



AIO Home Services

AIO HOME SERVICES
FRANCHISE DISCLOSURE DOCUMENT

AIO Franchising, Inc.
d/b/a AIO Home Services

FRANCHISE DISCLOSURE DOCUMENT

Franchisor:



AIO Franchising, Inc. d/b/a AIO Home Services™
A Kentucky Corporation
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AIO Franchising, Inc. d/b/a AIO Home Services™ (hereinafter “AIO,” “Franchisor,” “we,” or “us”) offers franchises for the operation of businesses that provide an “All-In-One” solution to residential home improvement contractors (hereinafter “AIO Franchised Outlet” or “Outlet”).

The total investment necessary to begin operation of a new AIO Franchised Outlet is \$106,350 to \$170,750. This includes \$50,000 that must be paid to the franchisor or affiliate. AIO also has an area development offering to develop three to five AIO Franchised Outlets. The total investment necessary to begin operations under an area developer agreement is \$206,350 to \$325,750. This includes \$120,000 to \$175,000 that must be paid to AIO as the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact William Pittman IV at 550 Fairlane Drive, Vanceburg, KY 41179 (714) 600-1480.

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

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

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

This Disclosure Document was issued on August 13, 2021.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Short Operating History. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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 D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement or area development 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 the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Kentucky. 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 Kentucky than in your own state.
2. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), may call into question the franchisor's financial ability to provide services and support to you.
5. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
6. **Supplier Control.** You must purchase some of the inventory, supplies, equipment, and/or services that are necessary to operate your business from approved vendors and suppliers. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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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ITEM 1.

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Our Franchise Opportunity

The franchise offered is a business-to-business (B2B) concept whereby the AIO Franchised Outlet will provide contracting services to residential home improvement contractors, rather than directly to individual consumers. Often, home improvement contractors specialize in providing a specific service, such as installing windows, HVAC installation/repair, plumbing, etc. These contractors routinely need “back-end” services, such as having an electrical panel relocated, or needing drywall or stucco repair, patching or sealing. Many of these companies do not perform this “back-end” work themselves, because they lack the expertise or wish to avoid the liability associated with performing services outside the scope of their specialty. AIO Home Services will contract with these companies to come to their jobsite and provide these “back-end” services. AIO Home Services is a home-based franchise, and does not require any warehouse or commercial space. Each franchisee unit shall be referred to herein as an “AIO Franchised Outlet,” or “Outlet.”

The Market and Competition

We operate in a specialty market within the construction industry. The general market for B2B subcontractors that focus on assisting residential home improvement contractors is limited in scope, as AIO is one of the first brands designed to specifically target this market. Our services are offered year-round, but experience seasonal cycles that coincide with the overall construction industry. You will compete for customers with other construction subcontractors.

The Franchisor

We are a Kentucky corporation, formed on May 28, 2021 for the purpose of offering AIO Franchised Outlets. We do not operate a business of the type being franchised or engage in any other business. Our principal business address is 550 Fairlane Drive, Vanceburg, KY 41179. We have offered AIO franchises since July 2021. We do not offer franchises in any other line of business. Our agent for service of process in Kentucky is William Pittman IV who can be reached at 550 Fairlane Drive, Vanceburg, KY 41179. Our agents for service of process in other states are disclosed in Exhibit D.

The Franchisor’s Predecessors, Parents, and Affiliates

We do not have any Predecessors or Parents. Our Affiliate is Efficient Energy Solutions, Inc. (“EES”) with a principal place of business of 305 S. Carmalita Street, Hemet, CA 92543. EES has operated in the solar panel business since 2011, and the concept behind AIO was developed as a separate line of business offered under EES in the Orange County, CA area. Upon seeing the market need and the success of this line of business, Mr. Pittman saw the opportunity to develop the AIO franchise, which will operate completely independently of EES, and focus on the “back-end” B2B market described above. Our Affiliate has not offered franchises in this or any other line of business.

Industry Regulations

Operation of an AIO franchise will require you to be aware of federal, state and local regulations that are common to all businesses, including federal, state, and local employment laws and regulations, specifically including minimum wage and wage requirements. You are responsible for operating in full compliance with all laws that apply to your franchised Outlet and the business that you manage. The construction industry is regulated primarily at the state level. Most states require contractors to obtain a license, though the requirements for obtaining a license and the types of licenses required will vary from state to state.

Area Development Offering

We also offer qualified individuals and entities the right to open and operate three (3) or more franchised businesses within a designated geographical area (the “**Development Area**”) under our current form of development agreement that is attached to this Disclosure Document as Exhibit B (the “**Development Agreement**”), which will also outline a schedule or defined period of time in which you must open and commence operating each franchised business (a “**Development Schedule**”).

You will be required to sign a Franchise Agreement for the initial franchised business we grant you the right to open within the Development Area at the same time you sign your Development Agreement, and you will need to sign our then-current form of franchise agreement for each of the franchised businesses you open under the Development Schedule, which may differ from the current franchise agreement included with this Disclosure Document.

You will be required to pay us a one-time development fee that will be calculated based on the number of franchised businesses we grant you the right to open under the Development Agreement (the “**Development Fee**”), but you will not be required to pay any other initial franchise fee at the time you execute your franchise agreements for each franchised business we permit you to open under your Development Agreement.

ITEM 2.

BUSINESS EXPERIENCE

Founder and CEO of Franchisor – William “Billy” Pittman, IV

Mr. Pittman has served as the Chief Executive Officer of AIO Franchising, Inc. since June 2021. Mr. Pittman also serves as the Co-Owner and CEO of Efficient Energy Solutions, Inc., an affiliate of AIO, a position he has held since January 2020. Prior to that, Mr. Pittman was the Production Manager for Home Comfort USA from April 2019 to March 2020. From April 2018 to July 2019, Mr. Pittman was the owner of First Class Environmental Consultants. From September 2016 to September 2018, Mr. Pittman was a Proprietary Trader-Options Market for Maverick Trading.

Operations Manager – David Liedloff

Mr. Liedloff has served as the Operations Manager of AIO Franchising, Inc. since June 2021. Mr. Liedloff also serves as the Co-Owner of Efficient Energy Solutions, Inc., an affiliate of AIO, a position he has held since January 2020. Mr. Liedloff is also the Owner of WEP Trading, which he has operated since October 2019. Prior to that, Mr. Liedloff served in the United States Army in active duty from July 2016 to July 2020.

Field Sales Support – William “Bubba” Pittman, III

Mr. Pittman serves as the Chief Operations Officer of Efficient Energy Solutions, Inc., an affiliate of AIO, a position he has held since January 2020. Mr. Pittman has also worked as an Operations Manager for WEP Trading since October 2019. Prior to that, from 2017 to 2020, Mr. Pittman served as a Chef for the Fullerton Joint Union High School District. From 2016-2017, Mr. Pittman was the Chef for Laguna Mission Hospital. From 2014-2017, Mr. Pittman was a Field Energy Consultant for SolarCity.

See Exhibit J for any required disclosures relating to our Area Representatives.

ITEM 3.

LITIGATION

No litigation exists or is required to be disclosed in this Item.

See Exhibit J for any required disclosures relating to our Area Representatives.

ITEM 4.

BANKRUPTCY

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

See Exhibit J for any required disclosures relating to our Area Representatives.

ITEM 5.

INITIAL FEES

Franchise Agreement

The initial franchise fee (the “**Franchise Fee**”) for a single franchise is \$50,000 and is due upon execution of the Franchise Agreement. This fee is uniform and not refundable.

Area Development Agreement

If we award you the right to develop three (3) or more franchised businesses within a given Development Area, you must pay us a one-time Development Fee upon execution of your Development Agreement. Your Development Fee will depend on the number of franchised businesses we grant you the right to open within the Development Area, and is calculated as follows: (i) \$40,000 per franchised business if you agree to open and operate between three and four franchised business; and (ii) \$35,000 per franchised business if you agree to open and operate five franchised businesses.

You will be required to enter into our then-current form of franchise agreement for each franchised business you wish to open under your Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first AIO franchised business we grant you the right to open within your Development Area concurrently with the Development Agreement.

Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all of our franchisees.

ITEM 6.

OTHER FEES¹

Type of Fee	Amount	Due Date	Remarks
Royalty	8% of Gross Revenue ²	Weekly payments of royalties must be paid by electronic fund transfer (EFT) ³	You must pay your royalty fee directly to us from Gross Revenue, as defined below, generated through your business.
Sales and Marketing Employee	Varies	Varies	Because of the nature of this business concept, AIO does not require franchisees to pay any system-wide advertising fees, nor do we require that franchisees spend a minimum amount on local marketing. Instead, we require franchisees to hire and maintain a full-time staff member dedicated to sales and marketing in your assigned territory. This employee must be active at the beginning of the franchise operation.
Transfer Fee	\$15,000 for Control Transfers (as defined in the Franchise Agreement); \$2,500 for other approved transfers	At the time of transfer	Payable to us at time of transfer, but an initial deposit may be required upon your request for us to consider a transfer.
Audit Expenses	Approximately \$1,500 to \$5,000, based on actual costs and expenses associated with audit.	Upon completion of audit	Due only if the audit shows you have underreported amounts you owe us by 2% or more. Costs vary depending on several factors, including prevailing auditor's rates in your area, the business activity being audited, and how well you keep your books and records. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.
Late Fees	1.5% per month or the highest rate allowed by the State where your business is located.	As accrued	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit. Late fees begin from the date payment was due, but not received, or date of underpayment.
Prevailing Party's Legal Costs	All costs, including reasonable attorney's fees, expert witness fees, court filing fees, transcript and court reporter fees, and the like.	Upon demand	If we hire attorneys or file litigation against you to enforce your obligations, you will be required to reimburse us for all costs incurred, but only if we prevail in the litigation.
Additional Training	\$500 per day per trainee	As billed	If you request additional onsite training, or if we require you to undergo additional training after the initial training.

Type of Fee	Amount	Due Date	Remarks
Successor Franchise Fee	\$10,000	Renewal Fee due upon renewal of your Franchise Agreement	Our administrative fee for processing your new Franchise Agreement.

NOTES:

1. Except as noted, all of the fees in the table above are imposed by us, payable to us, non-refundable, and are uniformly imposed. You must use the payment methods we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.
2. **“Gross Revenue”** means all revenue that you receive or otherwise derive from operating the Outlet, whether from insurance payments, cash, check, credit or debit card, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for the revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the business, there shall be added to Gross Revenue an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Revenue does not include (i) any bona fide returns and credits that are actually provided to customers and (ii) any sales or other taxes that you collect from customers and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees) from your Gross Revenue calculation.
3. You will be required to provide revenue data weekly and initiate an electronic fund transfer (EFT) equal to 8% of your Gross Revenue. In the event that a franchisee fails to provide us with adequate revenue data for the EFT in any given week, we will then withdraw an amount from the franchisee’s account equal to the amount paid by the franchisee in the previous week. The amount withdrawn under this circumstance will be adjusted (plus or minus) once the franchisee provides accurate revenue data to us.

ITEM 7.

YOUR ESTIMATED INITIAL INVESTMENT

A. FRANCHISE AGREEMENT

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	From	To			
Initial Franchise Fee ¹	\$50,000	\$50,000	Cashier's Check	Signing of Franchise Agreement	Franchisor
Training Expenses ²	\$0	\$3,000	Not Specified	During Training	Airlines, Hotels, Restaurants
Furniture and Fixtures ³	\$300	\$750	Not Specified	Before Beginning Operations	Supplier
Equipment Used in the Business ⁴	\$0	\$3,000	Not Specified	Before Beginning Operations	Supplier
Computers, Office Supplies and Equipment ⁵	\$1,500	\$3,000	Not Specified	Before Beginning Operations	Supplier
Software ⁶	\$700	\$1,500	Not Specified	Before Beginning Operations	Utility Provider
Signage ⁷	\$100	\$500	Not Specified	Before Beginning Operations	Supplier
Insurance ⁸	\$1,500	\$2,500	Not Specified	Before Beginning Operations	Insurance Agent
Licenses and Permits ⁹	\$250	\$1,500	Not Specified	Before Beginning Operations	Relevant Governmental Agencies
Legal and Accounting ¹⁰	\$2,000	\$5,000	Not Specified	Before Beginning Operations	Accountants, Lawyers
Additional Funds (Working Capital) ¹¹	\$50,000	\$100,000	Not Specified	Upon Beginning Operations	Suppliers
Total¹²	\$106,350	\$170,750			

FOOTNOTES

¹ Franchise Fee: The franchise fee and its refund policy are described in greater detail in ITEM 5.

² Training. The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training if you choose to attend training in-person rather than virtually. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation. These expenses are typically non-refundable.

³ Furniture and Fixtures. Because this is a home-based business, we have estimated the cost of a desk and chair.

⁴ Equipment Used in the Business. Franchisee may choose to purchase tools for employees, or require employees to have their own set of tools.

⁵ Computers, Office Supplies, and Office Equipment. You must purchase general office supplies including a computer, printer, ink, paper, and other general office supplies. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers, and other factors. Typically, office supplies may be returned if unused but are otherwise nonrefundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

⁶ Software. The industry has several software packages that assist in this line of business. We currently approve of HouseCall Pro, QBO, Gusto, and Net2Phone. However, you may utilize other similar software packages with our prior approval.

⁷ Signage. The signage required for the business consists of magnet decals to be placed on vehicles used in the business. These are estimated at \$100 per vehicle.

⁸ Insurance. You must purchase the following types and amounts of insurance: (1) “all risk” property insurance; (2) workers’ compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires; (3) comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence, or higher if your state law requires. Our estimate is based on three months’ premiums. Factors that may affect your cost of insurance include number of employees, local prevailing rates, and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

⁹ Licenses & Permits. State and local government agencies typically charge fees for contractor operating licenses and permits. These fees are typically non-refundable.

¹⁰ Legal & Accounting. You will need to employ an attorney, an accountant and possibly other consultants to assist you in establishing your Outlet. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants and your existing relationships. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

¹¹ Additional Funds (Working Capital). We recommend that you have a minimum amount of money available to cover operating expenses (payroll, materials, administrative costs, and the like) for the

first 3 months that the Outlet is open. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

¹² Total. We do not offer direct or indirect financing for any part of the Estimated Initial Investment.

B. AREA DEVELOPMENT AGREEMENT¹

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	From	To			
Development Fee (Ranging from 3 to 5 franchised businesses) ²	\$120,000	\$175,000	Cashier's Check or Wire Transfer	Signing of Development Agreement	Franchisor
Costs for Initial Franchised Outlet (as outlined above)	\$86,350	\$150,750	As Outlined Above in Item 7-A	As Outlined Above in Item 7-A	As Outlined Above in Item 7-A
Total	\$206,350	\$325,750			

FOOTNOTES

¹ Other than as noted in this Area Development chart, the initial investment per outlet developed will include the expenditures listed in the Franchise Agreement chart listed above in Item 7-A. The development fee varies based on the number of Outlets you elect to develop in the Development Area.

² Development Fee: The development fee and its refund policy are described in greater detail in **ITEM 5**. The development fee varies based on the number of franchises you elect to develop in the Development Area.

ITEM 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally. We reserve the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your business (1) either from us or our designee, (2) from suppliers approved by us, or (3) according to our specifications. We currently do not have any such requirements, other than as outlined in this FDD.

Services Offered. Franchisees will be required to offer only those services approved by us that we have deemed to fit within our system and business model. Franchisees are discouraged from offering services directly to consumers in order to focus on the B2B model developed by us. If a franchisee does offer any direct consumer services, we do require that any such work be sub-contracted to a third party.

Designated Material Suppliers. Most of the materials and supplies you will need for the business are available at major home improvement stores, such as Lowes, Home Depot, Menards, etc. There are currently no restrictions or required designated sources for such materials and supplies, but we reserve the right to enter into exclusive supply agreements in the future, and to require franchisees to offer only those materials and supplies designated by us. We reserve the right to obtain rebates, incentives, and other payments from any designated suppliers based on purchases made by franchisees.

Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes: (1) “all risk” property insurance; (2) workers’ compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires; (3) comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence, or higher if your state law requires. Your policies (other than Workers Compensation) must list us as an additional insured, must include a waiver of subrogation in favor of us, must be primary and non-contributing with any insurance carried by us, and must stipulate that we receive 30 days’ prior written notice of cancellation.

Software and Hardware. Unless you receive written permission from us to use an alternate software application, you must use the following software packages: 1) Housecall Pro – dispatching, scheduling, invoicing, and estimating software, 2) Quickbooks or Gusto – payroll, 3) Net2Phone or Grasshopper – telephone service, 4) HubSpot – lead generation and marketing, and 5) Quickbooks Online – accounting. In addition, you will be required to maintain general ledger and financial statement formats as designated by us. Your computer hardware and high-speed internet connections must be capable of allowing us remote access to your financial, operating, and key metric data in real time.

