to your individual local marketing expenditures and contributions to the Marketing Fund, if a local or regional advertising cooperative is formed either by us or by Apostle franchisees and approved by us in your area or region, you agree to participate in such cooperative and contribute to the cooperative in the amount and manner agreed upon by a majority of the members of the cooperative. Each of the Apostle Businesses in the cooperative, whether franchised or company-owned or affiliate-owned, shall have one vote in the cooperative. Contributions made by you to the cooperative will be credited to your local advertising expenditure requirements in Paragraph 11.C. above. We assume no direct or indirect liability or obligation to you or to any advertising cooperative with respect to the maintenance, direction or administration of the cooperative, including without limitation, any failure by franchisees to make required contributions to the cooperative.

G. **Digital Marketing.** We or our Affiliate may, in our sole discretion, establish and operate social media accounts (such as Facebook, Twitter, Instagram, TikTok etc.), applications, keyword and ad word purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications or other means of digital advertising on the Internet or any other communications network (collectively “Digital Marketing”) that are intended to promote the Marks and Apostle Businesses. We and our Affiliate will have the sole right to control all aspects of Digital Marketing, including those related to your Apostle Business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that uses the Marks or is related to your Apostle Business. If we do give you written consent to conduct any Digital Marketing, you must do so in compliance with this Agreement and any specifications, standards, policies or procedures we may issue from time to time on Digital Marketing.

## 12. **RECORDS AND REPORTS; AUDIT.**

A. **Accounting and Records.** You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system that conforms to our requirements, specifications and formats we prescribe from time to time. We reserve the right to designate a third-party supplier for these bookkeeping, accounting and/or recordkeeping systems. You also agree to maintain at the Apostle Business and preserve for a minimum of five (5) years from the date of their preparation, full, complete and accurate books, records and accounts (utilizing the standard chart of accounts furnished or required by us), copies of sales tax returns and copies of such portions of your and your Owner's state and federal income tax returns as reflect the operation of your Apostle Business.

B. **Reports and Tax Returns.** You must furnish to us the following in the form and manner we require:

(1) on or before the time specified by us, statements relating to Gross Revenues for the immediately preceding calendar month.

(2) within ten (10) days after the end of each calendar month, a monthly profit and loss statement for your Apostle Business for the immediately preceding month and year-to-date.

(3) on or before April 25 of each year, a profit and loss statement and sources and uses of funds statement for your Apostle Business for the calendar year and a balance sheet for your Apostle Business as of the end of the calendar year. If we request, these annual financial statements must have been reviewed by an independent certified public accountant.

(4) within ten (10) days after the end of each calendar quarter, exact copies of all state sales tax returns as applicable.

(5) on or before April 25 of each year, exact copies of such portions of your and your Owners' federal and state income tax returns as reflect the operation of your Apostle Business.

Furthermore, you agree to furnish to us copies of any other reports we designate and such other information and supporting records as we from time to time prescribe. All such financial statements, reports and information must be submitted in the manner we prescribe in the Operations Manual or otherwise in writing. If you shall fail to furnish to us any of the required reports or financial statements by the due date set forth herein, we may charge you a late fee of One Hundred Dollars (\$100.00) for every five (5) days you fail to furnish such reports or financial statements.

We reserve the right to designate a third-party supplier for bookkeeping, accounting and recordkeeping. If we exercise this right, we have the right to require direct electronic access by the third party to your business records, bookkeeping and accounting records, bank statements, sales and income tax records and returns and other books and records of you and your Apostle Business. For purposes of this direct electronic access, records and reports exclude employment records for your employees.

**C. The Company's Right to Examine Books and Records.** We have the right at any time during business hours, and without prior notice to you, to examine or audit, or cause to be examined or audited, the business records, bookkeeping and accounting records, bank statements, sales and income tax records and returns and other books and records of you and your Apostle Business. For purposes of this examination and audit, records and reports exclude employment records for your employees. You agree to fully cooperate with our representatives and independent accountants hired by us to conduct any such examination or audit.

In the event any such examination or audit discloses an understatement of Gross Revenues, you must pay to us, within ten (10) days after receipt of the examination or audit report, the royalty fees and Brand Development Fund contributions due on the amount of such understatement, plus service charges (at the rate provided in Paragraph 9.H.) from the date originally due until the date of payment. Further, in the event such examination or audit (i) is made necessary by your failure to furnish reports, supporting records, financial statements or other documents or information as required



by the Agreement, (ii) is made necessary due to your failure to furnish such reports, records, financial statements, documents or information on a timely basis, or (iii) if an understatement of Gross Revenues for any month is determined by any such examination or audit to be greater than two percent (2%), you agree to reimburse us for the cost of such audit or examination, including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to all other remedies and rights we may have under this Agreement or any applicable law.

### **13. ASSIGNMENT.**

**A. By the Company.** This Agreement and the Franchise are fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Company herein.

**B. By Franchisee With Approval.** You understand and acknowledge that the rights and duties created by this Agreement are personal to your Owners and we have granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of your Owners. Therefore, except as otherwise provided in Paragraph 13.E below, neither the Franchise, your Apostle Business or a substantial portion of the assets of your Apostle Business (or any interest therein) nor any part or all of the ownership of the Franchisee may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised or otherwise transferred by you or your Owners (including, without limitation, by merger or consolidation, by issuance of additional securities representing an ownership interest in the Franchisee, or in the event of the death of an Owner of the Franchisee, by will, declaration of or transfer in trust or the laws of intestate succession) without our prior written approval. Further, neither your Apostle Business nor a substantial portion of its assets may be transferred without a concurrent transfer of this Agreement and the Franchise to the same transferee. Any such assignment or transfer without our approval will constitute a breach of this Agreement and will convey no rights to or interests in the Franchise, your Apostle Business or its assets.

**C. Conditions for Approval of Assignment.** If you (and your Owners) are in compliance with this Agreement, we will not unreasonably withhold our approval of an assignment, provided that the owners of the proposed assignee is, in our opinion, of good moral character and has sufficient business experience, aptitude and financial resources to own and operate an Apostle Business, does not have any conflicting interests unacceptable to us, and otherwise meets our then applicable standards for franchisees. In addition, the following conditions must be met prior to, or concurrently with, the effective date of the assignment:

(1) all obligations of you and your Owners under this Agreement have been assumed by the assignee and its owners;

(2) you have paid such royalty fees and Brand Development Fund contributions and any other amounts owed to us or our affiliates which are then due and unpaid;

(3) the assignee (Owners and designated employees) completes the initial training program required of new franchisees to our satisfaction;

(4) the assignee and its owners have, at our option, executed and agreed to be bound by either: (a) an assignment and assumption agreement satisfactory to us whereby the assignee assumes your obligations under this Agreement; or (b) the form of franchise agreement, owner guarantees and such other ancillary agreements as are then customarily used by us in the grant of franchises for an Apostle Business, which may provide for territorial rights, royalty fees, Brand Development Fund contributions and other fees and terms and conditions that differ from those contained in this Agreement;

(5) except to the extent limited or prohibited by applicable law, you and each of your Owners must have executed a general release, in form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents;

(6) you must provide us copies of agreements between you and the assignee pertaining to the assignment and we must have determined that the price and terms of payment are not so burdensome as to adversely affect the future operations of your Apostle Business by the assignee. We have the right to communicate with and confer with both you and the proposed assignee on any aspect of the proposed assignment and to furnish the proposed assignee with financial and other information regarding your franchise business in our possession; however, we have no obligation to provide guidance or advice to either party relating to the purchase and sale terms;

(7) you must have entered into an agreement with us agreeing that any obligations of the assignee to make installment payments of the purchase price to you will be subordinate to the assignee's ongoing obligations to us, including, without limitation, royalty fees, Brand Development Fund contributions, and any other amounts owed to us or our affiliates.

(8) you and or the assignee must agree to make within a time period we specify reasonable capital expenditures to remodel, replace or upgrade the Apostle Business, and furniture, fixtures, equipment and signs so that the Apostle Business reflects the then-current image intended to be portrayed by an Apostle Business. All remodeling, replacements and upgrades to the Apostle Business, furniture, fixtures, equipment and signs must be done in accordance with standards and specifications as prescribed by us.

(9) you (or the assignee) pay us a Transfer Fee equal to seventy-five percent (75%) of the then-current Initial Franchise Fee if the Transferee is a new franchisee or fifty percent (50%) of the then-current Initial Franchise Fee if the Transferee is an existing Apostle franchisee. The transfer fees required cover our administrative expenses in connection with the transfer. You shall pay a non-refundable deposit on the transfer fee in the amount of Five Thousand Dollars (\$5,000.00) at the time you request our written consent of the proposed transfer.

Our consent to an assignment of any interest subject to the restrictions of Paragraph 13.B or 13.C will not constitute a waiver of any claims we may have against the assignor, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee.

**D. Transfer to a New Entity.** If a proposed transfer among existing shareholders, partners or members of Franchisee the transfer fees shall be Two Thousand Five Hundred Dollars (\$2,500.00). In the event of such transfer, Franchisor reserves the right to waive conditions or requirements contained in Paragraph 13.C. in its sole discretion and to require the Principal(s) of the transferee to execute a Guaranty and Assumption of Franchisee's Obligations as required by Paragraph 4.A.1.

**E. Death or Disability of Franchisee.** Upon the death or permanent disability of any of your Owners, the executor or other personal representative of such person must transfer such person's interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a person approved by us. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to all the terms and conditions for assignments and transfers contained in Paragraphs 13.B and 13.C. Failure to transfer such interest within the required period of time will constitute grounds for termination under Section 14. Prior to such transfer, the executor or other personal representative of such person, or the remaining Owners, must appoint a competent manager within a reasonable time, not to exceed thirty (30) days from the date of death or permanent disability. The appointment of this manager is subject to our prior written approval, and this manager must, if requested by us, attend and satisfactorily complete our training program. If the Apostle Business is not being managed by an operating manager approved by us within thirty (30) days after the death or permanent disability, we are authorized, but we are not required, to immediately appoint a manager to maintain the operations of the Apostle Business. Our appointment of a manager for your Apostle Business will not relieve you of your obligations under this Agreement, and we will not be liable for any debts, losses, costs or expenses incurred in the operation of your Apostle Business or to any of your creditors for any products, materials, supplies or services purchased by your Apostle Business during any period in which it is managed by the manager appointed by us. We have the right to charge a reasonable non-refundable fee for such management services and to cease providing such management services at any time.

**F. Our Right of First Refusal.** If you or your Owners at any time wish to sell, assign or transfer for consideration either the Franchise, your Apostle Business (or an interest therein) or an ownership interest in the Franchisee, you or your Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must submit an exact copy of such offer to us. We will have the right, exercisable by written notice delivered to you or your Owners within thirty (30) days from the date of delivery of an exact copy of such offer to us, to purchase the Franchise, your Apostle Business (or such interest therein) or such ownership interest in the Franchisee for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer, we will have no less than sixty (60) days to prepare for closing and we will be entitled to all representations and warranties customarily given to the direct or indirect purchaser of a business. If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Paragraphs 13.B and 13.C, provided that if the sale to such purchaser is not completed within one-hundred twenty (120) days after delivery of such offer to us, or if there is a material change in the terms of the offer, we will again have the right of first refusal herein provided.

**G. Broker Fees.** If we incur brokerage commissions, finder's fees or similar charges in connection with a transfer of the franchise ("Broker Fees"), an interest in the Franchised Business, the assets of the Franchise Business or an interest in the franchisee, you shall reimburse us for any such Broker Fees we incur.