Call Center. We have not established a central call center at this point. We reserve the right to do so in the future, and to charge franchisees a reasonable fee for that service.

Us or our Affiliates as a Supplier. We are not currently an approved supplier of goods or services that you will be required to purchase, but reserve the right to do so in the future.

Ownership of Suppliers. We do not own an interest in any supplier to our franchisees.

Revenue to Us and Our Affiliates. We may derive revenue from the required purchases and leases by franchisees. However, because we currently do not have any such relationships with suppliers, and because there were no franchises in operations during the last fiscal year, we have not received any such revenue.

Purchasing or Distribution Cooperatives. No purchasing or distribution cooperatives currently exist.

Negotiated Arrangements. We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

Benefits Provided to You for Purchases. We do not provide material benefits to you based on your purchase of particular goods or services or from your use of particular suppliers.

ITEM 9.

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA) and other agreements. It will help you find more detailed information about your obligations in the Franchise Agreement, and in other items of this Disclosure Document.

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Pre-opening purchases/leases	FA: Sections 5, 6, and 7	Items 6, 7, 8 and 11
b.	Initial and ongoing training	FA: Section 5	Items 5, 6, 8 and 11
c.	Opening	FA: Sections 4 and 5	Items 6, 7, 8 and 11
d.	Fees	FA: Section 3	Items 5, 6, 7 and 11
e.	Compliance with standards and policies/Operating Manual	FA: Section 6	Items 7, 8, 11, 13, 14, 15 and 16
f.	Trademarks and proprietary information	FA: Section 9	Items 13, 14 and 17
g.	Restrictions on products/services offered	FA: Sections 6.6, 6.7, and 6.8	Items 8 and 16
h.	Warranty and customer service requirements	FA: Section 6	Items 8 and 16
i.	Ongoing product/service purchases	FA: Sections 6.7 and 6.8	Items 8 and 16
j.	Insurance	FA: Section 6.13	Items 7 and 8
k.	Advertising & Signage	FA: Sections 3.3 and 7	Items 6, 7, 8 and 11
l.	Indemnification	FA: Section 11	Item 6
m.	Owner's participation/management/staffing	FA: Sections 1.4, 1.5, and 6.2	Items 11 and 15
n.	Records and reports	FA: Section 8	Items 6 and 17
o.	Inspections and audits	FA: Sections 8.4 and 8.5	Items 6 and 11
p.	Transfer	FA: Section 13 DA: Section 7	Items 6 and 17
q.	Renewal	FA: Section 2.2	Item 17
r.	Post-termination obligations	FA: Section 15 DA: Section 8.2	Item 17
s.	Non-competition covenants	FA: Sections 12 and 15 DA: Section 8	Item 17
t.	Dispute resolution	FA: Section 16 DA: Section 9	Item 17
u.	Personal guarantee of franchise obligations	FA: Section 12.4 and Appendix C DA: Appendix B	Item 15
v.	National and Regional Accounts		

ITEM 10.

FINANCING

We do not offer direct financing. We do not guarantee your note, lease, or other obligations. If requested, we may recommend a third-party lender that may offer financing for fees or equipment to those

franchisees that meet certain criteria determined by such lender. We do not receive any revenue from such recommendations or arrangements.

ITEM 11.

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

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

If we have appointed, or appoint in the future, an Area Representative to operate an Area Business in the area in which your Outlet is located, such Area Representative may provide the training, support, marketing, and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

Our Pre-Opening Obligations

For all Franchise Agreements, whether executed pursuant to a Development Agreement or otherwise, before you begin operating your Outlet:

1. Initial Training. We will provide Initial Training in our system, business model, and our policies and procedures to you and one key staff member, along with ongoing training as needed. See "Training", below in this Item. (Franchise Agreement - Section 5.1)

2. Your Territory. We will define your protected exclusive franchise territory. See Item 12 of this FDD for more details.

3. Supply Sources. We will provide you with our written specifications and contact information for our approved suppliers, if any.

4. Operating Manual. We will provide you with electronic access to our Manual, on loan for as long as this Agreement or a successor franchise agreement remains in effect. (Franchise Agreement - Section 6.1)

5. Periodic Consultation. We may periodically visit with you at your location to consult in the operation of your franchise, and assist in evaluating your operations and staff. We will also be available to telephone and email to assist as needed.

6. Website and Technology. We will maintain a corporate website for AIO Home Services, and your Outlet will be identified through a locator function on the site. You are prohibited from creating your own website or using social media that contains the AIO name or marks, unless we otherwise authorize in writing. We may, but are not required to, operate social media accounts and/or perform online marketing for the system. More details are provided below.

7. Signage. We will provide you a list of our specifications, artwork, and suggested suppliers for magnetic signage that will be placed on your staff vehicles. We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

8. Opening Approval. We will approve your Outlet opening, provided that you have met all of our requirements for opening. We estimate that the typical length of time between signing a Franchise

Agreement and opening your Outlet is approximately 2 months. Factors affecting this length of time include, among others: hiring of the requisite employees; successful completion of Initial Training; state and local licensing procedures; delivery of signs; and procuring required insurance. You must open the Outlet no later than 90 days after the effective date of the Franchise Agreement. We may extend this deadline, in our sole discretion, which we may condition on you agreeing to pay an extension fee of \$1,500 for each month (or portion of a month) for which the deadline is extended and you executing a general release.

Ongoing Assistance

During the operation of your Franchise:

1. Review Advertising. We will review any advertising or promotional programs or materials that you develop, and will approve or deny any such proposed programs. (Franchise Agreement - Section 7)

2. Pricing. Upon your request, we will provide recommended prices for products and services. We may request you to offer products and services at specific prices we determine if we are promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law and at your discretion).

3. Hiring and Training Employees. We will provide you with our suggested staffing levels (Franchise Agreement - Section 5), suggested guidelines for hiring employees, operational instructions in the Manual which you can use as part of training new employees, and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

4. Administrative, Bookkeeping, Accounting, and Inventory Control Procedures. We will provide you our required and suggested procedures for administration, bookkeeping, accounting, and billing. We may make any such procedures part of required procedures for our system, and we may amend such requirements from time to time.

Advertising

We may, but are not required to, formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available for you to purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared.

Designated Sales and Marketing Employee

AIO's marketing experience indicates that advertising is generally not the most effective method to build clientele because our target customer is not the general public, but specifically residential contractors. Instead, we require each franchisee to designate and maintain a full-time staff member dedicated to sales and marketing. Part of your training and the information contained in the Manual will detail the methods and operations this staff member will use in order to maximize your acquisition of new clients, and maintenance of existing clients.

Digital Marketing.

We may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword 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 electronic communications network (collectively, “**Digital Marketing**”) that are intended to promote the Marks, your Outlet, and the entire network of Outlets. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Outlet.

Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Outlet or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit your or your employees to conduct Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

You are not authorized to have a website for your Outlet or to have a webpage related to your Outlet in any third-party website, including, without limitation, social networking sites. As part of our Digital Marketing, we or one of our designees will operate and maintain the AIO website, which will include basic contact information related to your Outlet.

Operating Manual

As of the date of this Disclosure Document, the Operating Manual is complete, but subject to revision. The current Table of Contents of the Manual is attached as **Exhibit E** to this Disclosure Document. The Manual currently consists of 154 pages. We may amend, modify, or supplement the Manual at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised standards and procedures within 30 days after we transmit the updates.

Training

Initial Training. Our Initial Training currently consists of the following:

TRAINING PROGRAM

Day	Subject	Instruction Manual	Approx Class Hours	OJT* Hours	Instructor
1	Orientation: Meet key personnel; overview of Residential Home Improvement Industry and company history and future; relationship between franchisor and franchisee; define comprehensive time table for opening business; required certification, compliance with local, state and federal	Operations Manual/ Training Manual	8	0	Staff

	regulations; legal issues; overview of support systems; website tour				
2	Office and administration: Physical requirements; equipment and supplies; vendor accounts; client record keeping; accounting; general office procedures; franchise reporting and fees; employee issues; client communication etiquette; use of professional services; risk management	Operations Manual/ Training Manual	8	0	Staff
3	Marketing: Marketing basics; understanding the industry market – target clients; national marketing; local marketing; targeted marketing; <i>AIO Home Services</i> trademark protection; pitfalls to avoid; local market research	Operations Manual/ Training Manual	8	0	Staff
4	Field Training: The <i>AIO Home Services</i> Process in the Field	Operations Manual/ Training Manual	4	0	Staff
4	Field Equipment: Approved vendors; vehicles and trailers signage, setup; personal protective equipment; basic mandatory equipment – use, operation, cleaning and maintenance; additional equipment; inventory; ordering equipment and field supplies; legal issues	Operations Manual/ Training Manual	4	0	Staff
5	Sales Training: <i>AIO Home Services</i> sales process; group presentations; pricing; client care, <i>AIO Home Services</i> call center; monitoring sales success Final Exam Completion	Operations Manual/ Training Manual	8	0	Staff
		Total	40		

You and one staff member must successfully complete Initial Training at least ten days before the Opening Deadline. We will determine, in our discretion, what constitutes successful completion of the program. If you or your staff member are unable to successfully complete, in our sole discretion, Initial Training for any reason, you must repeat Initial Training or you must send replacement trainees to complete Initial Training. If you have not, in our sole discretion, successfully completed Initial Training ten days before the Opening Deadline, we may terminate the Franchise Agreement, in which case we will not refund any initial fees paid by you.

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes multiple times per year. Training will be held virtually and/or in-person training sessions based on the availability of our office and business space. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual participating in the initial training program.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice. Training classes will be led or supervised by Mr. Pittman. His experience is described in Item 2. We reserve the right to provide a substitute instructor.

If we offer in-person training, there is no fee to attend the training provided by us. However, you must pay the travel and living expenses of people attending training. You must participate in or attend training. Your business must at all times be under your on-site supervision or under the on-site supervision of a staff member who has completed our training program. If you need to send a new staff member to our training program, we will charge a fee, which is currently \$500 per person. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Additional Training. We may periodically conduct mandatory or optional training programs at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend, but we may charge you a reasonable fee for optional training programs. We may provide additional training in person or via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require you to satisfactorily complete any additional training programs that we specify. We may require you to participate in refresher or advanced training each year.

If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manual, we may, in addition to all of our other rights and remedies, assign trainers to the Outlet to retrain Outlet employees and restore service levels and/or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee for each trainer assigned to your Outlet and any remedial training.

Training by You. You are responsible for training all of your other employees in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters or pay for our costs and expenses to send one of our representatives to train them at your Outlet.

Delegation. We may delegate the performance of any or all of our obligations under the Franchise Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. As described in Item 1, if we appoint an Area Representative in the area that includes your Outlet, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

ITEM 12.

TERRITORY

Franchise Program

Location and Territory. Your franchise is for the specific geographic area that we approve. Your franchise agreement will specify an exclusive territory, which will be determined by us, based upon the number of residential home improvement contractors in your area. Your territory will usually be specified by zip codes which will define the specific market; however, we may use other boundaries (such as counties or other political boundaries, streets, geographic features, or trade area).

Provided that you are in compliance with your Franchise Agreement and our Manual, we and our affiliates do not have the right to establish or license franchises or company-owned Outlets using the AIO system or the Marks inside your designated Territory.

Restriction on Rights. You do not have the right to open additional Outlets nor do you have any rights of first refusal on any other location. You do not have the right to use the Marks or the AIO system at any location other than the Site or in any wholesale, e-commerce, or other channel of distribution besides the retail operation of the Outlet at the Site. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise. There are no territorial restrictions from accepting business from customers that reside or work or are otherwise based outside of your Territory if these customers contact you, but we reserve the right to implement additional rules and restrictions regarding soliciting such customers in the future in our Manual.

Limitations on Soliciting and Other Activities Outside of Your Designated Territory. There are no territorial restrictions from accepting business from customers that reside/work or are otherwise based outside of your designated Territory if (a) these customers contact you, and (b) the customer is not located within the territory granted to any other franchisee. In order to make a proper determination on this issue, you must contact us if you are solicited by a prospective customer outside of your designated Territory, at which point we will either (a) route that customer to the proper Outlet (if the customer is located within the territory granted to another franchisee), or (b) provide you with written notice of whether or not you are authorized to service this customer. If we grant you the right to service any customer outside of your designated Territory (the "Outside Client"), then we may require you to execute our then-current form of "Outside Clientele Agreement" under which the parties will agree that you may be required to assign that client's account(s) to another party if that party: (i) purchases or otherwise begins operating an AIO Outlet in a territory where the Outside Client is located; and (ii) assumes the service contract for that Outside Client and pays you the appropriate Account Takeover Fee.

Soliciting Business Outside of Designated Territory. You may solicit prospective customers outside of your designated Territory, provided (a) these prospective customers do not reside within the territory granted to another franchisee, and (b) you obtain our prior written consent.

Development Program

Development Area. If you enter into a Development Agreement, you will have the right to develop a mutually agreed upon number of Outlets in the Development Area in accordance with the Development Schedule. The total number of Outlets to be opened in your Development Area, as well as the size of the Development Area, will be dependent upon a number of factors such as (i) the number of Outlets we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may

be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Development Agreement.

You must execute our then-current Franchise Agreement for each Outlet that you develop under a Development Agreement. You must select a site, and obtain our acceptance of such site, as described above in this Item, at which point we will designate a Territory for the Outlet. We will use our then-current standards for accepting sites and designating Territories.

The Development Area is an exclusive territory. This means that while the Development Agreement is in effect, provided that you open and operate the Outlets in accordance with the Development Schedule and the minimum number of Outlets that you have open and operating in the Development Area at any given time is not less than the minimum required under the Development Schedule, we will not operate, or license any person other than you to operate, a Outlet under the Marks and the System within the Development Area.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive right to develop Outlets within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

If an Outlet is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business (“**Destruction Event**”), you must diligently work to repair and restore the Outlet to our approved specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. Under such circumstances, the Outlet will continue to be deemed an “Outlet in operation” for the purpose of this Agreement for up to 180 days after the occurrence. If an Outlet (i) is closed in a manner other than those described in the Development Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may terminate the Development Agreement and all of your exclusive territorial rights, if any, will be eliminated.

The Development Agreement and your exclusive right to develop Outlets in the Development Area will expire on the last development deadline in the Development Schedule, unless the Development Agreement is terminated sooner. Upon the expiration or termination of the Development Agreement, your right to develop Outlets within the Development Area will be terminated. However, Outlets that you have opened will continue to operate under the terms of the applicable Franchise Agreements.

The terms applicable to Franchise Agreements in Item 12 above, including but not limited to those entitled “Limitations on Soliciting and Other Activities Outside of Your Designated Territory” and “Soliciting Business Outside of Designated Territory” apply to the Development Agreement as well.


Additional Disclosures

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that offer Outlets or similar products or services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

ITEM 13

TRADEMARKS

We grant you the right to operate a business under the following trademark, which we license to you under the Franchise Agreement. We have filed an application to register the following Marks with the Principal Register of the United States Patent and Trademark Office (“USPTO”) and has filed all required affidavits with respect to each of the Marks:

Mark	Application No.	Application Date
AIO Home Services	90779867	June 17, 2021
	90879777	August 11, 2021

This mark and logo will be the primary mark used to identify your Outlet. At this time, we do not have a registration for this trademark. Therefore, this trademark does not have many of the legal benefits and rights as a federally-registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses.

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving any of the Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of any of the Marks. There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed above in a manner material to the franchise.

You may also use certain other Marks owned by or licensed to us in the operation of your Outlet. You must use the Marks only in strict accordance with the Franchise Agreement and Operating Manual. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. You must display the Marks in a manner that we specify on signage at the Outlet and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate. Upon receipt of notice from us, you must discontinue, alter or substitute any of the Marks as we direct.

You must display in a conspicuous location in or upon the Outlet, or in a manner that we specify, a sign containing the following notice (or an alternative notice that we specify): "This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the trademark “AIO Home Services”, which is a trademark owned by AIO Franchising, Inc." You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.

You must promptly notify us if any other person or Entity attempts to use any of the Marks or any colorable imitation of any of the Marks. You must immediately notify us of any infringement of or

challenge to your use of any of the Marks. We will have the right to take any action that we deem appropriate, but the Franchise Agreement does not require us to take any action to protect your right to use any of the Marks or to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Marks. We will have the right to control any administrative proceeding or litigation related to the Marks. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Marks.