#### **14. TERMINATION OF THE FRANCHISE.**

**A. By the Company Without Opportunity to Cure.** You will be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted by this Agreement, without affording you an opportunity to cure the default, effective immediately upon delivery of notice of termination to you, if you (or any of your Owners):

(1) fail to open your Apostle Business for business as provided in Paragraphs 4.C or fail to satisfactorily complete the training program as provided in Paragraph 5.A;

(2) have made any material misrepresentation or omission in your application for the franchise rights conferred by this Agreement;

(3) abandon, surrender, or fail to actively operate your Apostle Business for five (5) or more consecutive days without our prior written consent;

(4) any license(s) required for your Apostle Business to provide the authorized services has been revoked by the issuing governmental authority, or you permit the license to lapse and fail to take all actions necessary to reinstate the license within five (5) days of expiration;

(5) are convicted of or plead no contest to a crime or engage in any immoral, dishonest or unethical conduct that we reasonably believe will affect the reputation of the Company, your Apostle Business, the System or the goodwill associated with the Marks;

(6) make an unauthorized assignment or transfer of this Agreement or your Apostle Business in violation of Section 13 herein;

(7) make any unauthorized use or disclosure of any Confidential Information, make any unauthorized use of the Marks or any other identifying characteristics of the System or otherwise impair the goodwill associated with these characteristics, or use, duplicate, or disclose any portion of the Operations Manual or other proprietary written materials;

(8) you (or any of your Owners) fail to comply with the covenants contained in Paragraph 7.B or 7.C of this Agreement;

(9) cause a threat or danger to public health or safety resulting from the operation of your Apostle Business and upon receipt of written or oral notice from us or governmental authority of the existence of such threat or danger, you fail to immediately cease any activity or conduct causing the threat or danger and fail to complete the cure of such breach within twenty-four (24) hours;

(10) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to (i) submit when due financial statements, reports or other data, information or supporting records; (ii) pay when due the royalty fees, Brand Development Fund contributions, or any other payments due to us (including by failing to have insufficient funds in the designated bank account on the date for electronic withdrawal); (iii) pay when due any approved or designated suppliers; or otherwise fail to comply with this Agreement, or with any mandatory specification, standard or operating procedures we prescribe from time to time, whether or not such failures to comply are corrected after notice of those failures to comply is delivered to you;

(11) your radon measurement and/or radon mitigation certifications or licenses are suspended or revoked and such certification has not been reinstated within seven (7) days thereafter; or

(12) fail to meet the Minimum Annual Performance Requirements for two consecutive Calendar Years.

Further, this Agreement will expire automatically without notice upon the presentation for filing by you (or any of your Owners) of a petition or application seeking any type of relief under the Federal Bankruptcy Act or any state insolvency or similar law, or upon your assignment for the benefit of creditors. (Upon presentation for filing of such a petition or application, the term of this Agreement will be deemed to be amended so that the expiration of this Agreement occurs at the moment said petition or application is presented to a court official for stamping and filing.) This Agreement will also terminate automatically without notice if someone files a petition or application seeking to have you (or any of your Owners) adjudicated a bankrupt or insolvent, or seeking other relief against you (or any of your Owners) under the Bankruptcy Act or any state insolvency or similar law and the petition or application is not dismissed within sixty (60) days after it is filed. In that event, the term of this Agreement will be deemed to be amended so that it expires on the 60th day after filing. You (and your Owners) expressly and knowingly waive any rights you may have under the provisions of the Federal Bankruptcy Rules, and consent to the termination or expiration of this Agreement, or any other relief which we may seek in a complaint to lift the provisions of any automatic stay under any bankruptcy rules. In addition, you (and your Owners) agree not to seek any injunctive relief from any court in any jurisdiction which would have the effect of staying or enjoining this provision.

**B. By the Company With Opportunity to Cure.** We have the right to terminate this Agreement upon written notice to you if you (or any of your Owners):

(1) fail to accurately report the Gross Revenue of your Apostle Business or to timely pay royalty fees, Brand Development Fund contributions, or other payments due to us or our affiliates, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;

(2) fail to purchase the insurance required by this Agreement and deliver proof of same to us or fail to reimburse the Company for its purchase of such insurance on your behalf within ten (10) days after notice from the Company.

(3) fail, for a period of ten (10) days after notification of non-compliance, to comply with any federal, state or local law or regulation applicable to the operation of the Apostle Business;

(4) fail to comply with any other provision of this Agreement or any mandatory specification, standard or operating policy or procedure we prescribe from time to time, and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you. If such breach cannot be reasonably be cured within such thirty (30) day period and if you commence a bona fide program to cure such breach within thirty (30) days and continue to take such actions as are necessary to complete such cure until completed, you will be given the reasonable amount of time required to complete the cure. If you fail to continue to take the necessary action to cure or you do not complete the cure within the reasonable period, then we may terminate this Agreement effective upon delivery to you of written notice that such breach has not been cured in a reasonable time and we are electing to terminate.

**C. Customer Satisfaction.** Notwithstanding anything to the contrary contained in this Section 14, we have the right to survey your customers to determine their level of satisfaction with you and your Apostle Business. If, in any one calendar year, eight percent (8%) or more of your customers are dissatisfied as evidenced by the written customer satisfaction surveys, we will notify you of the results of any such survey. If, upon completing a second survey of your customers within three (3) months of completing the first survey, eight (8%) or more of your customers are dissatisfied as evidenced by the written customer satisfaction surveys, we, if we determine such dissatisfaction was warranted upon reasonable investigation, may take over the Territory and terminate the Agreement.

If we are contacted by a customer or other patron of your Apostle Business who wishes to lodge a complaint, we reserve the right to address the complaint in order to preserve goodwill and prevent damage to the brand. You shall pay us Three Hundred Dollars (\$300) for each complaint (“Customer Resolution Fee”) to compensate us for our administrative cost of responding to the complaint. Our right to address complaints may include refunding money to the complaining customer in our sole discretion, in which case you will reimburse us for all such amounts.

**D. Right to Operate Upon Default.** In addition to our right to terminate this Agreement and not in lieu of such right or any other rights, in the event that you have not cured a default under this Agreement within fourteen (14) days after receipt of a written notice of default, we may, at our option, take over and exercise complete authority with respect to the operation of your Apostle Business until such time as we determine that the default has been cured and that there is compliance with the requirements of this Agreement. You acknowledge and agree that our agent or other representative designated by us may take over, control and operate your Apostle Business, that you shall pay us the then-current published fee for such service, plus all travel expenses, room and board and other expenses reasonably incurred by such agent or representative so long as it shall be required to enforce compliance with this Agreement. You further acknowledge that if we temporarily operate your Apostle Business for you under this Paragraph 14.D., you will indemnify and hold harmless Company and any agent or representative of the Company respecting any and all claims arising out of our operation of your Apostle Business under this Paragraph 14.D. Nothing in this Paragraph 14.D. shall require us to operate your Apostle Business when you are in default.

**E. Monetary Fees for Non-Compliance.** In addition to any and all other remedies available to Company under this Agreement or under the law upon your default, Company may impose on Franchisee monetary non-compliance fees of up to Five Hundred Dollars (\$500) per day or per occurrence (whichever is applicable) for defaults under this Agreement. Then-current non-compliance fees shall be published in the Operations Manual.

**F. Cross Default.** Any default by you (or a different entity owned by your Owners) of any Franchise Agreement with us shall be deemed a default under this Agreement and any default by you of this Agreement shall be deemed a default under any other Franchise Agreement between us and you (or a different entity owned by your Owners). If the nature of such default under any other agreement would have permitted us to terminate this Agreement if such default had occurred under this Agreement, the Company shall have the right to terminate any other Franchise Agreement between us (or a different entity owned by your Owners) in the same manner as provided herein for termination of this Agreement.

**G. Additional Remedies.** In addition to and without limiting our rights and remedies under this Agreement, any other agreement and applicable law, upon any events upon which we may terminate this Agreement under this Article 14, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

(1) temporarily or permanently reduce the size of the Area of Primary Responsibility, in which even the restrictions upon Paragraph 2.C. will not apply in the geographic area that was removed from the Area of Primary Responsibility;

(2) refuse to provide any operation support that this Agreement required or we have elected to provide or suspend any other services that we or our affiliates provide to you under this Agreement or any other agreement; and/or

(3) temporarily remove information concerning your Apostle Business from the Apostle Website.

## **15. RIGHTS OF THE COMPANY AND OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.**

**A. Payment of Amounts Owed to the Company.** You agree to pay to us within ten (10) days after the effective date of termination or expiration (without renewal) of this Agreement such royalty fees, Brand Development Fund contributions, late fees and interest due us on any of the foregoing and all other amounts owed to us and our affiliates which are then unpaid. You must furnish a complete accounting of all such amounts owed to us and our affiliates with the payment.

**B. The Marks.** You (and your Owners) agree that after the termination or expiration (without renewal) of this Agreement you will:

(1) not directly or indirectly at any time or in any manner identify yourself or any business as a current or former Apostle Business, or as a franchisee or licensee of or as otherwise associated with the Company, or use the Marks, any colorable imitation thereof or other indicia of an Apostle Business in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark, trade dress, domain name, or other commercial symbol that suggests or indicates a connection or association with the Company;

(2) promptly return to us or destroy (whichever we specify) all signs, promotional and advertising materials, forms, and other materials containing the Marks or otherwise identifying or relating to an Apostle Business;

(3) promptly take such action as may be required to cancel all fictitious or assumed name, "doing business as" or equivalent registrations relating to your use of the Marks;

(4) promptly notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number and any telephone directory listings associated with the Marks and to authorize transfer of same to or at the direction of the Company. You acknowledge that as between the Company and you, we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and you authorize the Company, and by execution of the Exhibit 3 Conditional Assignment of Telephone Numbers and Digital Marketing Accounts have appointed the Company and any officer of the Company as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to the Company or at its direction, should you fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the Company in such telephone numbers and directory listings and its authority to direct their transfer;

(5) promptly cancel, or at our option transfer to us, all social media or digital marketing accounts, and provide passwords for same;

(6) furnish to us within thirty (30) days after the effective date of termination or expiration evidence satisfactory to us of your compliance with the foregoing obligations.

**C. Confidential Information.** You agree that upon termination or expiration (without renewal) of this Agreement, you will immediately cease to use in any business or otherwise the Confidential Information disclosed to you pursuant to this Agreement and will return to us, at your expense, all copies of the Operations Manual, any proprietary software and other materials containing our proprietary information which have been loaned to you by us. Further, you shall deliver to us and not retain any copies of all customer lists and all other customer data, and other information and records regarding the customers. You expressly and specifically acknowledge and agree that the customer data and records acquired during the term of the franchise are valuable property rights which you may use during the term of this Agreement, but which belong to us in the event of expiration or termination of the Franchise Agreement for any reason;

**D. Cease Operations.** Upon termination or expiration of this Agreement, you shall immediately cease to operate your Apostle Business, either as a franchised or as a non-franchised



business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of the Company.

**E. Purchase of Assets.** Upon termination or expiration of this Agreement, we shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash any or all furniture, fixtures, equipment, products, supplies, and all items bearing the Marks, at your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an appraiser shall be designated by us, and his determination shall be binding. If we elect to exercise any option to purchase herein provided we shall have the right to set off all amounts due from you under this Agreement, and the cost of the appraisal, if any, against any payment therefore.

**F. Covenants.** Upon termination or expiration of this Agreement, you shall comply with the covenants contained in Section 16 of this Agreement.

**G. Continuing Obligations.** All obligations of the Company and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

## **16. POST-TERM COVENANT NOT TO COMPETE.**

**A. Covenant Not To Compete.** Upon assignment, termination or expiration (without renewal) of this Agreement, you (and your Owners) agree that for a period of two (2) years, commencing on the effective date of termination or expiration, or the date on which you cease to conduct the business conducted pursuant to this Agreement, whichever is later (the "Commencement Date"), you (and your Owners) will not:

(1) have any direct or indirect interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in (a) any business selling services or products substantially similar to the Apostle Business being offered as of the date of termination or expiration (except other the Apostle Businesses operated pursuant to franchise agreements with us), which is located (i) within thirty (30) miles of the Area of Primary Responsibility granted to you under this Agreement or (i) within thirty (30) miles of the Area of Primary Responsibility of any other then existing Apostle Business, or (b) any entity which is granting franchises or licenses or entering into joint venture relationships for any business which offers products or services similar to those offered by an Apostle Business, other than the ownership of securities traded on a stock exchange or on the over-the-counter market that represent five percent (5%) or less of that class of securities.

(2) directly or indirectly divert or attempt to divert any former customer of your Apostle Business to any competitive business;

(3) employ or seek to employ any person employed by Company or by any other Apostle Business, or otherwise directly or indirectly induce or seek to induce such person to leave their employment; and

(4) directly or indirectly, solicit or sell services or products to any former customer of your Apostle Business.

**B. Court Modification of Agreement.** You agree that this form of Agreement is prepared for use in many jurisdictions with differing public policies and that such public policies change. Accordingly, you agree that the prevailing non-competition restrictions set forth above may be modified by a Court to the extent necessary to make the non-competition agreements valid and enforceable against you.

**C. Enforcement of Covenants Not to Compete.** You acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to the Company for which no adequate remedy at law will be available. Accordingly, you hereby acknowledge that the Company may seek to obtain the entry of an injunction prohibiting any conduct by you or your Owners in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful utilization of the Company's Confidential Information. Further, you expressly agree that the existence of any claims you may have against the Company, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Company of the covenants not to compete set forth in this Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by the Company in connection with the enforcement of those covenants not to compete set forth in this Agreement.

## **17. ENFORCEMENT.**

**A. Invalid Provisions; Substitution of Valid Provisions; Severability.** To the extent that any provision of this Agreement is deemed unenforceable, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction: (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement; or (2) makes any provision of this Agreement or any specification, standard or operating policy or procedure we prescribed invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating policy or procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted. No modification will impact the operation of, or have any other effect upon, any other terms, provisions, and/or covenants of this Agreement.

The provisions of this Agreement are deemed to be severable. The parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

**B. Waiver of Obligations/Approvals and Consents.** Either you or the Company may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you must make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

We make no warranties or guaranties upon which you may rely, and we assume no liability or obligation to you, by virtue of granting any waiver, approval or consent, or by reason of any neglect, delay or denial of any request for a waiver, approval or consent. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days prior written notice.

Neither you nor the Company will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its terms), by virtue of: (i) any custom or practice of the parties at variance with the terms hereof; (ii) any failure, refusal or neglect of either of us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including, without limitation, any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Apostle Businesses; or (iv) the acceptance by us of any payments due from you after any breach of this Agreement.

Neither you nor the Company will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform our respective obligations results from: (i) transportation shortages or inadequate supply of labor, material or energy beyond the control of the parties, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (iii) acts of God; (iv) acts or omissions of the other party; (v) fires, strikes, embargoes, war, riot or acts of terrorism; or (vi) any other similar event or cause. Any delay resulting from any of the causes set forth above will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

**C. Arbitration; Mediation.** Except as qualified below, any dispute between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, the

parties' relationship, our Standards, or the scope or validity of the arbitration obligations under this Section must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association ("AAA"). Any arbitration must be on an individual basis, and not as part of a consolidated, common, or class action, and you and/or your Owners waive any right to proceed on a consolidated, common, or class basis. Multiparty arbitration is specifically excluded, and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or other proceeding involving third parties. In the event a court or arbitrator determines that this exclusion of multiparty arbitration (including class arbitration) is unenforceable, then this entire commitment to arbitrate will be null and void and the parties must submit all claims to the jurisdiction of the courts. Arbitration shall take place at the AAA office nearest Company's principal place of business. The arbitrators must follow the law and not disregard the terms of this Agreement. Any arbitrator must have at least five years' experience in franchising or in franchise law.

Any unappealed decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) shall have no authority to: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; (iii) certify a class or consolidate an action, or (iv) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. We and you further agree that, in connection with any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Paragraph 18.J. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration under this Article 17 without the prior written consent of both parties. The provisions of this Article are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any award rendered by the arbitrator(s) may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules in effect as of the Effective Date of this agreement ("Appellate Rules"). Any award will, at a minimum, be a reasoned award. The award will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an award, as defined by Rule A-3 of

the existing Appellate Rules, by filing a notice of appeal with any AAA office. The appeal tribunal may affirm, reverse, or modify the award of the arbitrator(s), or return the matter to the arbitrator(s) for further action. A final award may be entered once the appeal process is complete or the time for filing an appeal has expired, and a judgment may be entered upon the arbitration award in accordance with the procedures identified above.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under Paragraph 17.D, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties and will take place in the county of Company's then current principal place of business. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If not resolved within thirty (30) days, the parties are free to pursue arbitration.

**D. Injunctive Relief.** Notwithstanding Paragraph 17.C., the parties agree that the following claims will not be subject to arbitration or mediation: (i) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency or any arbitration proceeding initiated under Paragraph 17.C.; or (ii) any action in ejectment or for possession of any interest in real or personal property; or (iii) our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.

**E. Cumulative Remedies.** The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either of us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

**F. Governing Law/Consent to Jurisdiction.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or any other applicable federal law, this Agreement and the Apostile will be governed by the laws of the state of Company's then current principal place of business, except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision.

You agree that we may institute any action against you arising out of or relating to this Agreement in any state or federal court of general jurisdiction over the county of Company's then current principal place of business, and you (and your Owners) irrevocably submit to the exclusive jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court. You agree to the exclusive jurisdiction of such courts and agree not to sue us regarding any matter relating in any way to this Agreement except in such courts.

**H. WAIVER OF JURY TRIAL.**

Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

**I. LIMITATIONS OF CLAIMS**

Any claim concerning the Apostle Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which you or Company knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

**J. LIMITATION OF DAMAGES**

You and Company each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Paragraph 18.K herein.

**K. Costs and Attorneys' Fees.** If a claim for amounts owed by you to us or our affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if the Company is required to enforce this Agreement in a judicial proceeding, the Company will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees.

**L. Binding Effect.** This Agreement is binding on and will inure to the benefit of our successors and assigns and will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors and administrators.

**M. Entire Agreement; Modifications.** This Agreement, together with the introduction and exhibits and attachments to it and the Operations Manual and all other written standards, specifications or policies issued by Company, constitute the entire agreement between us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. Except for modifications permitted to be made unilaterally by us, this Agreement may be modified only by written agreement signed by both you and us.

**N. No Liability to Others; No Other Beneficiaries.** We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party will have, or is intended to have, any rights because of this Agreement. We do not warrant that the obligations of this Agreement have been agreed to by or will be enforced against any of our other franchisees.

**O. Construction.** The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit or otherwise affect the meaning or construction of any provision.

The term "you" or "Franchisee" as used in this Agreement is applicable to one or more persons or an entity, as the case may be; the term "entity" means any non-human entity created at law, including, without limitation, corporations, partnerships and limited liability companies, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Owner(s) of Franchisee under this Agreement, their obligations and liabilities to us will be joint and several. References to the "Franchisee" and assignee which are applicable to an individual or individuals mean the direct or indirect owner(s) of the equity or operating control of the Franchisee or the assignee, if the Franchisee or the assignee is an entity.

Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you.

The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by us, or under common ownership with us, or that directly or indirectly owns or controls us, that owns or operates the Apostle Businesses, sells products used in connection with the operation of an Apostle Business, is otherwise associated with the Marks and System, or otherwise transacts business with you.

Time is of the essence of this Agreement.

**P. Anti-Terrorism Laws.** You and your Owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee, you and your Owners certify, represent, and warrant that none of your property or interest is subject to being "blocked" under any of the Anti-Terrorism Laws and that your and/or your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means the USA PATRIOT Act or similar laws, presidential executive orders, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing in or in any way relating to terrorist acts and acts of war. You and your Owners acknowledge and agree that any violation of the Anti-Terrorism Laws by any of you or your employees or any "blocking" of any of your assets under the Anti-Terrorism laws shall constitute grounds for immediate termination of this Agreement and any other agreement you shall have entered with us or its affiliates, in accordance with the termination provisions of this Agreement.

**Q. Electronic Signature and Delivery.** This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

**R. Liquidated Damages.** Company shall have the right to impose liquidated damages against you in the following events: (a) you terminate this Agreement without good cause, (b) you terminate this Agreement based on your material breaches under this Agreement, (c) you abandon the Apostle Business, which for purposes of this Section is failing to open or operate the Apostle Business for more than five (5) consecutive days, (d) you lose possession of the premises of the Apostle Business and fail to find a new location and to re-open the Apostle Business; or (e) you transfer an interest in the Apostle Business or the ownership of Apostle Business or of your assets or the Apostle Business (or any interest therein) without fully complying with Article 13 of this Agreement, whether or not we terminate this Agreement. The amount of liquidated damages shall be equal to (i) one hundred and fifty-six (156) times (ii) the average Gross Revenues of your Apostle Business during the one hundred fifty-six (156) week period immediately preceding the date of termination (or if you have been in business less than one hundred fifty-six (156) weeks, then during the entire period Franchisee has been in business), times (iii) eight percent (8%). This remedy is in addition to Company's other rights and remedies set forth in this Agreement. The liquidated damages are not a penalty or forfeiture but are a reasonable measure of damages where the exact amount of actual damages would be difficult to ascertain. You also agree to pay our costs and attorney's fees in connection with enforcing this Liquidated Damages provision.

#### **18. NOTICES AND PAYMENTS.**

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual will be deemed to be delivered at the time delivered by hand, one (1) business day after deposit within commercial overnight courier or three (3) business days after placement in the U.S. Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified or to any other place designated by either party, or on the date of receipt of transmission of an e-mail from us on the condition that we also send a hard copy of the notice by U.S. Mail on the same date the e-mail is sent to you.

All payments and reports required by this Agreement must be directed to us at the address of which you are notified from time to time, or in such other manner or to such other persons and places as we may direct from time to time.

#### **19. FRANCHISEE ENTITY AND GUARANTY AND ASSUMPTION OF OBLIGATIONS.**

You shall maintain the entity that is the Franchisee in good standing with the state of incorporation or organization throughout the term of the Franchise. Your organizational documents, by-laws or operating agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in the entity and all certificates of ownership in the entity will bear a legend referring to this Agreement's transfer restrictions. All Owners shall execute the Guaranty and Assumption of Obligations that is attached to this Agreement as Exhibit 2, whereby the Owners jointly and severally guarantee the full payment and performance of your obligations to us. You shall confine your business activities exclusively to operating an Apostle Business licensed under, and pursuant to the terms of, this Agreement. New ownership interests



in you shall not be issued without our prior written consent, and all transfers or assignments of ownership interests in you shall not be effective without our prior written consent and having met all of the conditions of Section 13. Any attempted transfer or assignment, including changes in ownership or corporate structure without compliance with Section 13 and our prior written consent will be null and void and of no effect, and will convey no rights in or interest in the franchise granted therein, this Agreement or the Franchised Business. You agree to furnish us at any time upon request a certified copy of your organizational documents, and a list, verified as being true and correct and in such form as we may require, of all Owners reflecting their respective interests and all officers, directors or managers.