If we decide that you should modify or discontinue using any of the Marks, or use one or more additional or substitute service marks or trademarks, you must comply with our directions in the time that we reasonably specify, and neither we nor any of its affiliates will have any obligation to reimburse you for the cost of complying with our directions.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own no rights in, or licenses to, any patents or patent applications.

Except as provided below, we own no rights in, or licenses to, any copyrights. We have not registered any copyrights with the United States Copyright Office. However, we claim copyrights with respect to our advertising materials and Operating Manual, as well as other materials we may periodically develop. There are no determinations of the Copyright Office or any court regarding any of our copyrights. There are no agreements limiting the use of any copyrights by us.

Any copyrights used by you in the Outlet belong solely to us or our affiliates. You agree to notify us in writing of any suspected infringement of our or our affiliates' copyrights. We and our affiliates have exclusive rights to bring an action for infringement and retain any amounts recovered with respect to such action, and to control any infringement proceeding whether brought by or against us or you. We have no obligation to defend or otherwise protect you against any claims involving any copyright, including without limitation any copyright infringement claim, or to indemnify you for any losses you may incur as a result of our copyrights infringing the rights of any other copyright owner. If so requested by us, you will discontinue the use of the subject matter covered by any copyright used in connection with the Outlet.

During the term of your Franchise Agreement, we or our affiliates may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Outlet (collectively, "**Proprietary Information**"). You may not, nor may you permit any person or Entity to, use or disclose any Proprietary Information (including any portion of the Operating Manual) to any other person, except to the extent necessary for your employees to perform their functions in the operation of your Outlet. You must take reasonable precautions necessary to protect Proprietary Information from unauthorized use or disclosure, including conducting orientation and training programs for your employees to inform them of your obligation to protect Proprietary Information and their related responsibilities and obligations. If we or our affiliates so request, you must obtain from your officers, directors, Owners, and employees confidentiality agreements in a form satisfactory to us or our affiliates. You will be responsible for any unauthorized disclosure of Proprietary Information by any person to whom you have disclosed Proprietary Information.

ITEM 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are not required to participate personally in the direct operation of your business, but we highly recommend that you do.

You must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the entity must sign our Payment and Performance Guarantee Agreement, attached to the Franchise Agreement as Appendix C, and the Nondisclosure and Noncompetition Agreement, attached as Exhibit H to this FDD.

Restrictions on Your Manager

You may assign a general manager to oversee the business. If you do, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

Each Owner must sign the Payment and Performance Guarantee (the “**Guarantee**”) attached to the Franchise Agreement, assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement and agreeing to comply with the confidentiality, indemnification, covenant not to compete, and assignment provisions of the Franchise Agreement. If you are a party to a Development Agreement, each individual with a direct or indirect ownership interest in your Entity must sign the Guarantee attached to the Development Agreement.

ITEM 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale in the Outlet only the products and services that we have approved in writing. In addition, you must offer the specific products and services that we require in the Manual or otherwise in writing. We may designate specific products or services as optional or mandatory. You must offer all products or services that we designate as mandatory. You may sell products only in the varieties, forms, and packages that we have approved. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

We may, without limitation, change the types, amounts, or specifications of the goods or services that you may offer. We may, without limitation and in our sole discretion, revoke approval of a previously-approved product or service that you have been selling, in which case, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30

days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct.

We impose no restriction on the customers that you may serve at your Outlet, but you may not make any sales of products or services outside of your defined Territory, conduct business outside of the Territory, or use vendor relationships that you establish through your association with us or the AIO brand for any other purpose besides the operation of the Outlet, unless we consent in writing. You agree to purchase products solely for resale to your customers, and not for resale or redistribution to any other party, including other AIO franchisees. You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise. While there are no territorial restrictions from accepting business from customers that reside or work or are otherwise based outside of your Territory if these customers contact you, we reserve the right to implement rules and restrictions regarding soliciting such customers in the future in our Manual or otherwise in writing.

You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise.

ITEM 17.

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The table below lists certain important provisions of the Franchise Agreement. You should read these provisions in the form of Franchise Agreement attached to this Disclosure Document as Exhibit A.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 2.1	Begins on the Effective Date of your Franchise Agreement and continues for ten years from the date you open your Outlet for business.
b.	Renewal or extension of the term	Section 2.2	If you meet the conditions, you may enter into two successor five-year terms.

	Provision	Section in Franchise Agreement	Summary
c.	Requirements for franchisee to renew or extend	Section 2.2	You have notified us of your intent to renew at least six months in advance but no more than 12 months in advance; you have signed our then-current form of franchise agreement, which may have materially different terms and conditions than your original Franchise Agreement; you have refurbished the Outlet to our then-current specifications; you have executed a general release in favor of us and our affiliates; you and/or your Principal Executive have completed our then-current training requirements; you have secured from your landlord the right to continue operating at the Site; you have substantially complied with the Franchise Agreement during the term; no Event of Default (as defined in the Franchise Agreement) or event which, with the giving of notice or passage of time or both, would become an Event of Default, exists; and you have paid us the Successor Fee.
d.	Termination by franchisee	Section 14.3	If we commit a material breach of the Franchise Agreement and we fail to cure the breach or take reasonable steps to begin curing the breach within 30 days after receiving notice from you, you may terminate the Franchise Agreement.
e.	Termination by us without cause	Not applicable	None.
f.	Termination by us with cause	Section 14.2	We can terminate only if you default under the Franchise Agreement (see (g) and (h) below).
g.	“Cause” defined – curable defaults	Section 14.1	You have 10 days to cure the non-payment of any amounts owed to us or our affiliates or your failure to make sufficient funds available to us; 24 hours to cure non-compliance with any law, regulation or ordinance which results in a threat to the public’s health or safety; and 30 days to cure a failure to comply with any other provision of the Franchise Agreement not described above or in (h) below.
h.	“Cause” defined – non-curable defaults	Section 14.1	You make a material misrepresentation to us; your Required Trainees fail to satisfactorily complete initial training; you fail to secure a site by the Site Acquisition Deadline; you fail to open on time; you fail to timely refurbish your Outlet; you fail to rebuild your Outlet after its destruction; you suspend operations of the Outlet for more than five days without our consent; you fail to communicate with us; you fail to meet Minimum Performance Levels for two consecutive calendar years; you miss two or more required meetings; you or any of your Owners or officers or directors is convicted or pleads nolo contendere to a crime involving moral turpitude or consumer fraud or any other crime or offense or engages in any activities which impairs the goodwill associated with the Marks; you misuse the Marks; you disclose Proprietary Information; you or your Owners make an improper transfer; you or your Owners violate the noncompete covenants of the Franchise Agreement; you become insolvent or bankrupt; you fail to pay suppliers and trade creditors an amount exceeding \$2,000 for more than 60 days; you fail to pay your taxes; you underreport Gross Sales by more than 2% twice in a two-year

	Provision	Section in Franchise Agreement	Summary
			period or by 5% in any period; you fail to permit us to inspect or audit your books and records; you fail to timely file reports three times in 12 months; you default under any other agreement with us or our affiliates if such default would permit the termination of that agreement; or you are in default three or more times within any 18-month period.
i.	Franchisee's obligations on termination/non-renewal	Section 15	Pay all amounts due to us or our affiliates; discontinue use of the Marks and the System; return Proprietary Information, customer data, and Manual; close vendor accounts; cancel assumed name registration; cancel or transfer telephone number, post office boxes, domain names, social media accounts, and directory listings; complete de-identification of the Site; reimburse customers; refrain from disclosing Proprietary Information; and comply with noncompete covenants (also see (o) and ^(r) below).
j.	Assignment of contract by us	Section 13.1	No restriction on our right to assign.
k.	"Transfer" by franchisee – definition	Section 13.2	Includes transfer of the Franchise Agreement, any interest in the Franchise Agreement, the license to use the System and the Marks, the Outlet or substantially all of the assets of the Outlet, or an interest in the ownership of the Outlet (if you are an Entity).
l.	Our approval of transfer by franchisee	Section 13.3	No transfers are permitted without our approval.
m.	Conditions for our approval of transfer	Section 13	You pay us a non-refundable deposit to review the transfer; you pay us the Transfer Fee; all of your monetary obligations are satisfied; you are not in default; you and your Owners sign a general release; you and your Owners remain liable for obligations incurred or arising prior to transfer; you comply with noncompetition and confidentiality provisions; your landlord consents to the transfer of your lease; new franchisee agrees to discharge all of your obligations; new franchisee qualifies, meets training requirements, and signs then-current franchise agreement; new franchisee upgrades the Outlet to our then-current specifications; new franchisee covenants to continue to operate the Outlet under the Marks; new franchisee's owners execute our then-current form of personal guarantee; and we determine purchase price acceptable and financing arrangements are subordinate to our interests.

	Provision	Section in Franchise Agreement	Summary
n.	Our right of first refusal to acquire franchisee's business	Section 13.9	We can match any offer for your Outlet, the Outlet's assets, or any ownership interest, except for certain transfers to spouses, children, or existing Owners.
o.	Our option to purchase your business	Section 15.5	For 15 days after the Franchise Agreement terminates or expires, we can purchase any or all of the inventory, supplies, Operating Assets, and other assets related to the operation of your Outlet for the fair market value of the assets, less any amounts then owing to us. We also may assume your lease or sublease or equipment leases.
p.	Death or disability of franchisee	Section 13.8	Executor or representative must transfer your interest to a third party approved by us within 120 days.
q.	Non-competition covenants during the term	Section 12.1	You and your Owners may not: own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any, Outlet, health center, or similar facility or business as the franchise business, (ii) any entity that grants franchises or licenses for any of these types of businesses (a " Competitive Business ") in the United States; divert or attempt to divert any business or customer or potential business or customer of the Outlet to any Competitive Business, by direct or indirect inducement or otherwise; perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Outlet; or directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees.
r.	Non-competition covenants after the Franchise Agreement is terminated or expires	Section 12.2	For two years after the expiration of termination of your Franchise Agreement, you and your Owners may not be involved in any Competitive Business that is (or is intended to be) located within a 10-mile radius of your former Outlet or any other Outlet that is operating or under development at that time and may not solicit for employment individuals employed during the past 12 months by us, our affiliates, or our franchisees.
s.	Modification of the agreement	Section 17.2	Except for modifications to the Manual, no modifications unless agreed to in writing by both parties.
t.	Integration/merger clause	Section 17.1	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises made outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 16.1	Prior to filing most proceedings, a party must submit the dispute to non-binding mediation.
v.	Choice of forum	Section 16.2	Subject to applicable state laws, you and your Owners must, and we may, bring claims in federal or state courts located in Vanceburg, Kentucky (or the city in which our principal place of business is then located, if we no longer have an office in Kentucky).

	Provision	Section in Franchise Agreement	Summary
w.	Choice of law	Section 16.3	Subject to applicable state laws, Kentucky law applies, without regard to Kentucky conflict-of-laws rules.

DEVELOPMENT AGREEMENT

The table below lists certain important provisions of the Development Agreement. You should read these provisions in the form of Development Agreement attached to this Disclosure Document as Exhibit B.

	Provision	Section in Development Agreement	Summary
a.	Length of the franchise term	Section 5	The term expires upon the deadline to open the last Outlet to be opened under the Development Schedule.
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 us without cause	Not applicable	Not applicable.
f.	Termination by us with cause	Section 6.1	We can terminate only if you default (see (g) and (h) below) under the Development Agreement or any Franchise Agreement.
g.	“Cause” defined – curable defaults	None	Not applicable.
h.	“Cause” defined – non-curable defaults	Section 6.1	You fail to timely execute a Franchise Agreement or fail to pay any initial franchise fee owed thereunder; you fail to have open and operating the minimum number of Outlets specified in the Development Schedule at any deadline; any Franchise Agreement is in default; or you breach or otherwise fail to comply fully with any provision of the Development Agreement.
i.	Your obligations on termination/non-renewal	Section 6.2	You will lose your right to develop additional Outlets.
j.	Assignment of contract by us	Section 7	No restriction on our right to assign.
k.	“Transfer” by you – definition	Section 7	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are an Entity, any interest in the Entity.
l.	Our approval of transfer by franchisee	Section 7	We have the right to approve or not approve all transfers in our sole discretion.
m.	Conditions for our approval of transfer	Section 7	We have sole discretion in setting conditions for our approval of a transfer.

	Provision	Section in Development Agreement	Summary
n.	Our right of first refusal to acquire franchisee's business	Section 7	We have the first right of refusal on all transfers, exercisable within 30 days of receiving all documentation that we require.
o.	Our option to purchase your business	Not applicable	Not applicable.
p.	Death or disability of franchisee	Not applicable	We have the right to approve or disapprove any transfer in our sole discretion.
q.	Non-competition covenants during the term	Section 8.1	You and your Owners may not: be involved in any Competitive Business in the United States; divert customers or potential customers to any Competitive Business; do acts injurious to our goodwill; use vendor relationships established through your associations with us for any other purpose besides the operation of your Outlet; or solicit for employment individuals employed during the past 12 months by us, our affiliates, or our franchisees.
r.	Non-competition covenants after the Development Agreement is terminated or expires	Section 8.2	For two years after the expiration of termination of your Franchise Agreement, you and your Owners may not be involved in any Competitive Business that is (or is intended to be) located within a 10-mile radius of your former Development Area or any other Outlet that is operating or under development at that time and may not solicit for employment individuals employed during the past 12 months by us, our affiliates, or our franchisees.
s.	Modification of the agreement	Section 10	No modifications unless agreed to in writing by both parties.
t.	Integration/merger clause	Section 10	Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any other promises outside this Disclosure Document, the Development Agreement, and the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 9	Prior to filing most proceedings, each party has the right to demand non-binding mediation.

	Provision	Section in Development Agreement	Summary
v.	Choice of forum	Section 9	Subject to applicable state laws, you and your Owners must, and we may, bring claims in federal or state courts located in Vanceburg, Kentucky (or the city in which our principal place of business is then located, if we no longer have an office in Kentucky).
w.	Choice of law	Section 9	Subject to applicable state laws, Kentucky law applies, without regard to Kentucky conflict-of-laws rules.

ITEM 18.

PUBLIC FIGURES

We do not use any public figure to promote our Franchises, but may do so in the future.

ITEM 19.

FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of the end of our 2020 fiscal year, there was one Outlet owned and operated by our affiliate, Efficient Energy Solutions, Inc. ("EES") which operates a place of business at 305 S. Carmalita Street, Hemet, CA 92543. The AIO system is based upon, and is substantially similar to, a line of business operated from this EES outlet.

- A. Fiscal Year 2020** - The unaudited Profit and Loss Statement of EES's back-end B2B line of business for the fiscal year ending December 31, 2020 is provided below:

Item	Total
Total Income	\$440,044.75
Cost of Goods Sold	\$106,163.30
Gross Revenue	\$333,881.45
Advertising/Marketing	\$2,359.18
Bank Charges & Fees	\$491.35
Insurance	\$12,307.66
Legal & Professional Services	\$2,581.00

Item	Total
Office Supplies & Software	\$6,975.94
Payroll (incl. payroll taxes)	\$205,320.52
Rent & Lease	\$150.00
Taxes & Licenses	\$730.36
Travel	\$270.17
Uniforms	\$820.66
Utilities	\$180.70
Total Expenses	\$232,187.54
EBITDA	\$101,693.91
Mandatory Franchise Expenses ²	
Royalties (8% of Gross Revenue)	\$26,710.52
Total Net Revenue (if franchised)	\$74,983.39

Notes to Item 19(A):

1. We calculated the figures in the tables above using the historical information that applies to the EES outlet. You should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form, nor have we sought to independently verify their accuracy. Upon your reasonable request, we will provide written substantiation for this financial performance representation.

2. The table above illustrates the actual financial performance of our affiliated EES outlet. However, because the EES outlet is an affiliate of the franchisor, it was not required to pay certain fees that you would incur as a franchisee of the AIO Home Services™ system. The fees included in this section are the mandatory royalty fees that the EES outlet would have had to pay if it were operating under an AIO Home Services™ Franchise Agreement.

3. These figures are based on the historical information that applies to the EES outlet. The current owner of EES acquired the company in March 2020. The business model of the EES outlet is substantially similar to the Outlet being offered in this FDD, but EES operated under a different mark and trade dress. EES did not begin using the AIO Home Services™ mark and related trade dress until July 2021.

4. Your results will depend on many factors, some of which include your (and your employees') experience, local competition, overall economic conditions, your local market, your marketing activities, your skill in managing an Outlet, your capital and financing (including working capital), and how hard you are willing to work. Your results also may be affected by your real estate location, including, among other things, traffic count, local household income, residential and/or daytime populations, ease of ingress and egress, parking, visibility of your signage, physical condition of the premises, the number and type of other businesses around your location, and seasonal conditions.

7. **Your individual results may differ. There is no assurance that you will earn as much.**

B. Partial Fiscal Year 2021 (Through July 31, 2021) - The unaudited Profit and Loss Statement of EES's back-end B2B line of business for the partial fiscal year 2021 (January-July 2021) is provided below:

Item	Total
Total Income	\$389,968.94
Cost of Goods Sold	\$93,213.13
Gross Revenue	\$296,755.81
Advertising/Marketing	\$1,109.76
Bank Charges & Fees	\$688.65
Insurance	\$14,718.55
Legal & Professional Services	\$2,568.92
Office Supplies & Software	\$5,994.37
Payroll (incl. payroll taxes)	\$157,232.24
Rent & Lease	\$839.80
Taxes & Licenses	\$5,773.68
Travel	\$620.00
Total Expenses	\$232,187.54
EBITDA (YTD – Jan-July 2021)	\$103,074.07
Mandatory Franchise Expenses ²	
Royalties (8% of Gross Revenue)	\$23,740.46
Total YTD Net Revenue (if franchised)	\$79,333.61

Notes to Item 19(B):

1. We calculated the figures in the tables above using the historical information that applies to the EES outlet. You should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form, nor have we sought to independently verify their accuracy. Upon your reasonable request, we will provide written substantiation for this financial performance representation.

2. The table above illustrates the actual financial performance of our affiliated EES outlet. However, because the EES outlet is an affiliate of the franchisor, it was not required to pay certain fees that you would incur as a franchisee of the AIO Home Services™ system. The fees included in this section are the mandatory royalty fees that the EES outlet would have had to pay if it were operating under an AIO Home Services™ Franchise Agreement.

3. These figures are based on the historical information that applies to the EES outlet. The current owner of EES acquired the company in March 2020. The business model of the EES outlet is substantially similar to the Outlet being offered in this FDD, but EES operated under a different mark and trade dress. EES did not begin using the AIO Home Services™ mark and related trade dress until July 2021.

4. Your results will depend on many factors, some of which include your (and your employees') experience, local competition, overall economic conditions, your local market, your marketing activities, your skill in managing an Outlet, your capital and financing (including working capital), and how hard you are willing to work. Your results also may be affected by your real estate location, including, among other things, traffic count, local household income, residential and/or daytime populations, ease of ingress and egress, parking, visibility of your signage, physical condition of the premises, the number and type of other businesses around your location, and seasonal conditions.

7. **Your individual results may differ. There is no assurance that you will earn as much.**

ITEM 20.

OUTLETS AND FRANCHISEE INFORMATION

Our fiscal year ends on December 31st of each year.

**Table No. 1
Systemwide Outlet Summary
For years 2020 to 2021**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
Affiliate-Owned	2020	0	0	0
	2021	0	0	0
Total Outlets	2020	0	0	0
	2021	0	0	0

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than to us)
For years 2020 to 2021**

State	Year	Number of Transfers
Total	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For years 2020 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
N/A	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Affiliate-Owned Outlets
For years 2020 to 2021

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

Table No. 5
Projected Openings as of December 31, 2020
For following 12-month Period

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Affiliate-Owned Outlets in the Next Fiscal Year
?	0	0	0
Total	0	0	0

Current and Former Franchisees. Set forth on **Exhibit F** are (i) the names of all current franchisees and the address and telephone number of each of their Outlets, and (ii) the names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had a Outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this Disclosure Document's issuance date.

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

Confidentiality Agreements. During the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Trademark-Specific Franchisee Organizations. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21.

FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit C contains the unaudited balance sheet dated as of June 30, 2021.

ITEM 22.

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement	Exhibit A
Payment and Performance Guarantee	Appendix C to the Franchise Agreement
Lease Rider	Appendix D to the Franchise Agreement
Development Agreement	Exhibit B
General Release	Exhibit G
Nondisclosure and Noncompete Agreement	Exhibit H
State-Required Franchise Agreement Riders	Exhibit I
State-Required Development Agreement Riders	Exhibit I

ITEM 23.

RECEIPTS

Attached as the last two pages of this Disclosure Statement are copies of the Receipt which you will be required to sign. One signed copy of the Receipt must be returned to us, as provided on the Receipt.

**EXHIBIT A
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Franchise Agreement

(attached)



AIO Home Services

**AIO HOME SERVICES
FRANCHISE AGREEMENT**

between

**AIO FRANCHISING, INC.
d/b/a AIO Home Services**

and

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AIO HOME SERVICES FRANCHISE AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made and entered into as of the date set forth on Appendix A of this Agreement (the “**Effective Date**”) (Appendix A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between AIO Franchising, Inc., a Kentucky corporation with its principal place of business at 550 Fairlane Drive, Vanceburg, KY 41179 (“**AIO Franchising**”), and the person or entity identified on Appendix A as the franchisee (“**Franchisee**”) with its principal place of business as set forth on Appendix A. In this Agreement, “**we,**” “**us,**” and “**our**” refers to AIO Franchising, Inc. “**You**” and “**your**” refers to Franchisee.

RECITALS

A. We and our affiliates have accumulated knowledge and experience in the construction services industry on the basis of which we have developed and will continue to develop a distinctive business format and set of specifications and operating procedures (collectively, the “**System**”) for the operation of franchised outlets (each franchised unit shall be referred to herein as an “**Outlet**”) that operate under the AIO Home Services mark and offer such services to the public, primarily focusing on business-to-business relationships with home improvement services contractors.

B. The distinguishing characteristics of the System include, but are not limited to, our Outlet designs, layouts, and identification schemes (collectively, the “**Trade Dress**”), our specifications for equipment, inventory, and accessories; our website or series of websites for the Outlets (the “**System Website**”); our relationships with vendors; our software and computer programs; our billing system; the accumulated experience reflected in our operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (“**System Standards**”) set out in our operations manual (“**Manual**”) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

C. We identify the Outlets operating under the System by means of the AIO Home Services mark and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos set forth on Appendix B (collectively, the “**Marks**”). We may designate for your use other trade names, service marks, and trademarks as Marks from time to time. These marks which will also be included in the term the “**Marks.**”

D. We may have engaged an area representative to provide certain services to you under this Agreement pursuant to an Area Representative Agreement. If an area representative will be providing you with services as of the Effective Date, the area representative will be listed on Appendix A (the “**Area Representative**”). We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

E. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “**Entity**”), all of your owners of a legal and/or beneficial interest in the Entity (the “**Owners**”) are listed on Appendix A. If you are an Entity, the individual owner who you must appoint to have authority over all business decisions related to your business and to have the power to bind you in all dealings with us will be referred to as your “**Principal Executive.**”

F. You desire to open and operate an AIO Home Services Outlet using the Marks and the System, and we are willing to grant to you a license to open and operate an Outlet on the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing promises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1 Rights Granted.

1.1 Grant of Franchise. Upon the terms and conditions of this Agreement, we grant to you a non-exclusive license (the “**License**”) to operate one Outlet using the Marks and the System. The Outlet will be located at a site to be mutually agreed upon subsequent to the execution of this Agreement, pursuant to Section 4.2 (Site Selection) (the “**Site**”), within the area set forth on Appendix A (the “**Site Selection Area**”). You have no right to (i) sublicense the Marks or the System to any other person or entity, (ii) use the Marks or the System at any location other than the Site, or (iii) to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution besides the operation of the Outlet at the Site.

1.2 Acceptance of License. You hereby accept the License and agree to operate the Outlet according to the provisions of this Agreement for the entire Term, as defined in Section 2.2 (Successor Term).

1.3 Limited Territorial Protection. Once you have selected and we have accepted a Site in the Site Selection Area in accordance with Section 4.2 (Site Selection), we will designate an area within the confines of the Site Selection Area as your protected territory (the “**Territory**”). You do not have any territorial protection in your Site Selection Area, unless and until we identify your Territory, as explained in Section 4.3 (Definition of the Territory). Except as provided in this Section 1.3, we and our affiliates will not open, or license a third party to open, an Outlet within your Territory. Except for the foregoing sentence, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Outlet. For example, without limitation, we have the right to:

(a) establish or license franchises and/or company-owned Outlets or businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory;

(b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Territory;

(c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and

(d) acquire, be acquired by, or merge with other companies with existing fitness facilities or businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the AIO

Home Services name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Outlets to such other name.

1.4 Principal Executive. If you are an Entity, you must appoint an individual owner as your Principal Executive who must have authority over all business decisions related to your Outlet and must have the power to bind you in all dealings with us. Your Principal Executive must have at least a 10% ownership interest in your Entity. Your Principal Executive shall be listed on Appendix A. You may not change your Principal Executive without our prior written approval.

1.5 Ownership and Guarantee.

(a) Owners of Equity. If you are an Entity, each of your Owners must execute the "Payment and Performance Guarantee" that is attached in Appendix C (the "**Guarantee**"). By executing the Guarantee, each Owner will be bound by the provisions contained in this Agreement, including without limitation the restrictions set forth in Section 12 (Your Covenant Not to Compete). Further, a violation of any of the provisions of this Agreement, including the covenants contained in Section 12, by any Owner will also constitute a violation by you of your obligations under this Agreement. You represent that the individuals executing this Agreement under the Guarantee represent that they are your sole owners.

(b) Governing Documents. If you are (or Transfer this Agreement to) an Entity, upon our request, you agree to furnish us with a list of holders of direct or indirect equity interests and their percentage interests, as well as copies of your governing documents and any other corporate documents, books, or records, including certificates of good standing from your state. The Owners may not enter into any shareholders' agreement, management or operating agreement, voting trust, or other arrangement that gives a third party the power to direct and control your affairs without our prior written consent. During the Term, your governing documents must provide that no transfer of any ownership interest may be made, except in accordance with Section 13 (Transfer and Assignment) of this Agreement. Any securities that you issue must bear a conspicuous printed legend to that effect.

Section 2 Initial Term and Successor Term.

2.1 Initial Term. The initial term (the "**Initial Term**") of the License begins on the Effective Date and ends ten years from the date that your Outlet opens for business (the "**Opening Date**"), unless this Agreement is terminated sooner as provided in other sections of this Agreement.

2.2 Successor Term. Upon the expiration of the Initial Term, if you (i) are not in default under this Agreement, (ii) have substantially complied with this Agreement throughout the Term, (iii) have timely paid all monies due to us or our affiliates, and (iv) comply with this Section 2.2, you may, at your option, obtain two additional consecutive successor terms of five years each (each, a "**Successor Term**"). The Initial Term and Successor Terms are referred collectively in this Agreement as the "**Term**." You may only exercise this right to obtain a Successor Term by:

(a) giving us written notice of your desire to obtain a successor License at least six, but no more than 12, months before the expiration of the then-current Initial Term or Successor Term;

(b) delivering to us a fully executed franchise agreement on our then-current form of franchise agreement, which you acknowledge may contain terms materially different than those contained in this Agreement, including, but not limited to, (i) higher rates of Royalty Fees and Marketing Fees (as herein defined) and other fees and charges and (ii) a modified Territory;

(c) refurbishing or renovating the Outlet, at your expense, to conform the decor, color schemes, storefront, signage, and presentation of the Marks to our then-current image and, if necessary, in our sole opinion, to update and replace the equipment, furniture, signage, and fixtures to meet our then-current specifications;

(d) executing a general release, in a form we prescribe, of any and all claims against us, our Area Representatives, our affiliates, and our and their past, present, and future officers, directors, shareholders, and employees arising out of, or relating to, your Outlet;

(e) completing, and having your Principal Executive complete, all of our then-current training requirements, including any additional training that we may require;

(f) securing the right from your landlord to continue operating at the Site for the remainder of such Successor Term;

(g) substantially and timely complying with each provision of this Agreement or any other agreement with us, our affiliates, or your landlord throughout the Initial Term and having no Event of Default (as defined in Section 14.1 (Events of Default)), or event which with the giving of notice and/or passage of time would constitute an Event of Default, in existence as of the expiration of the Initial Term; and

(h) paying to us the Successor Fee (as defined in Section 3.4 (Successor Fee)).

Section 3 Fees.

3.1 Franchise Fee. You must pay us an initial franchise fee as set forth on Appendix A (the “**Franchise Fee**”) upon execution of this Agreement. The initial Franchise Fee is paid in consideration of the rights granted in Section 1 (Rights Granted) and will be deemed fully earned at the time paid. You acknowledge that we have no obligation to refund the Franchise Fee, in whole or in part, for any reason.

3.2 Royalty Fee.

(a) Amount of Royalty Fee. You must pay us a monthly royalty fee (the “**Royalty Fee**”) equal to eight (8%) of your Gross Revenue (as defined in Section 3.2(b)) for the previous month. The Royalty Fee is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by us.

(b) Gross Revenue. “**Gross Revenue**” means all revenue that you receive or otherwise derive from operating the Outlet, whether from cash, check, insurance payments, credit or debit card, gift card or gift certificate, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for the revenue. If you receive any proceeds from any business interruption insurance applicable to loss

of revenue at the Outlet, there shall be added to Gross Revenue an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Revenue includes promotional allowances or rebates paid to you in connection with your purchase of products or supplies or your referral of customers. Gross Revenue does not include (i) any bona fide returns and credits that are actually provided to customers and (ii) any sales or other taxes that you collect from customers and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees and gift card vendor fees) from your Gross Revenue calculation.

3.3 Marketing Fees. You are not currently required to pay any Marketing Fees or contribute to any marketing fund. Instead, you will be required to hire a full-time sales and marketing employee, whose primary job duties will be to market the Outlet, establish relationships with local residential services contractors, and grow the sales of the Outlet. At some point in the future, we may replace this requirement with a System-wide marketing and call center system, and may require you to contribute a pro-rata amount to support the marketing system with Marketing Fees. If we implement such a system, you will be given sixty (60) days' prior notice.

3.4 Successor Fee. Upon your execution of a successor franchise agreement pursuant to Section 2.2 (Successor Term), you will pay to us a successor fee equal to \$5,000 (the "**Successor Fee**").

3.5 Transfer Fee. If you Transfer (as defined in Section 13.2 (Definition of Transfer)) your Outlet or this Agreement, you must pay us a Transfer Fee as specified in Sections 13.4(b), 13.5, and 13.6.

3.6 Payments of Fees. Your Royalty Fees and any applicable Marketing Fees (the "**Operating Fees**") are due to us and must be reported to us at the times and in the manner that we specify from time to time in the Manual or otherwise. Currently, you must pay us your Royalty Fees monthly on the first Monday of each month, based on your Gross Revenue for the preceding month. All other fees and payments due to us must be paid to us within ten days of the event that triggers the fee and/or your receipt of an invoice from us.

3.7 Methods of Payment. You must make all payments to us by the method or methods that we specify from time to time in the Manual, which may include payment via wire transfer or electronic debit to your bank account. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. We currently require you to make payment by electronic debit from your specified checking or savings account, and you must complete and sign an Authorization Agreement for Preauthorized Payments for this purpose. You must deliver a copy of the Authorization to us within five business days of our request. You must maintain sufficient funds in your account to permit us to withdraw the Operating Fees due from time to time. You may not, under any circumstances, set off, deduct or otherwise withhold any Operating Fees, interest charges, or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations or for any other reason. We may require you to purchase merchant processing services from us, our affiliates, or a vendor that we have approved or designated, each of who may charge a reasonable monthly fee and reasonable per transaction fee. The payment processor may process all credit card payments related to your Outlet, and remit payment to you of all monies owed, after withholding any Operating Fees payable to us and any payment processing fees payable to such processor. If you fail to timely report your Gross Revenue, or we are otherwise unable to access your Gross Revenue, we may estimate the amount of fees due and make a corresponding withdrawal from your bank account based on our estimate, plus 20% of our estimate. If we underestimate any fees due, you will

remain obligated to pay the total amount of fees due, which, if we institute an automatic debit program, we may debit from your account automatically. If we overestimate any fees due, we will credit the fees paid (without interest) against fees due in the next payment period after we receive accurate records regarding your Gross Revenue.

3.8 Interest; Late Fee. If any payment due to us is not received in full by the due date, you agree to pay us daily interest on the amount owed, calculated from the due date until paid, at the rate of 18% per annum (or the maximum rate permitted by law, if less than 18%). You also agree to pay us a late fee in the amount of \$100 for each week that a payment is paid after the applicable due date. This late fee is subject to increase upon 60 days' prior written notice, but will not be increased more than once in any 12-month period. You acknowledge that this Section 3.13 is not our agreement to accept any payments after they are due and that any late payments are a default under this Agreement.