IN WITNESS WHEREOF the parties hereto have executed, sealed and delivered this Agreement in counterparts on the dates set forth below each signature.

**APOSTLE FRANCHISING, LLC**

**FRANCHISEE:**

\_\_\_\_\_  
A Wisconsin limited liability company

A \_\_\_\_\_

By \_\_\_\_\_

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

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

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

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

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



**EXHIBIT 2 TO THE  
FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by \_\_\_\_\_

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In consideration of, and as an inducement to, the execution of that certain Franchise Agreement on this date (the "Agreement") by Apostle Franchising, LLC (the "Company"), each of the undersigned hereby personally and unconditionally, jointly and severally: (a) guarantees to the Company, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by the Company of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) their direct and immediate liability under this Guaranty will be joint and several with all other current and future guarantors of Franchisee's obligations; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by the Company of any remedies against Franchisee or any Other person; (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Company may from time to time grant to Franchisee or to any Other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) this Guarantee shall apply to any amounts recovered from Company as a preference, fraudulent transfer or otherwise in a bankruptcy or similar proceeding.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

% OF INTEREST IN FRANCHISEE

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

(Percentage must equal 100)

**EXHIBIT 3 TO THE  
FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S  
TELEPHONE NUMBERS AND DIGITAL MARKETING ACCOUNTS**

Franchisee (Assignor): \_\_\_\_\_, whose business address is \_\_\_\_\_, in consideration of the granting of a franchise to Assignor contemporaneously herewith, and other valuable consideration paid by Apostle Franchising, LLC (Franchisor/Assignee), having its principal place of business at N2344 Harvey Ct., Walworth, Wisconsin 53184, hereby assigns unto the Franchisor/Assignee (i) all telephone numbers and listings utilized by Assignor in the operation of Assignor's Apostle Business at Assignor's address above-referenced, and (ii) all Digital Marketing accounts and all Digital Marketing passwords and log-in information (as "Digital Marketing" is defined in this Franchise Agreement). Assignor acknowledges that Apostle and associated marks are solely the property of Franchisor/Assignee. As such, Assignor's right to use any telephone numbers and directory listings and Digital Marketing associated with Apostle trademarks and service marks was solely due to a limited license granted by Franchisor/Assignee in connection with the Franchisor/Assignee's trademark(s)/service mark(s) pursuant to a Franchise Agreement. Once said license has expired and/or terminated pursuant to the expiration or termination of the Franchise Agreement, Assignor has no right to the telephone number or directory listing or Digital Marketing associated with the Franchisor/Assignee's trademark, including, but not limited to Apostle.

This Assignment shall constitute authorization to the appropriate telephone company to change and transfer to Franchisor/Assignee all of Assignor's rights in and to the use of said business telephone lines and Assignor hereby irrevocably appoints and authorizes Franchisor/Assignee to act as Assignor's attorney-in-fact and hereby empowers Franchisor/Assignee to execute such instruments in the Assignee's name in order to give full effect to this Assignment and to effectuate any transfer.

Upon the Assignment, Franchisor/Assignee hereby assumes the performance of all of the terms, covenants and conditions of the third parties holding such accounts with the full force and effect as if the Franchisor/Assignee has been originally issued such telephones, telephone numbers, telephone listings and Digital Marketing accounts.

**ASSIGNOR (Franchisee):**

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

**FRANCHISOR/ASSIGNEE:  
APOSTLE FRANCHISING, LLC**

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

**EXHIBIT 4 TO THE  
FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION**



**ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

As a duly authorized signer on the financial institution account identified below of the undersigned Franchisee, I authorize Apostle Franchising, LLC (“Company”) to initiate monthly electronic fund transfer debits from the account for payments due or when applicable, apply electronic funds transfer credits to the same. Said debits may be for Royalty Fees, Brand Development Fund contributions, technology fees, software license fees, interest, late fees, and any other amounts Franchisee owes to the Company or its affiliates pursuant to the Franchise Agreement between Franchisee and Company, and in amounts required by the Franchise Agreement. The dollar amount to be debited for each transfer will vary.

Currently, Apostle Franchising, LLC is initiating weekly debits on the on Tuesday of the following week for the preceding week (Sunday to Saturday) for payment of the Royalty Fee, Brand Development Fund contributions, interest, late fees, and any other amounts then due, and on the first Tuesday of the month for the preceding month for payment of the Technology Fee, interest, late fees, and any other amounts then due, unless that day falls on a holiday, in which case the debit will be initiated the following business day. The dates and intervals for initiating debits for amounts due under the Franchise Agreement may be changed upon delivery of notice to Franchisee.

If any such electronic debit(s) should be returned by my financial institution as unpaid (Non-Sufficient or Uncollected Funds), I understand that Apostle Franchising, LLC shall be entitled to collect interest and late fees as provided in the Franchise Agreement, and to debit same from this account once there are sufficient funds to cover it.

This authorization is to remain in full force and effect until Company has received written notification of its termination in such time and in such manner as to afford Company a reasonable opportunity to act on it, and to obtain a replacement Electronic Funds Transfer Authorization from Franchisee for a replacement account. Any such notice should be sent to the following address:

Apostle Franchising, LLC  
Attn: David Cook  
N2344 Harvey Ct.  
Walworth, Wisconsin 53184

Franchisee is responsible for, and shall pay on demand, all costs or fee charged by the financial institution holding the account relating to the handling of debits pursuant to this authorization. I understand and authorize all of the above.

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

AUTHORIZING SIGNATURE: \_\_\_\_\_

PRINT NAME AND TITLE: \_\_\_\_\_

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

BUSINESS ADDRESS: \_\_\_\_\_

**Financial Institution Account Identifying Information:**

Enter financial institution account information in the fields below or attach a voided check.

<b>Financial Institution:</b>	<b>Branch:</b>
<b>City:</b>	<b>State &amp; Zip Code:</b>
<b>Transit / ABA # (Routing #):</b>	<b>Account #:</b>

## Exhibit C

### FRANCHISEE DISCLOSURE ACKNOWLEDGEMENT STATEMENT

As you know, APOSTLE FRANCHISING, LLC ("Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of an Apostle Franchised Business. The purpose of this Statement is to determine whether Franchisor has complied with all applicable delivery and waiting periods and whether any statements or promises were made to you, either orally or in writing, that Franchisor was not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received the Apostle Franchise Disclosure Document which was provided to you?

Yes \_\_\_ No \_\_\_\_\_

2. On what date did you receive the Franchise Disclosure Document?

\_\_\_\_\_

3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes \_\_\_ No \_\_\_

4. Before receiving the Franchise Disclosure Document, were you advised by the Franchisor of the formats in which the Franchise Disclosure Document is made available to prospective franchisees and any prerequisites or conditions for obtaining the disclosure document in a particular format?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. Have you received the Franchise Agreement and each exhibit attached to it?

Yes \_\_\_ No \_\_\_

6. Have you received execution copies of the Franchise Agreement that were completed with all of the blanks filled in?

Yes \_\_\_ No \_\_\_

If so, on what date did you receive the completed Franchise Agreement?

\_\_\_\_\_

7. Do you understand that you will operate the Apostle Franchised Business as an independent business owner and that you will not be an employee of Franchisor?

Yes \_\_\_ No \_\_\_

You understand that your answers are important to us and that we will rely on them in making a decision to award an Apostle franchise. By signing this Questionnaire, you are representing that

you have responded truthfully to the above questions.

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

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

\_\_\_\_\_  
Prospective Franchisee

**Exhibit D**

**FINANCIAL STATEMENTS**



# **APOSTLE FRANCHISING, LLC**

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF JULY 13, 2023, AND FOR THE PERIOD

FROM INCEPTION (FEBRUARY 20, 2023) TO JULY 13, 2023



# APOSTLE FRANCHISING, LLC

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## ***Independent Auditor's Report***

To the Member  
Apostle Franchising, LLC  
Walworth, WI

### ***Opinion***

We have audited the accompanying financial statements of Apostle Franchising, LLC, which comprise the balance sheet as of July 13, 2023, and the related statements of operations, changes in member's equity, and cash flows for the period from inception (February 20, 2023) to July 13, 2023, 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 Apostle Franchising, LLC as of July 13, 2023, and the results of its operations and its cash flows for the period from inception (February 20, 2023) to July 13, 2023, 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.

Kezas & Dunlay

St. George, Utah

August 4, 2023

APOSTLE FRANCHISING, LLC  
BALANCE SHEET  
AS OF JULY 13, 2023

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 14,100
Total current assets	<u>14,100</u>
Total assets	<u><u>\$ 14,100</u></u>
<b>Liabilities and Member's Equity</b>	
Long-term liabilities	
Related party loan	\$ 90,550
Total long-term liabilities	<u>90,550</u>
Total liabilities	<u><u>\$ 90,550</u></u>
Member's equity	\$ (76,450)
Total liabilities and member's equity	<u><u>\$ 14,100</u></u>

The accompanying notes are an integral part of these financial statements

**APOSTLE FRANCHISING, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE PERIOD FROM INCEPTION (FEBRUARY 20, 2023) TO JULY 13, 2023**

Operating revenue	\$ -
Operating expenses	
General and administrative	51,150
Professional fees	25,300
Total operating expenses	<u>76,450</u>
Net loss	<u>\$ (76,450)</u>

The accompanying notes are an integral part of these financial statements

**APOSTLE FRANCHISING, LLC**  
**STATEMENT OF MEMBER'S EQUITY**  
**FOR THE PERIOD FROM INCEPTION (FEBRUARY 20, 2023) TO JULY 13, 2023**

Beginning member's equity	\$	-
Net loss		(76,450)
Balance at July 13, 2023	<u>\$</u>	<u>(76,450)</u>

The accompanying notes are an integral part of these financial statements

**APOSTLE FRANCHISING, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM INCEPTION (FEBRUARY 20, 2023) TO JULY 13, 2023**

Cash flows from operating activities:	
Net loss	<u>\$ (76,450)</u>
Net cash used in operating activities	<u>(76,450)</u>
Cash flows from financing activities:	
Related party loan	<u>90,550</u>
Net cash provided by financing activities	<u>90,550</u>
Net change in cash and cash equivalents	14,100
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u><u>\$ 14,100</u></u>
Supplemental disclosures of cash flow	
Cash paid for interest	\$ -

The accompanying notes are an integral part of these financial statements

**APOSTLE FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 13, 2023**

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

*(a) Nature of Business*

Apostle Franchising, LLC was formed on February 20, 2023, in the State of Wisconsin, as a limited liability company for the principal purpose of conducting franchise sales. The Company will grant franchisees the right to operate a business that offers radon mitigation and detection services, including certified monitor testing, installation of radon systems, other related systems, and other indoor air quality products under the Apostle Radon & Indoor Air Solutions system. David Cook's Radon Services, LLC is an affiliate entity that has operated a business similar to the franchised business since November 2014.

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) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of July 13, 2023, the Company had cash and cash equivalents of \$14,100.

*(e) Revenue Recognition*

The Company's revenues consist of fees from franchised locations operated by conventional franchisees. Revenues from franchisees consist of initial franchise fees, royalties, and brand development fees based on a percentage of gross revenues and technology fees.

On January 1, 2021, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. Management determined that the effect of adopting ASC 606 did not have a material effect on the Company's financial statements.