3.9 Taxes. You are responsible for all taxes, assessments, and government charges levied or assessed on you in connection with your business activities under this Agreement. In addition, as part of the Royalty Fee, Marketing Fee, Training Fee, Technology Fee, or any other fees that we charge, you will pay to us the amount of any taxes imposed on us or our affiliates (and any taxes imposed on us or our affiliates as a result of such imposition) by federal, state, or local taxing authorities as a result of our receipt of any such fees, not including any tax measured on our income.

Section 4 Site Selection, Development, and Opening of Outlet

4.1 Site Selection. AIO Home Services is designed to be a home-based business. If you choose to operate out of an office space or other location outside your home, you may do so, subject to the requirements contained herein. If you identify a site in the Site Selection Area on your own that is reasonably suited for the conduct of the Outlet and is consistent with any site selection guidelines that we may provide, before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site that we or you identify and determine whether to accept it using our proprietary site selection assistance criteria. You acknowledge that we may refuse to accept a proposed site for any reason. If we accept the proposed site and you obtain it, we will insert a description of the specific location on Schedule 1 to Appendix A. **YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OR PROPOSAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR OUTLET. WHILE WE MAY PROVIDE ASSISTANCE AND GUIDANCE, IT IS SOLELY YOUR RESPONSIBILITY TO SELECT A SUITABLE SITE FOR THE OUTLET.** The address listed on Schedule 1, if completed and signed by us, will be the "Site" referred to in this Agreement. A site is not accepted until you have received our acceptance in writing, as indicated by our delivery of the completed and signed Schedule 1.

4.2 Definition of the Territory. Once the Site has been accepted, we will identify your Territory in Schedule 1 to Appendix A based on the factors that we deem relevant, in our sole discretion, which might include number of residential contractors operating in the surrounding area, demographics, the character and location of the Site, and nearby businesses and residences. Once we have defined the Territory, you will have no territorial or other rights in those portions of the Site Selection Area that are outside the Territory. You must return to us upon our request a signed copy of Schedule 1 to Appendix A acknowledging the Territory we have designated.

4.3 Site Acquisition. AIO Home Services is designed to be a home-based business. If you choose to operate out of an office space or other location outside your home, you may do so, subject to the requirements contained herein. Before you or an affiliate make a binding commitment to purchase, lease, or sublease a site, we must accept the location in writing and approve in writing the proposed lease or purchase agreement or any letter of intent between you and the third-party seller or lessor. If you or your affiliate leases the Site, unless we waive the requirement in writing, you must arrange for the execution of the Lease Addendum in the form of Appendix D by you and your landlord in connection with any lease or sublease for your Site (“**Site Lease**”) and any other provisions that we may reasonably require. Our review of the Site Lease is for our own benefit only and is not intended to supplement or replace a review by your attorney. We may require you to engage an attorney to review your Site Lease or purchase agreement for the Site that we have accepted and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the third-party seller or lessor. You must secure a Site that we have approved by signing a Site Lease or purchase agreement within 90 days after the Effective Date (the “**Site Acquisition Deadline**”). We may extend the Site Acquisition Deadline by 90 days in our sole discretion, and we may require you to execute a general release as a condition of us agreeing to grant such extension. If we have accepted a site for your Outlet and you are unable or unwilling to acquire such site or an alternative site that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement. You must deliver to us the completely executed purchase agreement or Site Lease and Lease Addendum within 10 days after execution of the Site Lease or purchase agreement, and you may not amend or renew any Site Lease without our written consent. You must comply with the terms and conditions of your Site Lease. We are not obligated to execute your lease or guarantee a lease for you.

4.4 Reserved.

4.5 Opening Deadline. You must complete construction of and open your Outlet for business no later than 60 days after signing this Agreement (or possession of the Site is delivered to you by your landlord, in the event you lease a space) (the “**Opening Deadline**”), unless we grant you an extension in writing. We may, in our sole discretion, extend the Opening Deadline, which we may condition on you agreeing to pay an extension fee of \$2,500 for each month (or portion of a month) for which the Opening Deadline is extended and you executing a general release. You may not open the Outlet until you have received our written approval. You must open the Outlet for business to the public within ten days from the date we give our written approval. Time is of the essence in opening the Outlet.

4.6 Relocation. You may not relocate the Outlet without our prior written consent. Such approval will not be unreasonably withheld, provided that (i) the new location for the Outlet premises is satisfactory to us and you comply with our then-current real estate project management requirements, (ii) your lease, if any, for the new location complies with our then-current requirements and you and your landlord execute the Lease Addendum, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Outlet, (v) you have fully performed and complied with each provision of this Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “**Relocation Request Date**”), (vi) no Event of Default (as herein defined), or event which with the giving of notice and/or passage of time would constitute an Event of Default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If your Site Lease expires or is otherwise terminated, you must secure our approval

of another site and enter into a Site Lease for the new approved site within 90 days. We reserve the right to terminate this Agreement if you fail to secure a new approved site within 90 days after you lose the Site Lease.

Section 5 Training and Assistance

5.1 Initial Training. Prior to opening the Outlet, you (or your Principal Executive, if you are an Entity) and any key employees you designate to assist in operating the day-to-day operations of the Outlet (collectively, “**Required Trainees**”) must personally attend and satisfactorily complete our initial training program (“**Initial Training**”). We will provide Initial Training as soon as practicable after the execution and delivery of this Agreement at our offices, currently in Vanceburg, Kentucky, online, or at any other location that we designate, including on-site at your location. Currently, Initial Training includes (i) 22 hours of Classroom Training; (ii) 12 hours of on-the-job training; and (iii) on-site follow-up training, as we, in our sole discretion, deem necessary approximately four to six weeks after the opening of your Outlet. We reserve the right to modify the length and location of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training or have previously been trained at one of our Outlets. Each subsequent Principal Executive must attend our Initial Training unless we otherwise agree in writing, but we may permit them to attend Initial Training remotely via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine.

(a) Cost. We will provide instructors, facilities, and materials for the up to three of your representatives (including your Required Trainees) for the Training Fee, provided that all of your trainees are trained during the same training session. If space is available, you may bring more than three representatives to Initial Training. We reserve the right to charge a training fee of \$1,000, which we may increase upon 60 days’ written notice to you, for (i) each person in excess of three trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Operating Executive or employee who attends the course.

(b) Completion of Initial Training. If your Required Trainees are unable to successfully complete, in our sole discretion, Initial Training for any reason, your Required Trainees must repeat Initial Training or you must send replacement Required Trainees to complete Initial Training. Your Required Trainees must successfully complete Initial Training at least ten days before the Opening Deadline. We will not refund any initial franchise fees paid by you. If you and your personnel satisfactorily complete our Initial Training and you do not expressly inform us at the end of Initial Training that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Outlet.

5.2 Opening Advice. Prior to opening your Outlet, we will advise you as to development of the business and local marketing and networking efforts.

5.3 Additional Training. We may periodically conduct mandatory or optional training programs for your Required Trainees and/or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend, but we may charge you a reasonable fee for optional training programs. We may provide additional training in person or via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require your Required Trainees or employees to satisfactorily complete any additional training programs

that we specify. We may require your Required Trainees to participate in refresher or advanced training in each year of the Term.

5.4 Remedial Training. If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manual, we may, in addition to all of our other rights and remedies, assign trainers to the Outlet to retrain Outlet employees and restore service levels and/or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee (currently, \$500 per day) for each trainer assigned to your Outlet and any remedial training. We may increase the amount to be charged for each trainer upon 60 days' prior written notice.

5.5 Training by You. You and/or your Principal Executive are responsible for training all of your other employees in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters (for the fee described in Section 5.1(a) (Initial Training)) or pay for our costs and expenses to send one of our representatives to train them at your Outlet.

5.6 Requested Consulting Services. We will provide to you additional consulting services with respect to the operation of the Outlet upon your reasonable request and subject to the availability of our personnel or the personnel of any Area Representative. We will make available to you information about new developments, techniques, and improvements in the areas of merchandising, advertising, management, operations, and Outlet design. We may provide such additional consulting services through the distribution of printed or filmed material, an intranet or other electronic forum, meetings or seminars, teleconferences, webinars, or in person. If such services are rendered in person other than at our offices, you must pay us a consulting fee of \$500 for each of such employees or agents for each day or partial day services are rendered. We may increase the amount to be charged for such requested consulting services upon 60 days' prior written notice. Such additional consulting services will be rendered at a mutually convenient time.

5.7 Travel and Living Expenses. You are responsible for any travel and living expenses (including meals, transportation, and accommodations), wages, and other expenses incurred by your trainees. You are responsible for reimbursing us for any travel and living expenses incurred by our employees or agents related to providing any additional training, remedial training, or consulting services at your Outlet.

Section 6 Outlet Operation and System Standards

6.1 Manual.

(a) Compliance with the Manual. We will furnish you with electronic access to our Manual, on loan for as long as this Agreement or a successor franchise agreement remains in effect. We reserve the right to furnish all or part of the Manual to you in electronic form and to establish terms of use for access to any restricted portion of our website. You must comply with and abide by each required System Standard contained in the Manual, as they may be amended, modified, or supplemented periodically and such other written or electronically transmitted System Standards that we may issue periodically. You acknowledge that we may amend, modify, or supplement the Manual at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future

franchisees or will otherwise improve the System. You must comply with revised mandatory System Standards within 30 days after we transmit the updates, unless otherwise specified.

(b) Use of the Manual. You agree to keep your copy of the Manual up-to-date. If there is any dispute as to the current contents of the Manual, the terms of our master copy maintained at our headquarters will control. You acknowledge that we own the copyright in the Manual and that your copy of the Manual remains our property and will be returned to us immediately upon expiration or termination of this Agreement. You will treat the Manual, and the information contained therein, as confidential and will maintain the confidentiality of such information. You will not, without our prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Manual, in whole or in part, or otherwise make their contents available to any unauthorized person, except as provided in Section 10 (Proprietary Information).

6.2 Management and Personnel.

(a) Outlet Management. Unless otherwise specified in the Manual, at all times that your Outlet is open for business, it must be under the personal, on-premises supervision of either you, your Principal Executive, or a trained manager. You may not permit your Outlet to be operated, managed, directed, or controlled by any other person or entity without our prior written consent.

(b) Employment Decisions and Policies. You are solely responsible for all labor and employment-related matters and decisions related to your Outlet, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees. You must ensure that your employees are qualified to perform their duties in accordance with our System Standards and successfully pass a background check. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Outlet.

6.3 Operation of the Outlet. You will not use the Site for any purpose other than the operation of the Outlet in compliance with the System and the Manual. You will not lease, sublease, or assign the Site Lease for all or any portion of the Site, without our prior written consent.

(a) Operating Hours. You must keep the Outlet open for business to the public at least during the hours we prescribe from time to time in the Manual or otherwise approve, unless prohibited by Applicable Laws or by the Site Lease (if any) for the Outlet premises.

(b) Notice of Independent Contractor. During the Term, you agree to hold yourself out to the public as an independent contractor operating your Outlet under license from us, and you must display in a conspicuous location in or upon the Outlet, or in a manner that we specify, a sign containing the following notice or an alternative notice that we specify: "This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the trademark AIO Home Services, which is a trademark owned by AIO Franchising, Inc." You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.

6.4 Minimum Performance Levels. During the Term, you must meet the following minimum performance levels (the “**Minimum Performance Levels**”):

(a) In your second full calendar year of operation, the Gross Revenue for your Outlet must be greater than or equal to 50% of the average Gross Revenue for all Outlets that have been open for at least one full calendar year (“**Mature Outlets**”) during such calendar year; and

(b) In your third or subsequent full year of operation, the Gross Revenue for your Outlet must be greater than or equal to 70% of the average Gross Revenue for all Mature Outlets during such calendar year.

If you fail to meet the Minimum Performance Levels in any calendar year, you must create a business plan that we must approve in writing and you must diligently implement the business plan during the next calendar year. If you fail to meet the Minimum Performance Levels for two consecutive years, such failure shall be an Event of Default (as defined in Section 14.1 (Events of Default)).

6.5 Reserved.

6.6 Pricing. Upon your request, we will provide you with recommended prices for products and services. Otherwise, you are solely responsible for determining the prices that you will charge your customers. You must provide us with your current price list upon our request.

6.7 Products, Supplies, Operating Assets, and Services.

(a) Purchases. We have the right to require that products, supplies, Operating Assets, and services that you purchase for resale or purchase or lease for use in your Outlet: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manual.

(b) Products and Services You May Offer. You may offer in the Outlet only the products, services, and classes that we have approved in writing. In addition, you must offer the specific products, services, and classes that we require in the Manual or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products, services, or classes that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

(c) Revenue from Purchases. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers and/or distributors

that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. If you derive any revenue based on payments or promotional allowances received from suppliers and/or distributors, you must report to us the details of the arrangement and such revenue shall be included as part of your Gross Revenue.

(d) Approval Process. If you would like to offer products, services, or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. We may require the proposed supplier or service provider to visit our headquarters, currently in Vanceburg, Kentucky, to evaluate the proposed supplier or service provider in person. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Outlet may differ from those that we permit or require to be offered in other Outlets.

(e) Revocation of Approval. We reserve the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing or leasing the formerly-approved item or service or any items or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct. If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct.

6.8 Distribution. You may not make any sales of products or services outside of the Outlet, provide services outside of the Outlet, or use vendor relationships that you establish through your association with us or the AIO Home Services brand for any other purpose besides the operation of the Outlet, unless we consent in writing. You agree to purchase products solely for resale to customers, and not for resale or redistribution to any other party, including other AIO franchisees. You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing.

6.9 Participation in System-wide Programs, Conferences, and Councils.

(a) Promotional Programs. You must participate in all in-Outlet promotional programs that we offer to franchisees. You will follow our guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manual or otherwise in writing. You will not allow use of gift certificates, gift cards, or coupons (including Groupons and similar discounts) unless approved or offered by us or our affiliates.

(b) Conferences. You, your Principal Executive, your trained managers, or any of your representatives that we designate must attend franchise conventions, meetings, product shows or demonstrations, and teleconferences that we or our Area Representative may require periodically in the Manual or otherwise in writing. We or our Area Representative, in our or their sole discretion, will designate the time and place of any meetings, which may be held in-person or remotely via teleconference or web seminar. In each year, you and your employees shall not be required to attend in person more than three days of franchisee conventions and meetings that we organize, which shall count towards the five days of additional training programs that we may require your Required Trainees to attend annually. We or your Area Representative will be responsible for arranging meetings and providing meeting materials. You are responsible for arranging and paying for travel and living expenses that you and/or your representatives incur. We or our Area Representative may require you to pay us or our Area Representative a reasonable registration fee for you and each of your representatives. If you or any of your representatives fail to attend any events that we require you and/or they to attend, regardless of the reason for the absence, you must pay us the registration fee that each absent required attendee would have incurred plus \$500 for each absent required attendee, unless we have previously excused them in writing in our sole discretion.

(c) Franchisee Advisory Council. We may establish an advisory council of franchisees ("**Franchisee Advisory Council**") using a form and process set forth in the Manual to advise us on various issues and strategies. The Franchisee Advisory Council will have an advisory role, but no operational or decision-making power. We may change the structure and process of the Franchisee Advisory Council or dissolve the Franchisee Advisory Council at any time. If we establish a Franchisee Advisory Council, you must participate in all council-related activities and meetings and must pay any dues related to the administration of the Franchisee Advisory Council.

6.10 Outlet Management and Technology System.

(a) Acquisition and Updates. You must obtain, maintain, and use the hardware, software, other equipment, and network connections that we specify periodically in the Manual necessary to operate our point of sale system, our billing system, and other technology systems that we designate (collectively, the "**Outlet Management and Technology System**"). You must use the Outlet Management and Technology System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers' contact information, (iv) generate sales reports and analysis relating to the Outlet, and (iv) provide other services relating to the operation of the Outlet. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. You must replace, upgrade, or update at your expense the Outlet Management and Technology System as we may require periodically without limitation. We will establish reasonable deadlines for implementation of any changes to our Outlet Management and Technology System requirements.

(b) Use of the Outlet Management and Technology System. You agree: (i) that your Outlet Management and Technology System will be dedicated for business uses relating to the operation of the Outlet; (ii) to use the Outlet Management and Technology System in accordance with our policies and operational procedures; (iii) to transmit financial and operating data to us as required by the Manual; (iv) to do all things necessary to give us unrestricted access to the Outlet Management and Technology System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify; (v) to maintain the Outlet Management and Technology System in good working order at your own expense; (vi) to ensure that your employees are adequately trained in the use of the Outlet Management and Technology System and our related policies and procedures; and (vii) not to load or permit any unauthorized programs or games on any hardware included in the Outlet Management and Technology System. You also must comply with all laws and payment card provider standards relating to the security of the Outlet Management and Technology System, including, without limitation, the Payment Card Industry Data Security Standards. You are responsible for any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Outlet Management and Technology System (or any of its components) fails to operate on a continuous basis or as we or you expect.