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 considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

**APOSTLE FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 13, 2023**

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, ongoing royalties, brand development and technology fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalties, and brand development fees, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise fees and equipment package fees.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

*(f) Income Taxes*

The entity is organized as a limited liability company (LLC) under the laws of the State of Wisconsin. 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 member. Therefore, there is no provision for federal or 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 the taxing authorities were to disallow any tax positions taken by the Company, additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

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 July 13, 2023, no tax years are subject to examination.

*(g) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable 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.

*(h) Concentration of Risk*

**APOSTLE FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 13, 2023**

The Company maintains its cash in bank deposit accounts that 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.

(2) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial franchise fees as well as continuing royalty and brand development fees to the Company based on a percentage of gross revenues and technology fees. Under the franchise agreement, franchisees are granted the right to operate a location using the Apostle Radon and Indoor Air Solutions system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The Company had not sold any franchises as of July 13, 2023.

(3) Related Party Loan

The Company entered into a loan with a related party to fund operations. The loan bears no interest and has no repayment terms. The balance of this loan as of July 13, 2023, was \$90,550.

(4) Commitments and Contingencies

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.

(5) Subsequent Events

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 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 both new and existing 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.

Management has reviewed and evaluated subsequent events through August 4, 2023, the date on which the financial statements were issued.



**Exhibit E**

**LISTS OF CURRENT AND FORMER FRANCHISEES**

None.

**Exhibit F**

**MULTI-UNIT DEVELOPMENT AGREEMENT**



**MULTI-UNIT DEVELOPMENT AGREEMENT**

**SUMMARY PAGE**

1. **Developer** \_\_\_\_\_
2. **Development Fee**        \$ \_\_\_\_\_
3. **Principal Business Address** \_\_\_\_\_
4. **Development Area**        Set forth on Exhibit A.
5. **Development Schedule**    Set forth on Exhibit B.

**APOSTLE FRANCHISING LLC**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

This Multi-Unit Development Agreement ("this Agreement") is entered into by and between Apostle Franchising LLC, a Wisconsin limited liability Franchisor, having its principal place of business at N2344 Harvey Ct., Walworth, Wisconsin 53184 ("we," "us" or the "Company"), and \_\_\_\_\_, a \_\_\_\_\_ with a principal address of \_\_\_\_\_ ("Developer" or "you"). Certain provisions of this Agreement are applicable to the owners of Developer ("Owners") on whose business skill, financial capability and personal character we are relying in entering into this Agreement.

**WITNESSETH:**

WHEREAS, we are in the business of offering and selling franchises for a business that offers radon mitigation and detection services, including certified monitor testing, installation of radon systems, other related systems, and other indoor air quality products under the name, service marks and trademarks "APOSTLE RADON" and similar marks and logos (the "Marks") using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of Apostle Radon businesses, which are referred to in this agreement as "Apostle Businesses" (the "System").

WHEREAS, we also grant development rights to persons or entities who meet our qualifications and who are willing to undertake the investment and effort necessary to establish, develop, own and operate multiple Apostle Businesses in accordance with the System.

WHEREAS, you have expressed a desire to and have applied for the right to develop, own and operate a total of two (2) or three (3) Apostle Businesses and Company has approved your application in reliance upon all of the representations made therein and is willing to grant to you the right to develop multiple Apostle Businesses within a certain agreed upon area of primary responsibility on the terms and conditions set forth herein.

WHEREAS, you are signing simultaneously with this Agreement a Franchise Agreement for the establishment of your first Apostle Business.

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

**1. GRANT**

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, the right to obtain licenses, subject to the terms of this Agreement, to establish and operate Apostle Businesses ("Apostle Businesses") within the geographic area described in Exhibit A attached hereto

and incorporated herein by this reference ("Development Area"). Any and all rights in the Development Area granted to you under this Agreement expire upon the expiration of this Agreement, as defined in Section 4.1 below, or under the termination of this Agreement pursuant to Section 7 below.

1.2 You agree to be bound by the development schedule set forth in Exhibit B attached hereto ("Development Schedule"). Time is of the essence of this Agreement. Each Apostle Radon franchise must be established and operated pursuant to a separate Franchise Agreement ("Franchise Agreement") to be entered into by you (or an entity owned by your Owners) and us. Each Franchise Agreement shall be in the form of Franchise Agreement being offered by us at the time you execute the Franchise Agreement, which may differ from the form of Franchise Agreement being offered by us on the date of execution of this Agreement, except that an addendum to the Franchise Agreement shall be entered into to incorporate terms of this Agreement relating to payments due under each Franchise Agreement. The terms and conditions of each such Franchise Agreement shall control the establishment and operation of such Apostle Business.

1.3 Except as otherwise provided in this Agreement, and as long you are in compliance with the Development Schedule and otherwise in compliance with this Agreement, we shall not establish, nor license anyone other than Developer the right to establish any Apostle Business in the Development Area prior to the expiration of the Development Schedule set forth in Exhibit B. We (and any affiliate) reserve the right to:

(a) offer and sell services and products, or license others to offer and sell services and products, which comprise, may in the future comprise or which do not comprise, a part of the System through any alternative distribution channels including, but not limited the Internet or similar electronic media, using the Marks ("Alternate Distribution Channels");

(b) establish businesses which are franchised, licensed or owned by Company or any affiliate in any area as we deem appropriate or offer and sell services or products which are similar to the services and products offered under the System under trade names, trademarks, service marks, trade dress or other commercial symbols different from the Marks;

(c) acquire or be acquired by a company establishing businesses identical or similar to the Apostle Business, even if the other business operates, franchises, and/or licenses competitive businesses anywhere;

(d) service a national account located within your Area of Primary Responsibility, either ourselves or through an affiliate or another Apostle, if (1) you refuse to accept the job under the terms of an national account program the Company establishes; (2) you are unable to accept the job under the terms of an national account program the Company establishes because the job is too large for you to handle on your own; or (3) you are not able to service client on a timely basis and time is of the essence for the client;

(e) to engage in any other business activities not expressly prohibited by this

Agreement.

1.4 This Agreement is not a Franchise Agreement, and you shall have no right to use in any manner the System or the Marks by virtue of entering into this Agreement.

1.5 Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

## **2. FEES**

2.1 Concurrent with the execution of this Agreement, you must execute a Franchise Agreement for the first Apostle Business to be developed and pay the initial franchise fee of Forty-Two Thousand Five Hundred Dollars (\$42,500.00) due under said Franchise Agreement. The initial franchise fee for the second or third Franchise Agreements shall be Thirty-One Thousand Eight Hundred Seventy-Five Dollars (\$31,875.00) on the condition that, at the time you sign any additional Franchise Agreement under this Agreement, you are currently in compliance with the Development Schedule. If you are not in compliance with the Development Schedule at the time of signing any additional franchise agreement, you will pay the difference between Thirty-One Thousand Eight Hundred Seventy-Five Dollars (\$31,875.00) and the then-current initial franchise fee being charged to new franchisees if it is greater than Thirty-One Thousand Eight Hundred Seventy-Five Dollars (\$31,875).

2.2 Upon the execution of this Development Agreement, you shall pay a fee ("Development Fee") in the amount of Thirty-One Thousand Eight Hundred Seventy-Five Dollars (\$31,875.00) times the number of additional Apostle Business to be developed after the one for which Developer is signing a Franchise Agreement contemporaneously with this Development Agreement. The Development Fee is consideration for this Development Agreement, is fully earned by Company upon execution of this Development Agreement and is non-refundable, notwithstanding any provision to the contrary contained in any Franchise Agreement. However, we will credit Thirty-One Thousand Eight Hundred Seventy-Five Dollars (31,875.00) of the Development Fee against the Initial Franchise Fee for each additional Franchise Agreement for an Apostle Business executed pursuant to, and in accordance with, this Development Agreement.

Pursuant to the above paragraph and the Development Schedule, the Development Fee under this Agreement is set forth on the Summary Page.

2.3 A separate Franchise Agreement shall be executed for each additional Apostle Business. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Apostle Business.

## **3. DEVELOPMENT OBLIGATIONS**

3.1 The terms and conditions of this Agreement are contingent upon you being in full compliance with the Development Schedule. In addition, you must at all times after the opening of

each Apostle Business continuously maintain in operation pursuant to each Franchise Agreement at least the number of Apostle Businesses set forth in the Development Schedule, and your Owners must at all times own a majority control over the entity that owns each Apostle Radon franchise developed hereunder. You may develop and open any Apostle Business earlier than the date set forth in the Development Schedule as long as you do so in compliance with this Agreement and the applicable Franchise Agreement.

3.2 You must develop each Apostle Business in the following manner:

(a) By giving us written notice of your intention to begin development of the next Apostle Business at least thirty (30) days before the execution of the Franchise Agreement for the applicable area of primary responsibility;

(b) By executing the then-current form of the Franchise Agreement for the applicable area of primary responsibility and complying with its terms. We acknowledge that the franchisee for each Franchise Agreement may be a separate entity owned by your Owners.

(c) By meeting all of the requirements for developing and opening the Apostle Business under the terms of the applicable Franchise Agreement.

3.3 We will be obligated to execute the Franchise Agreement only if (i) you continue to maintain the requisite knowledge, experience, skills, and financial resources to perform as a franchisee, (ii) you are in compliance with this Agreement, including but not limited to compliance with the Development Schedule and in compliance with the in-term covenants set forth in Paragraph 6.4, (iii) you (and/or an affiliate) are in compliance any and all existing Franchise Agreements between us.

3.4 Subject to our prior written approval, you may develop and open more Apostle Businesses in the Development Area than you are required to develop under the Development Schedule.

3.5 At Company's request, Developer shall provide to Company a periodic report of Developer's activities and progress in developing and establishing Apostle franchises under this Agreement. The reports shall be submitted in the form and in the manner specified by Company.

#### **4. TERM**

4.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement shall expire on the date you sign a Franchise Agreement for the last franchise to be developed under this Agreement. The term of this Agreement is not related or affected by the term of any franchise agreement, lease, or other agreement related to any Apostle Business. This Agreement does not contain or create any right to renewal. Any and all rights in the Development Area granted to you under this Agreement expire upon the expiration of this Agreement.

## **5. DUTIES OF THE DEVELOPER**

5.1 You shall perform the following obligations:

(a) You shall comply with all terms and conditions set forth in this Agreement.

(b) You shall comply with all of the terms and conditions of each Franchise Agreement including, without limitation, the operating requirements specified in each Franchise Agreement; however, we shall determine what, if any, initial training at our headquarters will be required of your Owners and managers in connection with the second or any subsequent Franchise Agreements.

(c) You shall comply with the non-disclosure and non-competition obligations under Section 6 of this Agreement.

## **6. PROPRIETARY MARKS/CONFIDENTIAL INFORMATION**

6.1 Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that under this Agreement we do not grant you any right to use the Marks. Any right to use the Marks is granted under the individual franchise agreements executed by you in connection with this Agreement. You must not use the Marks, or any portion of any Mark or any name confusingly similar to any Mark as part of your business entity name.

6.2 Confidential Information. We and our Affiliate possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge developed by our Affiliate, us and our franchisees: (1) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of the Apostle Businesses; (2) sources of supply, purchasing, and methods of providing the services and products sold by Apostle Businesses; (3) knowledge of sales and profit performance of any one or more the Apostle Businesses; (4) knowledge of test programs, concepts or results relating to new services and products; (5) advertising, marketing and promotional programs; (6) the selection and training of the Apostle Business managers and other employees; (7) the contents of the Operations Manual or other written materials provided to you; (8) any customized software or proprietary software developed by or for us for the System; and (9) all customer information, lists, data and records (“Confidential Information”).