6.11 Compliance with Laws and Good Business Practices. You must comply with all Applicable Laws. You will obtain and maintain in good standing any and all licenses, permits, and consents necessary for you to lawfully operate the Outlet. You have sole responsibility for such compliance despite any information or advice that we or our Area Representatives may provide. You must in all dealings with your customers, prospective customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Outlets.

6.12 Notice of Proceedings. You will notify us in writing within five days after the commencement of any action, suit or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality in connection with the operation or financial condition of the Outlet, including without limitation any criminal action or proceeding brought by you against any employee, customer, or other person, but excluding civil proceedings against customers to collect monies owed.

6.13 Insurance. During the Term you must maintain in force at your sole expense the insurance coverage for the Outlet in the amounts, covering the risks, and containing only the exceptions and exclusions that we periodically specify in the Manual for all similarly situated Outlets. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All general liability and workers' compensation coverage must provide for waiver of subrogation in favor of us and our affiliates. We may, upon at least 60 days' notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us, our Area Representative, and any affiliates we designate as an additional insured and provide for 30 days' prior written notice

to us of a policy's material modification or cancellation. You agree periodically to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Outlet on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance and pay us a reasonable fee for such service.

6.14 Taxes. You will pay when due all taxes, assessments, and governmental charges upon or against you or your real or personal properties, income, and revenue; provided that no such tax, assessment, or governmental charge need be paid so long as the validity, applicability, or amount thereof is being contested in good faith by appropriate proceedings and appropriate reserves are maintained to pay the disputed amount, if necessary.

Section 7 Marketing

7.1 Our Advertising Materials. We may periodically formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available to you for you to purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We or our affiliates will retain all copyrights relating to such advertising materials.

7.2 Marketing Fees. You are not currently required to pay any Marketing Fees or contribute to any marketing fund. Instead, you will be required to hire a full-time sales and marketing employee, whose primary job duties will be to market the Outlet, establish relationships with local residential services contractors, and grow the sales of the Outlet. At some point in the future, we may replace this requirement with a System-wide marketing and call center system, and may require you to contribute a pro-rata amount to support the marketing system with Marketing Fees. If we implement such a system, you will be given sixty (60) days' prior notice

7.3 Local Marketing.

(a) Marketing Employee. You must hire and train one full-time employee, whose primary task will be to market your Outlet to local residential contractors.

(b) Approval of Advertising Materials. You must obtain our advance written approval prior to using or producing any advertising or marketing materials using any of the Marks, in whole or in part. You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify in the Manual. We will have the final decision on all creative development of advertising and promotional messages. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

7.4 Advertising Cooperatives. You agree to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or approve for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Outlets ("**Advertising Cooperatives**") and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which we have the right to mandate or approve. If you join an Advertising Cooperative, the Advertising

Cooperative may require you to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to your Marketing Fee or Marketing Spending Requirement. We shall have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the same manner as specified in Section 7.3(b) (Approval of Advertising Materials).

7.5 Digital Marketing.

(a) Restrictions. We or our affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword 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 electronic communications network (collectively, “**Digital Marketing**”) that are intended to promote the Marks, your Outlet, and the entire network of Outlets. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Outlet. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Outlet or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

(b) System Website. As part of our Digital Marketing, we or one of our designees will operate and maintain a System Website, which will include basic information related to the Outlet, the ability for customers to purchase classes at your Outlet, and access to the Outlet’s reservation system. You must promptly provide us with any information that we request regarding your Outlet for inclusion on the System Website.

Section 8 Records, Reports, Audits, and Inspections

8.1 Bookkeeping and Records. You agree to keep complete and accurate books, records, and accounts of all business conducted under this Agreement in accordance with generally accepted accounting principles. You must preserve all of your books and records in hard copy or in a format from which hard copies can be readily generated for at least five years from the date of preparation or such longer period as may be required by law. You must maintain such information and records on the Outlet Management and Technology System as we may require from time to time in the Manual and you acknowledge and agree that we will have access to that data remotely via a network connection that we will specify. At our request, you must retain and use, at your expense, the services of an accountant or accounting firm that we approve.

8.2 Reports and Financial Statements. You agree to submit financial and operational reports and records to us at the times and in the manner specified in the Manual. Upon our written request, by April 15 of each year, you must submit your balance sheet and income statement for the previous calendar year. With respect to your year-end income statement and balance sheet, you or the Principal Executive must certify that the income statement and balance sheet are correct and complete and that they have been prepared in

accordance with generally accepted accounting principles. We have the right to demand audited financial statements if an Event of Default has occurred within the last calendar year. In addition, you must provide us within 15 days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports and other information that we periodically require relating to the Outlet or you.

8.3 Additional Information. You shall respond promptly to requests from us for clarification and/or additional information regarding any matter entrusted to you under this Agreement. We may from time to time require information about your financial condition, earnings, sales, profits, costs, expenses, and performance to provide a basis for providing our prospective franchisees with information concerning actual or potential earnings or to comply with Applicable Laws governing the sale of franchises. You will provide such information promptly upon our request, and you will certify that such information is true and complete in all material respects.

8.4 Inspection. We have the right, through our employees, an Area Representative, and any agents we designate, at any time during business hours and without prior notice to you to: (i) inspect the Site and Outlet for compliance with the Manual, (ii) videotape, photograph or otherwise record the operation of the Outlet, (iii) interview your employees, landlord, and customers, (iv) examine the records, invoices, payroll records, check stubs, sales tax records and returns, and other supporting records and documents of the Outlet, and (v) examine your income tax records and any other information, records or properties relating to the ownership, management, or operation of the Outlet. We may require you to install and maintain, at your expense, a video surveillance system that we designate which we may access remotely through a connection that we specify to ensure compliance with our standards and the Manual. Our right to inspect your business records includes records maintained electronically or off-site. You must cooperate with such inspections by giving our representatives unrestricted access and rendering such assistance as our representatives may reasonably request. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, not to exceed 30 days, we have the right to correct such deficiencies and charge you a reasonable fee plus our costs and expenses incurred in such inspection. Any inspections will be made at our expense, unless the inspection is necessitated by your repeated or continuing failure to comply with any provision of this Agreement, in which case we may charge you the costs of making such inspection, including without limitation the wages and cost of travel and living expenses for our representatives.

8.5 Auditing. Without limiting the foregoing, we may audit or cause to be audited any statement you are required to submit pursuant to Section 8.2 (Reports and Financial Statements) and we may review, or cause to be reviewed, the records maintained by any bank or other financial institution used by you in connection with the Outlet. If any such audit or review discloses an understatement of the Gross Revenue for any period or periods, you will pay to us, within 10 days after demand for payment is made, all additional Royalty Fees, Marketing Fees, or other amounts required to be paid based upon the results of such audit or review. In addition, if such understatement for any period or periods is 2% or more of the Gross Revenue for such period or periods, you will reimburse us for the cost of such audit or review, including without limitation the charges of any independent accountant and any related attorneys' fees and the cost of travel and living expenses and wages for such accountant and employees or other agents of us. You will pay to us, upon demand, on any delinquent fees interest at the lesser of 18% per annum or the maximum rate allowed by law calculated from the date when the fees should have been paid to the date of actual payment. These remedies are in addition to our other remedies and rights under this Agreement and Applicable Laws.

Section 9 Intellectual Property.

9.1 Marks and Trade Dress.

(a) Acknowledgements. You acknowledge that we or our affiliates are the owner of the Marks and the Trade Dress, that you have no interest in the Marks and the Trade Dress beyond the nonexclusive License granted herein, and that, as between we and you, we have the exclusive right and interest in and to the Marks and the Trade Dress and the goodwill associated with and symbolized by them. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

(b) Rights. Your right to use the Marks and the Trade Dress applies only to the Outlet operated at the Site as expressly provided in this Agreement, including advertising related to the Outlet. You may only use in your Outlet the Marks and the Trade Dress we designate, and only in compliance with written rules that we prescribe from time to time. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. No materials on which any of the Marks or the Trade Dress appears will be used by you without our prior written approval, which may be revoked at any time upon reasonable notice to you. You must display the Marks in a manner that we specify on signage at the Outlet and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate.

9.2 Copyrights. You acknowledge that as between you and us, any and all present or future copyrights relating to the System or the AIO Home Services concept, including, but not limited to, the Manual and marketing materials, (collectively, the “**Copyrights**”) belong solely and exclusively to us. You have no interest in the Copyrights beyond the non-exclusive License granted in this Agreement.

9.3 No Contesting Our Rights. During the Term of this Agreement and after its expiration or termination, you agree not to directly or indirectly contest our ownership, title, right or interest in or to, or our license to use, or the validity of, (i) the Marks, (ii) the Trade Dress, (iii) the Copyrights, or (iv) any trade secrets, methods, or procedures that are part of the System (collectively, the “**Intellectual Property**”), or contest our sole right to register, use, or license others to use the Intellectual Property.

9.4 Changes to the Intellectual Property. We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Intellectual Property and to adopt entirely different or new Intellectual Property for use with the System without any liability to you, in our sole discretion. You agree to implement any such change at your own expense within the time we reasonably specify.

9.5 Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Intellectual Property of which you have knowledge. You also agree to inform us promptly of any challenge by any person or Entity to the validity of our ownership of or our right to license others to use any of the Intellectual Property. We have the right, but no

obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Intellectual Property, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.

9.6 Post-Termination or Expiration. Upon the expiration or termination of this Agreement for any reason, all of your rights to use the Intellectual Property will automatically revert to us without cost and without the execution or delivery of any document. Upon our request, you will execute all documents that we require to confirm such reversion.

9.7 Innovations. All ideas, concepts, techniques or materials relating to a Outlet or the System (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for you or your Owners, employees, or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and the Intellectual Property, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Outlet or otherwise without our prior approval.

Section 10 Proprietary Information.

10.1 Receipt of Proprietary Information. You acknowledge that prior to or during the Term, we may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Outlet (collectively, "**Proprietary Information**"), including (i) site selection criteria and methodologies; (ii) methods, formats, systems, System Standards, sales and marketing techniques, knowledge and experience used in developing and operating Outlets, including information in the Manual; (iii) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Outlets; (iv) knowledge of specifications for and suppliers of, and methods of ordering, certain items that Outlets use and/or sell; (v) knowledge of the operating results and financial performance of other Outlets; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; and (vii) any other information we reasonably designate from time to time as confidential or proprietary. "Proprietary Information" does not include (i) information that is part of the public domain or becomes part of the public domain through no fault of you, (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such information, or (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise.

10.2 Nondisclosure of Proprietary Information. We and our affiliates own all right, title, and interest in and to the Proprietary Information. You will not, nor will you permit any person to, use or disclose any Proprietary Information (including without limitation all or any portion of the Manual) to any other person, except to the extent necessary for your professional

advisors and your employees to perform their functions in the operation of the Outlet. You acknowledge that your use of the Proprietary Information in any other business would constitute an unfair method of competition with us and our franchisees. You will be liable to us for any unauthorized use or disclosure of Proprietary Information by any employee or other person to whom you disclose Proprietary Information. You will take reasonable precautions to protect the Proprietary Information from unauthorized use or disclosure and will implement any systems, procedures, or training programs that we require. At our request, you will require anyone who may have access to the Proprietary Information to execute non-disclosure agreements in a form satisfactory to us that identifies us as a third-party beneficiary of such covenants with the independent right to enforce the agreement.

10.3 Customer Information.

(a) Protection of Customer Information. You must comply with our System Standards, other directions from us, and all Applicable Laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Outlet Management and Technology System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information. “**Customer Information**” means names, contact information, financial information and other personal information of or relating to the Outlet’s customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed. You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to Customer Information in your control or possession.

(b) Use of Customer Information. You have the right to use Customer Information while this Agreement or a successor franchise agreement is in effect, but only to market AIO Home Services products and services to customers in accordance with the policies that we establish periodically and Applicable Laws. You may not sell, transfer, or use Customer Information for any purpose other than marketing AIO Home Services products and services.

Section 11 Indemnification.

11.1 Indemnification By You. You agree to indemnify and hold harmless us, our Area Representative, and our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (i) the Outlet’s operation; (ii) the business you conduct under this Agreement; (iii) your breach of this Agreement; or (iv) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Outlet’s construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. “**Losses**” means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants’, arbitrators’, mediators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

11.2 Indemnification Procedure. You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 11.1(i) through (iv) above (collectively, “**Proceedings**”), including those alleging the Indemnified Party’s negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 11 (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 11.3. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 11. Your obligations in this Section 11 will survive the expiration or termination of this Agreement.

11.3 Willful Misconduct or Gross Negligence. Despite Section 11.1, you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 11.2) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party’s willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or our failure to compel you to comply with this Agreement. However, nothing in this Section 11.3 limits your obligation to defend us and the other Indemnified Parties under Section 11.2.

Section 12 Your Covenant Not to Compete.

12.1 During Term. You acknowledge that you will receive valuable, specialized training and confidential information regarding the operational, sales, promotional, and marketing methods of the AIO Home Services concept. During the Term, you and your Owners will not, without our prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or Entity:

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any business that offers construction services, or other services of the kind offered by the Outlet and/or the AIO Home Services system, or (ii) any entity that grants franchises or licenses for any of these types of businesses (collectively, each, a “**Competitive Business**”) at any location in the United States;

(b) divert or attempt to divert any business or customer or potential business or customer of the Outlet to any Competitive Business, by direct or indirect inducement or otherwise;

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Outlet; or

(e) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees.

12.2 After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved Transfer to a new franchisee, you and your Owners may not, without our prior written consent, (i) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a fifty-mile radius of your former Outlet or any other Outlet that is operating or under development at the time of such expiration, termination, or Transfer, or (ii) solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees. With respect to the Owners, the time period in this Section 12.2 will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first.

12.3 Publicly Traded Corporations. Ownership of less than five percent of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Section 12.

12.4 Covenants of Owners and Employees. The Owners personally bind themselves to this Section 12 by signing this Agreement or the attached Guarantee. We may, in our sole discretion, require you to obtain from your officers, directors, managers, Owners' spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants similar in substance to those contained in this Section 12 as we prescribe in the Manual and otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

12.5 Enforcement of Covenants. You acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Section 12 are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section 12 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section 12. You acknowledge that any breach or threatened breach of this Section 12 will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Section 12. Such injunctive relief will be in addition to any other remedies that we may have.

Section 13 Transfer and Assignment.

13.1 Transfer by Us. We may assign this Agreement and all of our rights, duties, and obligations under this Agreement to any person or Entity that we choose in our sole discretion. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.

13.2 Definition of Transfer. For purposes of this Agreement, “**Transfer**” as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the Outlet, substantially all the assets of the Outlet, or in the ownership of the franchisee (if you are an Entity). “**Transfer**” as a noun means any such sale, assignment, gift, transfer, pledge, mortgage, or encumbrance. A “**Control Transfer**” means any Transfer of (i) this Agreement or any interest in this Agreement; (ii) the Outlet or all or substantially all of the Outlet’s assets; or (iii) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of legal or beneficial ownership interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place. References to a “**Controlling Ownership Interest**” in you mean either (i) 20% or more of your direct or indirect legal or beneficial ownership interests in your Entity or (ii) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and policies of you or the Outlet to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition.

13.3 No Transfer Without Our Consent. This Agreement and the License are personal to you, and we have granted the License in reliance on your (and, if you are an Entity, your Owners’) business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners or any successors to any part of your interest in this Agreement or the License may make any Transfer or permit any Transfer to occur without obtaining our prior written consent, except as provided in Section 13.7 (Permitted Transfers). If you or any of your Owners desire to make a Transfer, you must promptly provide us with written notice. Any purported Transfer, without our prior written consent, will be null and void and will constitute an Event of Default (as herein defined), for which we may terminate this Agreement without opportunity to cure. We have sole and absolute discretion to withhold our consent, except as otherwise provided in Sections 13.4 through 13.8. We have the right to communicate with both you, your counsel, and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require. No Transfer that requires our consent may be completed until at least 60 days after we receive written notice of the proposed Transfer. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement. If your Outlet is not open and operating, we will not consent to your Transfer of this Agreement, and we are under no obligation to do so.

13.4 Control Transfer. For a proposed Control Transfer, the following conditions apply (unless waived by us):

(a) When you provide written notice of the proposed Transfer, you must pay to us a non-refundable deposit of \$2,500 to cover our administrative costs incurred in reviewing the proposal. The deposit will be applied towards your Transfer Fee in the event that the Transfer is completed.