6.3 Non-disclosure Agreement. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development of Apostle Businesses under this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition, a breach of this Agreement and copyright infringement. You acknowledge and agree that the Confidential Information belongs to us and our affiliate, is proprietary information, and may contain trade secrets belonging to us and our affiliate and is disclosed to you or authorized for your use solely



on the condition that you agree, and you therefore do agree herein, that you: (1) will not use the Confidential Information during and after the term of this Agreement in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of non-disclosure and/or non-competition agreements we may prescribe for your employees who have access to the Confidential Information. Upon our request, you must provide us with copies of signed non-disclosure and/or non-competition agreements signed by any Owners, managers or employees. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the radon mitigation and testing industry (as long as the availability is not because of a disclosure by you) and (b) disclosure of the Confidential Information in legal proceedings when you are legally required to disclose it and you have first given us the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

6.4 In-Term Non-Competition Agreement. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information between you and us if you or your Owners were permitted to hold interests in any competitive businesses, as described below. You also acknowledge that we have entered into this Agreement with you in part in consideration of, and in reliance on, your agreement to deal exclusively with us. Therefore, during the term of this Agreement, neither you, nor any Owner, may, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with, any person or legal entity, own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business (other than through a franchise agreement with Company), or any entity which is granting franchises or licenses for any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business. (The ownership of five percent (5%) or less of a publicly traded Company will not be deemed to be prohibited by this paragraph.) Further, during the term of this Agreement, you will not (1) divert customers or business from any Apostle Businesses to any other business or (2) hire any employees of ours or our affiliates.

## **7. DEFAULT AND TERMINATION**

7.1 The right to open Apostle Businesses has been granted in reliance on your representations and warranties, and strictly on the conditions set forth in this Development Agreement including, without limitation, the condition that you comply strictly with the Development Schedule.

7.2 You shall be in default under this Agreement, and all rights granted herein to you shall automatically terminate without notice or an opportunity to cure if:

(a) you are adjudicated bankrupt, become insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of your property or any part thereof is appointed by a court of competent authority, or if you make a general assignment for the benefit of its creditors;

(b) if a final judgment against your business assets remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed);

(c) if execution is levied against your business or property;

(d) if suit to foreclose any lien or mortgage against Developer's premises or business assets is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Company reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by you;

(e) upon the dissolution of the entity that is Developer, or upon the death of one or more of your Owners;

(f) Developer or any of its shareholders, members, managers, partners, officers, directors or guarantors, is indicted for, convicted of, or pleads guilty to a felony, a crime involving moral turpitude, or any other crime or offense that Company believes is reasonably likely to have an adverse effect on the System, the Marks, or the goodwill associated with the System and the Marks, or Company's interest in the System or the Marks; or

(g) Developer, or any of its shareholders, members, managers, partners, officers or directors verbally or physically assaults or abuses any officer, director, member, manager or employee of Company or any of its Affiliates, or any Apostle Radon franchisee or employees of franchisees, after receiving a verbal or written warning against this conduct from Company regarding this conduct.

7.3 If you (i) fail to meet any of the deadlines set forth in the Development Schedule; (ii) fail to comply with any other term and condition of this Agreement; (iii) make or attempt to make a transfer, sale or assignment of this Agreement in violation of this Agreement; or (iv) you or other entity owned by the Owners are in default under any individual Franchise Agreement with us, or of any other agreement to which we are parties; any such event shall constitute a default under this Agreement. Upon any such default, we, in our sole discretion, may do any one or more of the following:

(a) Terminate this Agreement and all rights granted hereunder to you without affording you any opportunity to cure the default effective immediately upon delivery to you of a written notice from us;

(b) Reduce the number of Apostle Businesses which you have the right to establish and open pursuant to this Agreement; or

(c) Exercise any other rights and remedies which we may have under applicable law.

7.4 Upon termination or expiration of this Agreement, all remaining rights granted to you to establish and open Apostle Businesses under this Agreement for which a Franchise Agreement has not been executed shall automatically be null and void. You shall have no right to establish, open or operate any Apostle Businesses for which a Franchise Agreement has not been executed by us prior to the date of termination or expiration of this Agreement. Upon termination or expiration of this Agreement, we will have the right to establish ourselves or through an affiliate or grant to a third party the right to establish an Apostle Business within the Development Territory as long as there is no violation of the territorial protections granted to you under existing individual Franchise Agreements.

7.5 No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto. The terms and conditions of each Franchise Agreement must be complied with by you or your affiliate as franchisee thereunder and shall control in determining whether any default exists under such Franchise Agreement.

7.6 No right or remedy herein conferred upon or reserved to Company is exclusive of any other right or remedy provided or permitted by law or equity.

## **8. TRANSFERABILITY; ENTITY AS DEVELOPER**

8.1 This Agreement is fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Company herein.

8.2 You understand and acknowledge that the rights and duties set forth in this Development Agreement are personal to you and are granted in reliance upon your personal, business and financial qualifications. You have represented and hereby represent to us that you are entering into this Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental or option rights hereunder.

8.3 Neither you nor any Owner shall, without our prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Development Agreement, the development rights granted to you hereunder, or in you. Any such proposed assignment occurring by operation of law or otherwise, including any assignment by or to any trustee in bankruptcy, without our prior written consent, shall be a material default of this Development Agreement.

8.4 Neither you nor any Owner, without our prior written consent, by operation of law or otherwise, shall sell, assign, transfer, convey, give away or encumber to any person or entity, all

or any part of your interest in this Development Agreement or your interest in the rights granted hereby or any interest in you if you are an entity, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person or entity. Any purported assignment of any of your or any Owner's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder. Subject to Paragraph 8.5 of this Development Agreement, so long as you and your Owners, directors and officers executing this Development Agreement are in full compliance with this Development Agreement and any other agreements to which you and the Company are parties, we will not unreasonably withhold our approval of an assignment or transfer, to proposed assignees or transferees if such persons or entities (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet our then applicable standards for developers, (iii) are willing to assume all of your obligations hereunder and to execute and be bound by, at our option, either (a) an assignment and assumption agreement satisfactory to use whereby the assignee assumes your obligations under this Development Agreement or (b) the then-current form of Multi-Unit Development Agreement for a term equal to the remaining term hereof, and (iv) except to the extent limited or prohibited by applicable law, you and each of your Owners must execute a general release in a form satisfactory to us, of any and all claims against us or our Affiliates, shareholders, officers, directors, employees or agents. As a condition to granting our approval of any such assignment or transfer, you or the assignee or transferee to pay to us a transfer fee of Seven Thousand Five Hundred Dollars (\$7,500.00) to defray expenses incurred by us in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer ("Development Transfer Fee"). You will also owe a transfer fee for each undeveloped territory being assigned or transferred for which a franchise agreement has not yet been signed ("Undeveloped Territory Transfer Fee"). The Undeveloped Territory Transfer Fee for the first undeveloped territory being assigned or transferred is seventy-five percent (75%) of our then-current franchise fee. The Undeveloped Territory Transfer Fee for the second and subsequent territories being assigned or transferred is fifty percent (50%) of our then-current franchise fee. You shall pay a non-refundable deposit on the Undeveloped Territory Transfer Fee for each undeveloped territory being transferred in the amount of Five Thousand Dollars (\$5,000.00) at the time you request our written consent of the proposed transfer. The failure of you or the proposed transferee to meet in any way the conditions for transfer set forth herein shall be good cause for us to withhold our consent to any proposed transfer.

8.5 You agree that in connection with any proposed assignment or transfer hereunder, you will comply at your own expense with any applicable state and federal franchise registration and disclosure laws or rules governing the offer and sale of franchises and other laws. You further agree to indemnify us for any expense (including attorneys' fees) incurred in connection with your failure to comply with any such franchise registration and disclosure laws or other laws and to hold us and our officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with any alleged failure on your part to comply with any such franchise registration and disclosure laws or other laws.

8.6 No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Development Agreement or in the options granted thereby, shall relieve you or your Owners

of the obligations of the covenants not to compete contained in this Development Agreement except where we shall expressly authorize in writing.

## **9. POST-TERMINATION COVENANTS**

9.1 Unless otherwise specified, the term "Developer" as used in this Section 9 shall include each and every Owner of Developer.

9.2 Developer specifically acknowledges that, pursuant to this Agreement, Developer will have access to the Confidential Information. Accordingly, Developer covenants that Developer and its Owners shall not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or entity:

(a) own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any Competitive Business or any entity which is franchises, licenses or develops Competitive Businesses within the Development Area, or within a ten (10) mile radius of any existing Apostle Business, except under a validly existing Franchise Agreement with Company. You acknowledge and agree that, after the date of this Agreement, other Apostle Businesses may open, thereby expanding the geographical area in which you will not be able to compete with us. For purposes of this Section 9, a "Competitive Business" is defined as any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business, or any entity which is granting franchises or licenses or entering into joint venture relationships for any business which offers products or services which are the same as, or similar to, those offered by an Apostle Business. (The ownership of 5% or less of a publicly traded company will not be deemed to be prohibited by this Paragraph.);

(b) directly or indirectly divert or attempt to divert any former business or customer of an Apostle Business to any competitive business; and

(c) employ or seek to employ any person employed by us or our affiliate or by any other Apostle franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment.

9.3 Court Modification of Agreement. You agree that this form of Agreement is prepared for use in many jurisdictions with differing public policies and that such public policies change. Accordingly, you agree that the prevailing non-competition restrictions set forth above may be modified by a Court to the extent necessary to make the non-competition agreements valid and enforceable against you.

9.4 Enforcement of Covenants Not to Compete. You acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you hereby

acknowledge that we may seek to obtain the entry of an injunction prohibiting any conduct by you or your Owners in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful use of the Confidential Information. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants not to compete set forth in this Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the enforcement of those covenants not to compete set forth in this Agreement.

9.5 In addition to the foregoing covenants, you, your Owners, and/or affiliates shall be bound by and comply with the covenants contained in each Franchise Agreement entered into by them.

**10. NOTICES**

All notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by U.S. Certified mail, Return Receipt Requested, or commercial overnight delivery service to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to Company:  
Apostle Franchising LLC  
N2344 Harvey Ct.,  
Walworth, Wisconsin 53184  
Attn: David Cook  
[david@apostleradon.com](mailto:david@apostleradon.com)

Notice to Developer:

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

All written notices and reports permitted or required to be delivered by the provisions of this Agreement shall be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and shall be deemed so delivered (i) at the time delivered by hand; (ii) one (1) business day after deposit within commercial overnight courier, (iii) three (3) business days after placement in the U.S. Mail by Certified Mail, Return Receipt Requested, postage prepaid and addressed, or (iv) on the date of transmission if an e-mail is sent on business days during business hours and there is confirmation of transmission (and if not sent during business hours, as of the next business day).

## **11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

11.1. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

11.2 Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary or as directed by us to that end.

11.3 You understand and agree that 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 that we assume no liability for, nor shall we be deemed liable by reason of, any act or omission by you in the conduct of your business, or any claim or judgment arising therefrom. You shall indemnify and hold us, our officers, directors, employees and agents harmless against any and all such claims directly or indirectly from, as a result of, or in connection with your business operations under this Agreement or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

## **12. ENFORCEMENT**

12.1 Invalid Provisions; Substitution of Valid Provisions; Severability. To the extent that any provision of this Agreement is deemed unenforceable, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction: (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement; or (2) makes any provision of this Agreement or any specification, standard or operating policy or procedure we prescribed invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating policy or procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted. No modification will impact the operation of, or have any other effect upon, any other terms, provisions, and/or covenants of this Agreement.