(b) You or your transferee must pay to us a Transfer Fee equal to \$15,000. You must make such payment by wire transfer from the proceeds of the sale at the closing if we so request.

(c) You must satisfy all of your accrued monetary obligations to us and must be in compliance with all obligations to us under this Agreement and any other agreement that you have with us and our affiliates as of the date of the request for our approval of the Transfer

or you must make arrangements satisfactorily to us to come into compliance by the date of the Transfer.

(d) You and your Owners must execute a general release, in a form that we prescribe, in favor of us, our Area Representatives, our affiliates, and our and their affiliates' past, present, and future officers, directors, managers, members, equity holders, agents, and employees, releasing them from all claims, including claims arising under federal, state, and local laws, rules, and regulations.

(e) You and your Owners must agree to remain liable for all of the obligations to us in connection with the Outlet arising before the effective date of the Transfer, and execute any and all instruments that we reasonably request to evidence such liability.

(f) You and your Owners must continue to be bound by the provisions of Sections 9 (Intellectual Property), 10 (Proprietary Information), 11 (Indemnification), and 12 (Your Covenant Not to Compete) as if they were the Franchisee and this Agreement had expired or terminated as of the effective date of the Transfer.

(g) You must provide us with written notice from your landlord indicating that your landlord has agreed to transfer the Site Lease to your transferee.

(h) Your proposed transferee (or, if the transferee is not an individual, all owners of any legal or beneficial interest in the transferee) must demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become an AIO Home Services franchisee, including not having any involvement with a Competing Business, or if he or she is already a AIO Home Services franchisee, he or she must not be in default under any of their agreements with us and must have a good record of customer service and compliance with our System Standards.

(i) Your proposed transferee and their representatives must successfully complete our then-current training requirements at their expense.

(j) Your proposed transferee (and, if the transferee is not an individual, such owners of a legal or beneficial interest in the transferee as we may request) must (i) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge and guarantee all of your obligations under this Agreement and (ii) must execute our then-current form of personal guarantee.

(k) Your proposed transferee (and, if the transferee is not an individual, such owners of a legal or beneficial interest in the transferee as we may request) must execute, for a term ending on the last day of the Term and with such Successor Term as is provided by this Agreement, our then-current franchise agreement for new franchisees and such other agreements as we may require, which agreements will supersede this Agreement in all respects. The terms of the new franchise agreement may differ significantly from the terms of this Agreement. The prospective transferee will not be required to pay any initial Franchise Fee.

(l) Your proposed transferee must make arrangements to modernize, renovate, or upgrade the Outlet, at its expense, to conform to our then-current System Standards for new AIO Home Services Outlets.

(m) Your proposed transferee must covenant that it will continue to operate the Outlet under the Marks and using the System.

(n) We must determine, in our sole discretion, that the purchase price and payment terms will not adversely affect the operation of the Outlet, and if you or your Owners finance any part of the purchase price, you and they must agree that all obligations under promissory notes, agreements, or security interests reserved in the Outlet are subordinate to the transferee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement.

13.5 Non-Control Transfers. For any Transfer that does not result in a Control Transfer, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer and transferee that we may request. We will have the right to require you to pay a Transfer Fee that is equal to \$2,500 plus our administrative costs in processing such Transfer, including any attorneys' fees and other third party costs that we incur. We will have a reasonable time (not less than 30 days) after we have received all requested information to evaluate the proposed Transfer. You and/or your transferee must satisfy, in addition to others that we may specify, the conditions in Sections 13.4(c) (comply with obligations), 13.4(d) (sign general release), 13.4(e) (remain liable for pre-Transfer obligations), 13.4(f) (remain bound to certain provisions), 13.4(h) (transferee meets qualifications), and 13.4(j) (sign assignment and guaranty). You and your Owners must sign the form of agreement and related documents that we then specify to reflect your new ownership structure. We may withhold our consent on any reasonable grounds or give our consent subject to reasonable conditions.

13.6 Transfer To An Entity. We will consent to the assignment of this Agreement to an Entity that you form for the convenience of ownership, provided that: (i) the Entity has and will have no other business besides operating AIO Home Services Outlets; (ii) you satisfy the conditions in Sections 13.4(c) (comply with obligations), 13.4(d) (sign general release), 13.4(e) (remain liable for pre-Transfer obligations), 13.4(f) (remain bound to certain provisions), and 13.4(j) (sign assignment and guaranty); (iii) the Owners hold equity interests in the new Entity in the same proportion shown on Appendix A; and (iv) you pay a Transfer Fee that is equal to \$2,500 plus our administrative costs in processing such Transfer, including any attorneys' fees and other third party costs that we incur.

13.7 Permitted Transfers. The other provisions in this Section do not apply, including our right of first refusal and right of approval, to the following Transfers:

(a) Security Interests. You may grant a security interest in the Site (if you own the Site), the Outlet, any Operating Assets, this Agreement, or any direct or indirect legal and/or beneficial interest in you to a financial institution or other party that provided or provides any financing your acquisition, development, and/or operation of the Outlet, but only if that party signs our then current form of lender consent to protect our rights under this Agreement. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of this Section 13.

(b) Transfer to a Trust. Any Owner who is an individual may Transfer his or her ownership interest in you (or any of your Owners that is an Entity) to a trust that he or she establishes for estate planning purposes, as long as he or she is a trustee of the trust and otherwise controls the exercise of the rights in you (or your Owner) held by the trust and you notify us in writing of the Transfer at least ten days before its anticipated effective date. Dissolution of

or transfers from any trust described in this Section 13.7(b) are subject to all applicable terms and conditions of this Section 13.

13.8 Transfer Upon Death Or Incapacity. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Section 13, as applicable, except there shall be no Transfer Fee due. In addition, if the deceased or incapacitated person is you or the Principal Executive, we will have the right (but not the obligation) to take over operation of the Outlet until the Transfer is completed and to charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 13.4(h) (transferee meets qualifications), the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 13.8 within 120 days after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 14.2 (Our Remedies After An Event of Default).

13.9 Our Right Of First Refusal.

(a) Our Right. We have the right, exercisable within 30 days after receipt of the notice of your intent to Transfer and such documentation and information that we require, to send written notice to you that we intend to purchase the interest proposed to be Transferred on the same economic terms and conditions offered by the third-party or, at our option, the cash equivalent thereof. If you and we cannot agree on the reasonable equivalent in cash or if the Transfer is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser or may elect at that time to not exercise our rights. We must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Outlet or your business prior to the closing of our purchase. Closing on our purchase must occur within 90 days after the date of our notice to the seller electing to purchase the interest. We may assign our right of first refusal to another Entity or person either before or after we exercise it. However, our right of first refusal will not apply with regard to Transfers to an Entity under Section 13.7 (Permitted Transfers) or 13.8 (Transfer Upon Death or Incapacity) or Transfers to your spouse, son, or daughter.

(b) Declining Our Right. If we elect not to exercise our rights under this Section, the transferor may complete the Transfer after complying with the applicable provisions in Section 13. Closing of the Transfer must occur within 90 days of our election (or such longer period as Applicable Laws may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. Any material change in the terms of the offer from a third-

party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer. The Transfer is conditional upon our determination that the Transfer was on terms substantially the same as those offered to us.

Section 14 Termination and Default.

14.1 Events of Default. Any one or more of the following constitutes an “**Event of Default**” under this Agreement:

(a) You or any Owner make any material misrepresentations or omissions in connection with your application to us for the franchise, this Agreement, or any related documents, or you submit to us any report or statement that you know or should know to be false or misleading;

(b) Your Required Trainees fail to successfully complete initial training to our satisfaction at least ten days before the Opening Deadline;

(c) You fail to sign a Site Lease or purchase agreement that we have approved for a site that we have accepted by the Site Acquisition Deadline;

(d) You fail to open for business by the Opening Deadline;

(e) You fail to make changes to the Site and the Outlet as required in Section 6.5 (Refurbishing and Renovations) within the applicable time periods;

(f) You fail to maintain possession of the Site and fail to secure our approval of and enter into a lease for a new, accepted Site within 90 days after the expiration or termination of the Site Lease;

(g) You voluntarily suspend operation of the Outlet without our prior written consent for five or more consecutive business days on which you were required to operate, unless we determine, in our sole discretion, that the failure was beyond your control;

(h) After multiple attempts to reach you via telephone, e-mail, or other written correspondence, you fail to communicate with us within seven days after we send you a written communication in accordance with Section 17.11 (Notices) notifying you of our attempts to reach you and our need to receive a response from you.

(i) You fail to meet Minimum Performance Levels for two consecutive calendar years;

(j) You, your Principal Executive, or any of your representatives that we designate fail to attend or participate in two or more required franchise conventions, meetings, and teleconferences during any 12-month period, without our prior written consent;

(k) You, any Owner, or any of your officers or directors are convicted of or plead nolo contendere to a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that we believe is likely to have an adverse effect on our franchise system, the Marks and any associated goodwill, or the AIO Home Services concept (an “**Adverse Effect**”) or you, any Owner, or any of your officers or directors has engaged in or engages in activities that, in our reasonable opinion, have an Adverse Effect;

(l) You use any of the Marks or any other identifying characteristic of us other than in the operation or promotion of the Outlet;

(m) You or any of your Owners, directors, or officers disclose or divulge the contents of the Manual or other Proprietary Information contrary to Section 10 (Proprietary Information);

(n) Any Transfer occurs that does not comply with Section 13 (Transfer and Assignment), including a failure to transfer to a qualified successor after death or disability within the time allowed by Section 13.8 (Transfer Upon Death or Incapacity);

(o) You or any Owner violates the noncompete covenants in Section 12 (Your Covenant Not to Compete);

(p) You breach or fail to comply with any law, regulation, or ordinance which results in a threat to the public's health or safety and fail to cure the non-compliance within 24 hours following receipt of notice thereof from us or applicable public officials, whichever occurs first;

(q) You become insolvent or make an assignment for the benefit of your creditors, execution is levied against your business assets, or a suit to foreclose any lien or mortgage is instituted against you and not dismissed within 30 days;

(r) (i) You fail, refuse, or neglect to pay any monies owing to us or our affiliates or fail to make sufficient funds available to us as provided in Section 3.12 (Methods of Payment) within ten days after receiving written notice of your default or 30 days after due date of the payment, whichever is the shorter period, or (ii) you have previously been given at least two notices of nonpayment for any reason within the last 24 months and you subsequently fail to timely pay when due any monies; or (iii) you fail to do all things necessary to give us access to the information contained in your Outlet Management and Technology System pursuant to Section 6.11 (Outlet Management and Technology System) within 10 days after receiving notice;

(s) You are more than 60 days past due on your obligations to suppliers and trade creditors in an amount exceeding \$2,000, unless you have given us prior notice that the failure to pay is a result of a bona fide dispute with such supplier or trade creditor that you are diligently trying to resolve in good faith;

(t) You fail to pay when due any federal, state or local income, service, sales or other taxes due on the Outlet's operation, unless you are in good faith contesting your liability for these taxes;

(u) You underreport Gross Revenue by more than 2% two times or more in any two-year period or by 5% or more for any period of one week or greater;

(v) You refuse to permit, or try to hinder, an examination, inspection, or audit of your books and records, the Outlet, or the Site as required by this Agreement;

(w) You fail to timely file any periodic report required in this Agreement or the Manual three or more times in a 12-month period, whether or not you subsequently cure the default;

(x) You default under any other franchise agreement or other agreement between you and us or our affiliates, provided that the default would permit us or our affiliate to terminate that agreement;

(y) You breach or fail to comply with any other covenant, agreement, standard, procedure, practice, or rule prescribed by us, whether contained in this Agreement, in the Manual, or otherwise in writing and fail to cure such breach or failure to our satisfaction within 30 days (or such longer period as Applicable Laws may require) after we provide you with written notice of the default; or

(z) You are in default three or more times within any 18-month period, whether or not the defaults are similar and whether or not they are cured.

14.2 Our Remedies After An Event of Default.

(a) Right to Terminate. If an Event of Default occurs, we may, at our sole election and without notice or demand of any kind, declare this Agreement and any and all other rights granted under this Agreement to be immediately terminated and, except as otherwise provided herein, of no further force or effect. Upon termination, you will not be relieved of any of your obligations, debts, or liabilities under this Agreement, including without limitation any debts, obligations, or liabilities that you accrued prior to such termination.

(b) Other Remedies. If an Event of Default occurs, we may, at our sole election and upon delivery of written notice to you, take any or all of the following actions without terminating this Agreement:

(i) temporarily or permanently reduce the size of the Territory, in which event the restrictions on us and our affiliates under Section 1.3 (Limited Territorial Protection) will not apply in the geographic area that was removed from the Territory;

(ii) temporarily remove information concerning the Outlet from the System Website and/or stop your or the Outlet's participation in any other programs or benefits offered on or through the System Website;

(iii) suspend your right to participate in one or more programs or benefits that the Marketing Fund provides;

(iv) suspend any other services that we or our affiliate provides to you under this Agreement or any other agreement, including any services relating to the Outlet Management and Technology System;

(v) suspend or terminate any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise);

(vi) suspend our performance of, or compliance with, any of our obligations to you under this Agreement or other agreements;

(vii) undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under this Agreement. You will reimburse us upon

demand for all costs and expenses that we reasonably incur in performing any such obligation or duty; and/or

(viii) enter the Outlet's premises and assume the management of the Outlet ourselves or appoint a third party (who may be our affiliate) to manage the Outlet. All funds from the operation of the Outlet while we or our appointee assumes its management will be kept in a separate account, and all of the expenses of the Outlet will be charged to that account. We or our appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to 3% of the Outlet's Gross Revenue during the period of management, plus any direct out-of-pocket costs and expenses. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any products or services the Outlet purchases, while managing it. You shall not take any action or fail to take any action that would interfere with our or our appointee's exclusive right to manage the Outlet and may, in our sole discretion, be prohibited from visiting the Outlet so as to not interfere with its operations. Our (or our appointee's) management of the Outlet will continue for intervals lasting up to 90 days each (and, in any event, for no more than a total of one year), and we will during each interval periodically evaluate whether you are capable of resuming the Outlet's operation and periodically discuss the Outlet's status with you.

(c) Exercise of Other Remedies. Our exercise of our rights under Section 14.2(b) (Other Remedies) will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement (except as set forth in Section 14.2(viii) (our assumption of management)) following our exercise of any of these rights. If we exercise any of our rights under Section 14.2(b), we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

14.3 Termination By You. You may terminate this Agreement only if: (i) we commit a material breach of this Agreement; (ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within 60 days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this 60-day period but provide you, within this 60-day period, with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall run through the end of such reasonable time period. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this Section 14.3 (including by taking steps to de-identify the Outlet or otherwise cease operations under this Agreement) will constitute an Event of Default by you.

Section 15 Your Obligations Upon Expiration or Termination.

You covenant and agree that upon expiration or termination of this Agreement for any reason, unless we direct you otherwise:

15.1 Payment of Costs and Amounts Due. You will pay upon demand all sums owing to us and our affiliates. If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred

by us as a result of your default. These payment obligations will give rise to and remain, until paid in full, a lien in favor of us against the Outlet premises and any and all of the personal property, fixtures, equipment, and inventory that you own at the time of the occurrence of the Event of Default. We are hereby authorized at any time after the Effective Date to make any filings and to execute such documents on your behalf of to perfect the lien created hereby. You also will pay to us all damages, costs, and expenses, including reasonable attorneys' fees, that we incur after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Section 15 (Your Obligations Upon Expiration or Termination).

15.2 Discontinue Use of the System and the Intellectual Property. You must immediately cease using, by advertising or in any other manner, (i) the Intellectual Property (including, without limitation, the Marks and the Trade Dress), (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Intellectual Property or any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks or the Trade Dress.

15.3 Return of Proprietary Information. You must immediately return to us, at your expense, all copies of the Manual, all of your Customer Information that you are permitted by law to transfer to us, and all other Proprietary Information (and all copies thereof). You may not use any Proprietary Information or sell, trade or otherwise profit in any way from any Proprietary Information at any time following the expiration or termination of this Agreement.

15.4 Cease Identification with Us. You must immediately take all action required (i) to cancel all assumed name or equivalent registrations relating to your use of the Marks and (ii) to cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Outlet or the Marks (collectively, "**Identifiers**"). You acknowledge that as between you and us, we have the sole rights to and interest in all Identifiers. If you fail to comply with this Section 15.4, you hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Identifiers to us. The telephone company, the postal service, registrars, Internet Service Providers and each listing agency may accept such direction by us pursuant to this Agreement as conclusive evidence of our exclusive rights in such Identifiers and our authority to direct their transfer.