The provisions of this Agreement are deemed to be severable. The parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

12.2 Specific Performance; Injunctive Relief. Either you or the Company may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you must make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

We make no warranties or guaranties upon which you may rely, and we assume no liability or obligation to you, by virtue of granting any waiver, approval or consent, or by reason of any neglect, delay or denial of any request for a waiver, approval or consent. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days prior written notice.

Neither you nor the Company will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its terms), by virtue of: (i) any custom or practice of the parties at variance with the terms hereof; (ii) any failure, refusal or neglect of either of us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including, without limitation, any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Apostle Businesses; or (iv) the acceptance by us of any payments due from you after any breach of this Agreement.

Neither you nor the Company will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform our respective obligations results from: (i) transportation shortages or inadequate supply of labor, material or energy beyond the control of the parties, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (iii) acts of God; (iv) acts or omissions of the other party; (v) fires, strikes, embargoes, war, riot or acts of terrorism; or (vi) any other similar event or cause. Any delay resulting from any of the causes set forth above will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

12.3 Arbitration; Mediation. Except as qualified below, any dispute between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, our Standards, or the scope or validity of the arbitration obligations under this Section must be submitted to binding arbitration under the authority of the Federal Arbitration Act and



must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association (“AAA”). Any arbitration must be on an individual basis, and not as part of a consolidated, common, or class action, and you and/or your Owners waive any right to proceed on a consolidated, common, or class basis. Multiparty arbitration is specifically excluded, and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or other proceeding involving third parties. In the event a court or arbitrator determines that this exclusion of multiparty arbitration (including class arbitration) is unenforceable, then this entire commitment to arbitrate will be null and void and the parties must submit all claims to the jurisdiction of the courts. Arbitration shall take place at the AAA office nearest Company’s principal place of business. The arbitrators must follow the law and not disregard the terms of this Agreement. Any arbitrator must have at least five years’ experience in franchising or in franchise law.

Any unappealed decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) shall have no authority to: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; (iii) certify a class or consolidate an action, or (iv) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. We and you further agree that, in connection with any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Paragraph 12.10. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration under this Article 12 without the prior written consent of both parties. The provisions of this Article are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any award rendered by the arbitrator(s) may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules in effect as of the Effective Date of this agreement (“Appellate Rules”). Any award will, at a minimum, be a reasoned award. The award will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an award, as defined by Rule A-3 of the existing Appellate Rules, by filing a notice of appeal with any AAA office. The appeal tribunal may affirm, reverse, or modify the award of the arbitrator(s), or return the matter to the arbitrator(s) for further action. A final award may be entered once the appeal process is complete or the time for filing an

appeal has expired, and a judgment may be entered upon the arbitration award in accordance with the procedures identified above.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under Paragraph 12.4, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties and will take place in the county of Company's then current principal place of business. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If not resolved within thirty (30) days, the parties are free to pursue arbitration.

12.4 Injunctive Relief. Notwithstanding Paragraph 12.3, the parties agree that the following claims will not be subject to arbitration or mediation: (i) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency or any arbitration proceeding initiated under Paragraph 12.3; or (ii) any action in ejectment or for possession of any interest in real or personal property; or (iii) our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.

12.5 Cumulative Remedies. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either of us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

12.6 Governing Law/Consent to Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or any other applicable federal law, this Agreement and the Apostile will be governed by the laws of the state of Company's then current principal place of business, except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision.

You agree that we may institute any action against you arising out of or relating to this Agreement in any state or federal court of general jurisdiction over the county of Company's then current principal place of business, and you (and your Owners) irrevocably submit to the exclusive jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court. You agree to the exclusive jurisdiction of such courts and agree not to sue us regarding any matter relating in any way to this Agreement except in such courts.

12.7 Waiver of Jury Trial. Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

12.8 Limitations of Claims. Any claim concerning the Apostle Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which you or Company knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim

12.9 Limitation of Damages. You and Company each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Paragraph 12.10 herein.

12.10 Costs and Attorney's Fees. If a claim for amounts owed by you to us or our affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if the Company is required to enforce this Agreement in a judicial proceeding, the Company will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees.

12.11 Binding Effect. This Agreement is binding on and will inure to the benefit of our successors and assigns and will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors and administrators.

12.12 Entire Agreement; Modifications. This Agreement, together with the introduction and exhibits and attachments to it and the Operations Manual and all other written standards, specifications or policies issued by Company, constitute the entire agreement between us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Agreement. Except for modifications permitted to be made unilaterally by us, this Agreement may be modified only by written agreement signed by both you and us.

12.13 No Liability to Others; No Other Beneficiaries. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party will have, or is intended to have, any rights because of this Agreement. We do not warrant that the obligations of this Agreement have been agreed to by or will be enforced against any of our other franchisees.

12.14 Construction. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit or otherwise affect the meaning or construction of any provision.

The term "you" or "Developer" as used in this Agreement is applicable to one or more persons or an entity, as the case may be; the term "entity" means any non-human entity created at law, including, without limitation, corporations, partnerships and limited liability companies, and the singular usage includes the plural and the masculine and neuter usages include the other and the

feminine. If two or more persons are at any time Owner(s) of Developer under this Agreement, their obligations and liabilities to us will be joint and several. References to the "Developer" and assignee which are applicable to an individual or individuals mean the direct or indirect owner(s) of the equity or operating control of the Developer or the assignee if the Developer or the assignee is an entity.

Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you.

The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by us, or under common ownership with us, or that directly or indirectly owns or controls us, that owns or operates the Apostle Businesses, sells products used in connection with the operation of an Apostle Business, is otherwise associated with the Marks and System, or otherwise transacts business with you.

Time is of the essence of this Agreement.

12.15 Anti-Terrorism Laws. You and your Owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Developer, you and your Owners certify, represent, and warrant that none of your property or interest is subject to being "blocked" under any of the Anti-Terrorism Laws and that your and/or your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means the USA PATRIOT Act or similar laws, presidential executive orders, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing in or in any way relating to terrorist acts and acts of war. You and your Owners acknowledge and agree that any violation of the Anti-Terrorism Laws by any of you or your employees or any "blocking" of any of your assets under the Anti-Terrorism laws shall constitute grounds for immediate termination of this Agreement and any other agreement you shall have entered with us or its affiliates, in accordance with the termination provisions of this Agreement.

### **13. SUPERIORITY OF FRANCHISE AGREEMENT**

For each Apostle Business developed in the Development Area, a separate Franchise Agreement shall be executed and the individual franchise fee as prescribed hereunder shall be paid to us. It is understood and agreed by you that any and all Franchise Agreements executed in connection with Apostle Businesses developed by you within the Development Area under this Agreement are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Development Area, the Franchise Agreement shall have precedence and superiority over this Agreement.

### **14. OWNER GUARANTY.**

This Agreement must be personally guaranteed and the obligations hereunder assumed by all of the Owners of the Developer, and all such Owners must execute the Guaranty and Assumption of Obligations which is attached hereto as Exhibit C concurrently with the execution of this Agreement by Developer.

**15. ACKNOWLEDGEMENTS**

You and your Owners affirm that all information you have given to us in any and all applications, financial statements and other submissions is true, complete and accurate in all respects, with you expressly acknowledging that we are relying upon the truthfulness, completeness and accuracy of such information.

**16. EXECUTION OF AGREEMENT.**

This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement on the dates set forth below each signature.

**COMPANY:**

**APOSTLE  
FRANCHISING LLC**

A Wisconsin limited liability company

**DEVELOPER:**

**[ENTITY NAME]**

A \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT A TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**DESCRIPTION OF DEVELOPMENT AREA**

*[Insert description]*

**COMPANY:**  
**APOSTLE**  
**FRANCHISING, LLC**  
A Wisconsin limited liability company

**DEVELOPER:**  
**[ENTITY NAME]**  
A \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT B TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**DEVELOPMENT SCHEDULE**

You are obligated under this Agreement to develop, open and operate a minimum of two (2) Apostle Businesses. On or before the date set forth below, you are obligated by this Agreement to have signed Franchise Agreements and commenced operating Apostle Businesses:

Last date for  
Execution of  
Franchise Agreement

Date for  
Commencement  
of Operations

Upon the execution of this Agreement

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

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

**COMPANY:**  
**APOSTLE**  
**FRANCHISING LLC**  
A Wisconsin limited liability company

**DEVELOPER:**  
**[ENTITY NAME]**

A \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



**EXHIBIT C TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by \_\_\_\_\_

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In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement on this date (the "Agreement") by Apostle Franchising, LLC (the "Company"), each of the undersigned hereby personally and unconditionally, jointly and severally: (a) guarantees to the Company, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_ ("Developer") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by the Company of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several with all other current and future guarantors of Developer's obligations; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by the Company of any remedies against Developer or any Other person; (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Company may from time to time grant to Developer or to any Other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) this Guarantee shall apply to any amounts recovered from Company as a preference, fraudulent transfer or otherwise in a bankruptcy or similar proceeding.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

% OF INTEREST IN DEVELOPER

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_

(Percentage must equal 100)

## **EXHIBIT D TO MULTI-UNIT DEVELOPMENT AGREEMENT**

### **STATE ADDENDUM**

Some administrators of franchise registration states may require us to enter into an addendum to the Multi-Unit Development Agreement describing certain state laws or regulations which may supersede the Multi-Unit Development Agreement. If you are in a registration state which requires an Addendum to this Multi-Unit Development Agreement, it will follow this page.

**Exhibit G**

**TABLE OF CONTENTS OF OPERATIONS MANUAL**



# **APOSTLE RADON FRANCHISE OPERATIONS MANUAL**

## **TABLE OF CONTENTS**

### **Preface for Manual (8 pages)**

The Manual Organization

The Purpose of this Manual

The Importance of Confidentiality

Keeping the Operations Manual Current

Submitting Suggestions to the Home Office

Manual Disclaimer

### **A. INTRODUCTION (12 pages)**

Mission Statement and Company Culture (A-1)

Welcome Letter (A-2)

History of Apostle Radon (A-3)

Services Provided to Apostle Radon Franchisee (A-4)

Responsibilities of Apostle Radon Franchisee and Staff (A-6)

Visits from the Home Office (A-8)

Paying Other Fees (A-10)

**B. PRE-OPENING PROCEDURES (27 pages)**

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Pre-Opening Timeline and Checklist (B-2)

Establishment of Business Form and Operation (B-5)

Setting Up Your Office and Shop Facility (B-7)

Office Space Requirements  
Site Selection Criteria/Acceptance Process  
Setting-Up the Office and Shop Area

Required List of Equipment (B-12)

Vehicle Specifications (B-14)

Initial Inventory and Required Minimum Purchases (B-16)

Contracting with Required Utilities and Services (B-19)

Obtaining Required Licenses and Permits (B-20)

Setting-Up Bank Accounts (B-21)

Procuring Required Insurance Policies (B-22)

Meeting Your Tax Obligations (B-23)

Conducting a Grand Opening (B-25)

Grand Opening Advertising  
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EEOC Guidelines in Hiring Employees (C-2)

Wage and Labor Laws (C-5)

Immigration Reform Act (C-8)

I-9 Form Requirement

Profile of the Ideal Apostle Radon Employee (C-10)

**C. People Development (continued)**

Recruiting Employees (C-11)

- Getting the Word Out
- Testing Procedures
- Reference Check Procedures

The Interview Process (C-13)

- Sample Interview Questions
- Completing the Interview Report
- Reference and Background Check Procedures
- Making the Hiring Decision

Hiring on a Trial Period (C-17)

Job Descriptions (C-18)

- General Manager
- Sales and Testing Specialist
- Technician
- Technician Apprentice
- Office Manager

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- Orientating New Employees (for each position)
- Completing New Hire Paperwork
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Personnel Policies (C-31)

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Recommended Commission System for Sales Staff (C-38)

Time-Tracking Procedures (C-39)

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Proper Handling of Incoming Calls (D-2)

- Greeting
- Telephone Standards/Email Standards
- Scripts
- Entering the Lead into the CRM System

Preparing for Sales Activities (D-6)

- Understanding Our Service Offering
- Understanding Your Competition
- Understanding Apostle Radon Competitive Advantages
- Approaching a Prospect's Home

Apostle Radon Sales Presentation (D-11)

- Use of the Sales Materials
- Explanation of Indoor Air Quality/Radon
- Features, Advantages, and Benefits of Apostle Radon Mitigation Services
- Selling Against Competitive Systems
- Explanation of the Premium Program

Testing Procedures (D-21)

- Use of Test Kit
- Test Monitor Set Up
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Pricing the Job (D-24)

- Gathering Data/Quote Process
- Project Assessment
- Taking Photos
- Detailing Solutions – Radon Mitigation System Options
- Pricing Considerations
- Completing Quote Checklist and Diagram

Closing the Sale (D-29)

- Presenting the Quote
- Asking for the Order
- Handling Objections
- Discussing Alternatives
- Completing Contracts Properly



**D. Sales Procedures (continued)**

Prospect Management (D-33)

Follow-Up Procedures  
Generating Prospect Management Reports

Looking for Referral Business Opportunities (D-35)

**E. OFFICE PROCEDURES (35 pages)**

Introduction (E-1)

Suggested Hours of Operation (E-2)

Client Service Procedures (E-3)

Client Service Philosophy  
Client Service Commitment Standards  
Handling Client Complaints

Scheduling (E-6)

Managing Workflow/Understanding Time Estimates  
Setting Appointments in CRM  
Confirming Appointments  
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Invoicing Procedures (E-10)

Collecting Payment at Job Site  
Sending Invoices  
Receiving Payments  
Collection Procedures

Financial Management (E-14)

Generating Necessary Reports  
Analyzing Reports  
KPIs – Tracking and Analyzing  
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Franchise Reporting Requirements (E-20)

Royalty Payment/Advertising Contributions  
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Required Monthly Reports

**E. Office Procedures (continued)**

Inventory Management (E-23)

- Inventory Ordering Procedures
- Product Purchasing Requirements
- Ordering from Approved Suppliers
- Inventory Receiving Procedures
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Required Equipment Maintenance (E-28)

- Proper Maintenance, Care, and Storage
- Maintenance Schedule
- Troubleshooting

Required Vehicle Maintenance (E-33)

- Proper Maintenance, Care, and Storage
- Maintenance Schedule

**F. MITIGATION PROCEDURES (33 pages)**

Introduction to the Apostle Radon Installation and Service Process (F-1)

Pre-Mitigation System Installation Procedures (F-2)

- Pre-Installation Checklist
- Pre-Install Steps
- Use of Vehicle Checklists (Inventory and Inspection)

On-Site Procedures (F-6)

- Apostle Radon Mitigation System Installation Procedures
- Troubleshooting
- Completing the Post-Installation Checklists

Cleaning-Up the Job Site (F-21)

- Cleanliness Standards
- Clean-Up Procedures

Performing the Post-Job Inspection with the Client (F-23)

Call-Back Procedures (F-25)

**F. Mitigation Procedures (continued)**

Safety Procedures (F-27)

- Safety First Philosophy
- Developing a Safety Program
- Safety Meetings
- Employee Incident Report
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Ongoing Service Procedures (F-31)

- Completing Service Calls
- Performing Warranty Inspections

**G. MARKETING AND PROMOTION (15 pages)**

Introduction (G-1)

Developing Marketing Plan (G-2)

Promoting Apostle Radon in Your Area (G-4)

- Use of Traditional Media
- Use of Electronic Media
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Using Referral Sources to Build Your Business (G-8)

Guidelines for Using Apostle Radon's Marks (G-9)

Signage and Logo Specifications (G-11)

- Vehicle Signage
- Job Site Signage

Required Advertising Expenditures (G-12)

- System-wide Advertising Contribution
- Local Advertising Requirements
- Grand Opening Advertising Requirement

Public Relations (G-13)

Community Involvement (G-14)

Obtaining Advertising Approval (G-15)

**APPENDICES:**

Appendix: Forms

Appendix: Software Manuals

## **Exhibit H**

### **STATE ADDENDUM**

Some administrators of franchise regulations states may require us to enter into an addendum to the Disclosure Document and/or the Franchise Agreement describing certain state laws or regulations which may supersede the Disclosure Document or Franchise Agreement. If you are in a registration state which requires an addendum, it will be found in this exhibit.

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

The Franchise Disclosure Document of Apostle Franchising, LLC for use in the State of Illinois is modified in accordance with the following:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon Termination and Non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

The Office of the Illinois Attorney General requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

This Addendum is to a Franchise Agreement between Apostle Franchising, LLC and \_\_\_\_\_ (Franchisee) executed simultaneously with this Addendum to amend said Agreement as follows:

1. Illinois law shall apply to and govern the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee's rights upon Termination and Non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. The Office of the Illinois Attorney General requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

**APOSTLE FRANCHISING,  
LLC**, a Wisconsin limited liability  
company

**FRANCHISEE:**  
\_\_\_\_\_  
[Insert individual name or company]

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

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

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

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

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

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

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE MULTI- UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF ILLINOIS**

This Addendum is to a Multi-Unit Development Agreement between Apostle Franchising, LLC and \_\_\_\_\_ (Developer) executed simultaneously with this Addendum to amend said Agreement as follows:

1. Illinois law shall apply to and govern the Multi-Unit Development Agreement.
  
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a multi-unit development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a multi-unit development agreement may provide for arbitration to take place outside of Illinois.
  
3. Franchisee’s rights upon Termination and Non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
  
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
  
5. The Office of the Illinois Attorney General requires the Franchisor or affiliates to defer all initial development fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Developer under the Multi-Unit Development Agreement and the Developer has commenced doing business. This deferral of the development fee is required based on the Franchisor’s financial condition.
  
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

**APOSTLE FRANCHISING, LLC**, a Wisconsin limited liability company

**FRANCHISEE:**  
\_\_\_\_\_  
[Insert individual name or company]

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

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

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

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

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

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



**APOSTLE FRANCHISING, LLC**  
**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF MINNESOTA**

1. ITEM 13 of the Disclosure Document is amended as follows:
  - a. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
2. ITEM 17 of the Disclosure Document is amended as follows:
  - a. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.
  - b. ITEM 17 does not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
  - c. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

This Addendum is agreed by and between APOSTLE FRANCHISING, LLC and \_\_\_\_\_ (Franchisee) to amend said Agreement by including the following language:

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

- (a) Sections 3(C)(4) and 13(C)(5) do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- (b) Section 6 is amended to add that as required by Minnesota Franchise Act, Apostle Franchising, LLC will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by Apostle Franchising, LLC, and so long as Apostle Franchising, LLC is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- (c) Section 17(I) is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- (d) Section 17(H) is deleted in its entirety.
- (e) Section 17(J) is deleted in its entirety.
- (f) Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

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

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

4. The Minnesota Department of Commerce requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial obligations owed to the Franchisee under the Franchise Agreement and the Franchisee has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

**APOSTLE FRANCHISING,  
LLC**, a Wisconsin limited liability  
company

**FRANCHISEE:**

\_\_\_\_\_  
[Insert individual name or company]

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

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

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

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

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

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

**APOSTLE FRANCHISING, LLC**  
**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**  
**FOR THE STATE OF MINNESOTA**

This Addendum is agreed by and between APOSTLE FRANCHISING, LLC and \_\_\_\_\_ (Developer) to amend said Agreement by including the following language:

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

- (a) Section 8.4 does not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- (b) Section 12.8 is amended to state that any claim concerning the Developer or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- (c) Section 12.7 is deleted in its entirety.
- (d) Section 12.9 is deleted in its entirety.
- (e) Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Multi-Unit Development Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

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

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

4. The Minnesota Department of Commerce requires the Franchisor or affiliates to defer all initial franchise fees until such time as the Franchisor or affiliates have completed all initial

obligations owed to the Franchisee under the Multi-Unit Development Agreement and the Developer has commenced doing business. This deferral of the initial franchise fee is required based on the Franchisor's financial condition.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

**APOSTLE FRANCHISING,  
LLC**, a Wisconsin limited liability  
company

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

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

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

**DEVELOPER:**

\_\_\_\_\_  
[Insert individual name or company]

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

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

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

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF WISCONSIN**

This Addendum is agreed by and between APOSTLE FRANCHISING, LLC and \_\_\_\_\_(Franchisee) to amend said Agreement by including the following language:

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.

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

**In witness whereof**, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date below the signatures.

**APOSTLE FRANCHISING,  
LLC**, a Wisconsin limited liability  
company

**FRANCHISEE:**

\_\_\_\_\_  
[Insert individual name or company]

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

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

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

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

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

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

**APOSTLE FRANCHISING, LLC  
ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF WISCONSIN**

This Addendum is agreed by and between APOSTLE FRANCHISING, LLC and \_\_\_\_\_(Franchisee) to amend said Agreement by including the following language:

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.

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

**In witness whereof**, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date below the signatures.

**APOSTLE FRANCHISING,  
LLC**, a Wisconsin limited liability  
company

**DEVELOPER:**

\_\_\_\_\_  
[Insert individual name or company]

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

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

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

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

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

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

### **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:

<b>State</b>	<b>Effective Date</b>
California	Not registered
Hawaii	Not registered
Illinois	Pending
Indiana	August 7, 2023, as amended August 23, 2023
Maryland	Not registered
Michigan	Not registered
Minnesota	Pending
New York	Not registered
North Dakota	Pending
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	August 7, 2023, as amended August 23, 2023

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.



COPY FOR YOU

**RECEIPT**

THIS DISCLOSURE DOCUMENT SUMMARIZED PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding Agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise:  
David Cook, N2344 Harvey Court, Walworth, Wisconsin 53184, (262) 749-4266 **and check and fill in as applicable**

\_\_\_\_\_

Issuance date: August 4, 2023, as amended August 23, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received the Apostle Franchise Disclosure Document issued on August 4, 2023, as amended August 23, 2023. This disclosure document included the following exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Franchise Agreement (with exhibits)
- C. Franchisee Disclosure Acknowledgement Statement
- D. Financial Statements
- E. Lists of Current and Former Franchisees
- F. Multi-Unit Development Agreement
- G. State Addendum (if applicable)

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

\_\_\_\_\_  
Individually or as an officer or member/manager of

\_\_\_\_\_  
a (\_\_\_\_\_) corporation

or (\_\_\_\_\_) limited liability company

**RECEIPT**

THIS DISCLOSURE DOCUMENT SUMMARIZED PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding Agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: David Cook, N2344 Harvey Court, Walworth, Wisconsin 53184, (262) 749-4266 *and check and fill in as applicable*

\_\_\_\_\_

Issuance date: August 4, 2023, as amended August 23, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received the Apostle Franchise Disclosure Document issued on August 4, 2023, as amended August 23, 2023. This disclosure document included the following exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Franchise Agreement (with exhibits)
- C. Franchisee Disclosure Acknowledgement Statement
- D. Financial Statements
- E. Lists of Current and Former Franchisees
- F. Multi-Unit Development Agreement
- G. State Addendum (if applicable)

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

\_\_\_\_\_  
Individually or as an officer or member/manager of

\_\_\_\_\_  
a (\_\_\_\_\_) corporation

or (\_\_\_\_\_) limited liability company