15.5 Our Right to Purchase Outlet Assets.

(a) Exercise of Option. Upon termination of this Agreement for any reason (other than your termination in accordance with Section 14.3 (Termination By You)) or expiration of this Agreement without our and your signing a successor franchise agreement, we have the option, exercisable by giving you written notice within fifteen (15) days after the date of termination or expiration (the "**Exercise Notice**"), to purchase the inventory, supplies, Operating Assets, and other assets used in the operation of the Outlet that we designate (the "**Purchased Assets**"). We have the unrestricted right to exclude any assets we specify relating to the Outlet from the Purchased Assets and not acquire them. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the Outlet and its assets, to determine whether to exercise our option under this Section 15.5. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial five-year term with one renewal term of five years (at our option) on commercially reasonable terms.

You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(b) Operations Pending Purchase. While we are deciding whether to exercise our option under this Section 15.5 (Our Right to Purchase Outlet Assets), and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase or our decision not to complete the purchase, you must continue to operate the Outlet in accordance with this Agreement. However, we may, at any time during that period, assume the management of the Outlet ourselves or appoint a third party (who may be our affiliate or our Area Representative) to manage the Outlet pursuant to the terms of Section 14.2(b)(viii).

(c) Purchase Price. The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business (but not an AIO Home Services Outlet). However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Proprietary Information or our other intellectual property rights, or participation in the network of Outlets. For purposes of determining the fair market value of all equipment (including the exercise equipment and Outlet Management and Technology System) used in operating the Outlet, the equipment's useful life shall be determined to be no more than three years. If we and you cannot agree on fair market value for the Purchased Assets, we will select an independent appraiser after consultation with you, and his or her determination of fair market value will be the final and binding purchase price.

(d) Closing. We will pay the purchase price at the closing, which will take place within 60 days after the purchase price is determined, although we may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Outlet or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Outlet's licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us, our Area Representatives, and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

(e) Assignment. We may assign our rights under this Section 15.5 (Our Right to Purchase Outlet Assets) to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 15.5.

15.6 De-identification of the Site. If we do not exercise our option to acquire the Site Lease or the Site, you will make such modifications or alterations to the Site immediately

upon termination or expiration of this Agreement that we deem necessary to distinguish the appearance of the Site from an AIO Home Services Outlet, including, but not limited to, removing the signs, the Marks, and any Trade Dress so as to indicate to the public that you are no longer associated with us. If you do not comply with the requirements of this Section 15.6, we may enter the Outlet without being guilty of trespass or any other tort, for the purpose of making or causing to be made any required changes. You agree to reimburse us on demand for our expenses in making such changes.

15.7 Promote Separate Identity. You will not, directly or indirectly, in any manner, identify yourself, or any individual connected with you, as a former AIO Home Services franchisee or as otherwise having been associated with us, or use in any manner or for any purpose any of the Marks.

15.8 Comply with Noncompete. You and your Owners must comply with the covenant not to compete in Section 12 (Your Covenant Not to Compete).

15.9 Injunctive and Other Relief. You acknowledge that your failure to abide by the provisions of this Section 15 (Your Obligations Upon Expiration or Termination) will result in irreparable harm to us, and that our remedy at law for damages will be inadequate. Accordingly, you agree that if you breach any provisions of this Section 15, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity.

Section 16 Dispute Resolution and Governing Law.

16.1 Mandatory Pre-Litigation Mediation. Except as otherwise provided in this Section, prior to filing any proceeding to resolve any dispute based upon, arising out of, or in any way connected with this Agreement, a party must submit the dispute for mediation. The mediation will be held before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the American Arbitration Association (“AAA”). All parties must attend and participate in the mediation. The mediation shall not last more than one day and shall be held in Vanceburg, Kentucky, unless we no longer have an office there, in which case it will be held in the metropolitan area of our then-current principal place of business. If we and you do not resolve our dispute, then thereafter any party may file for litigation, as applicable in accordance with the terms of this Agreement. The mediation shall be governed by the rules of the AAA. It is the intent of the parties that mediation shall be held not later than 14 days after a written request for mediation shall have been served on the other parties. The obligation to mediate shall not be binding upon either party with respect to claims relating to the Marks, the non-payment or underpayment of any monies due under this Agreement, the noncompetition covenants, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute.

16.2 Forum for Litigation. You and the Owners must file any suit against us, and we may file any suit against you, in federal or state courts located in Vanceburg, Kentucky unless we no longer have an office there, in which case, you must file any suit against us, and we may file against you, in federal or state courts located in the metropolitan area of our then-current principal place of business. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

16.3 Governing Law. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Kentucky. In the event of any conflict-of-law question, the laws of Kentucky shall prevail, without regard to the application of Kentucky conflict-of-law rules.

16.4 Mutual Waiver of Jury Trial. You and we each irrevocably waive trial by jury in any litigation.

16.5 Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple, or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

16.6 Remedies Not Exclusive. Except as provided in Section 16.5 (Mutual Waiver of Punitive Damages), no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under Applicable Laws. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

16.7 Limitations of Claims. Except for:

(a) claims against you by us concerning the underreporting of Gross Revenue and corresponding underpayment of any fees specified in Section 3 (Fees);

(b) claims against you by us relating to third-party claims or suits brought against us as a result of your operation of the Outlet;

(c) claims against you by us for injunctive relief to enforce the provisions of this Agreement relating to your use of the Marks;

(d) claims against you by us relating to your financial obligations upon the termination or expiration of the Agreement;

(e) claims against you by us or concerning your obligations under Section 10 (Proprietary Information) or Section 12 (Your Covenant Not to Compete) of this Agreement; and

(f) claims against you by us regarding an assignment of this Agreement or any ownership interest therein,

any and all claims arising out of or relating to this agreement or our relationship with you will be barred unless a judicial proceeding is commenced in the proper forum within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

16.8 Our Right to Injunctive Relief. Nothing in this Agreement bars our right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage. You agree that we will not be required to prove actual damages or post a bond in excess of \$1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

16.9 Attorneys' Fees and Costs. You agree to reimburse us for all expenses we reasonably incur (including attorneys' fees): (i) to enforce the terms of this Agreement or any

obligation owed to us by you and/or the Owners (whether or not we initiate a legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim you and/or the Owners assert against us on which we substantially prevail in court or other formal legal proceedings. We agree to reimburse you for all expenses you reasonably incur (including attorneys' fees): (i) to enforce the terms of this Agreement or any obligation owed to you by us (whether or not you initiate a legal proceeding, unless you initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim we assert against you on which you substantially prevail in court or other formal legal proceedings.

Section 17 Miscellaneous.

17.1 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Outlet and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document (the "FDD") that we delivered to you or your representatives. This Agreement includes the terms and conditions on Appendix A, which are incorporated into this Agreement by this reference.

17.2 Amendments and Modifications. This Agreement may be amended or modified only by a written document signed by each party to this Agreement. The Manual and any policies that we adopt and implement may be changed by us from time to time at our sole discretion.

17.3 Waiver. Any term or condition of this Agreement may be waived at any time by the party which is entitled to the benefit of the term or condition, but such waiver must be in writing. No course of dealing or performance by any party, and no failure, omission, delay, or forbearance by any party, in whole or in part, in exercising any right, power, benefit, or remedy, will constitute a waiver of such right, power, benefit, or remedy. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. We have no obligation to deal with similarly situated franchisees in the same manner. Our acceptance of any payments due from you does not waive any prior defaults.

17.4 Importance of Timely Performance. Time is of the essence in this Agreement.

17.5 Construction. The headings in this Agreement are for convenience of reference and are not a part of this Agreement and will not affect the meaning or construction of any of its provisions. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "include," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

17.6 Severability. Each provision of this Agreement is severable from the others. If any provision of this Agreement or any of the documents executed in conjunction with this Agreement is for any reason determined by a court to be invalid, illegal, or unenforceable, the

invalidity, illegality, or unenforceability will not affect any other remaining provisions of this Agreement or any other document. The remaining provisions will continue to be given full force and effect and bind us and you.

17.7 Applicable State Law Controlling. If the termination, renewal, or other provisions set forth in this Agreement are inconsistent with any applicable state statute, in effect as of the Effective Date, governing the relationship of us and franchisees, the provisions of such statute will apply to this Agreement, but only to the extent of such inconsistency.

17.8 Survival. Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including, but not limited to, Sections 9 (Intellectual Property), 10 (Proprietary Information), 11 (Indemnification), 12 (Your Covenant Not to Compete), and 15 (Your Obligations Upon Expiration or Termination).

17.9 Consent. Whenever our prior written approval or consent is required under this Agreement, you agree to make a timely written request to us for such consent. Our approval or consent must be in writing and signed by an authorized officer to be effective.

17.10 Independent Contractor Relationship. This Agreement does not create, nor does any conduct by us create, a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Outlet and its business, including any personal property, Operating Assets, or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Outlet. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees.

17.11 Notices. All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; (iii) by overnight delivery service; or (iv) by facsimile (if the sender receives machine confirmation of successful transmission). Notices to you will be sent to the address set forth on Appendix A. Notices to us must be sent to:

AIO Franchising, Inc.
550 Fairlane Drive
Vanceburg, KY 41179

Either party may change its mailing address or facsimile number by giving notice to the other party. Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile.

17.12 Execution. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.

17.13 Successors and Assigns. Except as expressly otherwise provided herein, this Agreement is binding upon and will inure to the benefit of the parties and their respective heirs, executors, legal representatives, successors, and permitted assigns.

17.14 No Third Party Beneficiaries. Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.

17.15 Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on Appendix A. To the extent that any provisions of Appendix A are in direct conflict with the provisions of this Agreement, the provisions of Appendix A shall control.

17.16 Area Representative and Delegation. We may delegate the performance of any or all of our obligations under this Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. You acknowledge that if we appoint an Area Representative in the area that includes your Territory, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under this Agreement. We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

Section 18 Your Representations and Acknowledgments.

You (on behalf of yourself and your Owners) represent, warrant, and acknowledge as follows:

18.1 Truth of Information. The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances when made.

18.2 Due Authority. This Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally.

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

18.4 Independent Investigation. You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that it involves business risks and that your results will be largely dependent upon your own efforts and ability. You have been accorded ample time to consult with your own legal counsel and other advisors about the potential risks and benefits of entering into this Agreement, and we have advised you to do so.

18.5 Timely Receipt and Review of Agreement and Disclosure Document. You have received an execution ready copy of this Agreement at least seven calendar days before you executed this Agreement or any related agreements or paid any consideration to us. You have also received a FDD required by applicable state and/or federal laws, including a form of this Agreement, at least 14 calendar days (or such longer time period as required by applicable state law) before you executed this Agreement or any related agreements or paid any consideration to us. You have reviewed this Agreement and the FDD and have been given ample opportunity to consult with, and ask questions of, our representatives regarding the documents. You have no knowledge of any representations made about the AIO Home Services franchise opportunity by us, our affiliates, or any of our or their officers, directors, owners, or agents that are contrary to the statements made in our FDD or to the terms and conditions of this Agreement. You have read this Agreement and our FDD and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Outlet, and to protect and preserve the goodwill of the Marks.

18.6 Financial Performance Representations. Except as may be stated in the FDD, neither we, nor any of our affiliates, nor any of our or our affiliates' officers, agents, employees, or representatives have made any representation to you, express or implied, as to the historical revenues, earnings, or profitability of any AIO Home Services Outlet or the anticipated revenues, earnings, or profitability of the business subject to the License or any other business operated by us, our licensees, our franchisees, or our affiliates. In entering into this Agreement, you are not relying upon any information furnished by us or our representatives other than the information contained in this Agreement and the FDD. Any information you have acquired from other AIO Home Services franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

[Signature page follows.]

IN WITNESS WHEREOF, upon signing below, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

AIO FRANCHISING, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**APPENDIX A
TO THE
FRANCHISE AGREEMENT**

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date:** _____

2. **Franchisee's Name:** _____

3. **Franchisee's State of Organization** *(if applicable)*: _____

4. **Ownership of Franchisee (Recital C):**

If the franchisee is an Entity (as defined in the Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____ %
_____	_____ %
_____	_____ %

5. **Area Representative (Recital C):** _____

6. **Site Selection Area (Section 1.1):** _____

7. **Principal Executive (Section 1.4):** _____

8. **Franchise Fee (Section 3.1):** [Thirty Thousand U.S. Dollars (\$30,000)]

9. **Franchisee's Address, Phone, and Fax Number for Notices (Section 17.11):** _____

10. **Additional Terms; Inconsistent Terms** *(if any)* **(Section 17.15):** _____

Signature Page for Appendix A (Franchisee-Specific Terms)

FRANCHISOR

AIO FRANCHISING, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

Schedule 1 to Appendix A of the Franchise Agreement

Franchisee-Specific Terms

(to be completed after site selection and acceptance)

1. Site (Section 4.2): _____

2. Territory (Section 4.3): _____

AIO Franchising, Inc. agrees that, effective on the date specified below, **(i)** the address listed above is hereby accepted by us as the Site pursuant to Section 4.2 (Site Selection) of this Agreement; and **(ii)** the area listed above shall be the Territory of this Agreement pursuant to Section 4.3 (Definition of the Territory) of this Agreement.

AIO FRANCHISING, INC.:

By: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Agreed:

[Franchisee]

By: _____

Name: _____

Title: _____

Date: _____

**APPENDIX B
TO THE
FRANCHISE AGREEMENT**


Marks

Registered Marks

Registered on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration No.	Registration Date

We have filed applications to register the following Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	Application No.	Application Date
AIO Home Services	90779867	June 17, 2021
 AIO Home Services		

**APPENDIX C
TO THE
FRANCHISE AGREEMENT**

**AIO FRANCHISING, INC.
PAYMENT AND PERFORMANCE GUARANTEE**

In order to induce AIO Franchising, Inc. (“**Franchisor**”) to enter into an AIO Home Services Franchise Agreement (the “**Franchise Agreement**”) by and between Franchisor and the Franchisee named in the Franchise Agreement dated _____ to which this Payment and Performance Guarantee (the “**Guarantee**”) is attached (“**Franchisee**”), the undersigned (collectively referred to as the “**Guarantors**” and individually referred to as a “**Guarantor**”) hereby covenant and agree as follows:

1. Guarantee of Payment and Performance. The Guarantors jointly and severally unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Franchise Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the “**Guaranteed Liabilities**”). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys’ fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities. The Guarantors represent and agree that they have each reviewed a copy of the Franchise Agreement and have had the opportunity to consult with counsel to understand the meaning and import of the Franchise Agreement and this Guarantee.

2. Waivers by Guarantors. The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof. This Guarantee is primary and not secondary, and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. Term: No Waiver. This Guarantee will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until the later of (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, or (ii) the Franchise Agreement and all obligations of Franchisee thereunder expire. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

4. Other Covenants. Each of the Guarantors agrees to comply with the provisions of Sections 8 (Records, Reports, Audits, and Inspections), 9 (Intellectual Property), 10 (Proprietary Information), 11 (Indemnification), and 12 (Your Covenant Not to Compete) of the Franchise Agreement as though each such Guarantor were the “Franchisee” named in the

Franchise Agreement and agrees that the undersigned will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Franchise Agreement and will not take any action that would cause Franchisee to be in breach of the Franchise Agreement.

5. Dispute Resolution. Section 16 (Dispute Resolution and Governing Law) of the Franchise Agreement is hereby incorporated herein by reference and will be applicable to any all disputes between Franchisor and any of the Guarantors, as though Guarantor were the “Franchisee” referred to in the Franchise Agreement.

6. Miscellaneous. This Agreement will be binding upon the Guarantors and their respective heirs, executors, successors, and assigns, and will inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

**APPENDIX D
TO THE
FRANCHISE AGREEMENT**

LEASE RIDER

THIS LEASE RIDER is entered into this _____ day of _____, 20____ by and between AIO Franchising, Inc. ("**Company**"), _____ ("**Franchisee**"), and _____ ("**Landlord**").

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, 20____ (the "**Franchise Agreement**"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate an AIO Home Services Outlet ("**Outlet**") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "**Lease**"), pursuant to which Franchisee will occupy premises located at _____

_____ (the "**Premises**") for the purpose of constructing and operating the Outlet in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Outlet and for no other purpose.
2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the AIO Home Services system as Company may from time to time prescribe for the Outlet.
3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

AIO Franchising, Inc.
550 Fairlane Drive
Vanceburg, KY 41179

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the AIO Home Services system and marks,

- (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the AIO Home Services trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.
5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease, in connection with such an assignment.
 6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.
 7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.
 8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.
 9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.
 10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Lease Rider of the date first above written:

COMPANY:

AIO FRANCHISING, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

LANDLORD:

By: _____

Name: _____

Title: _____

**EXHIBIT B
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Development Agreement

(attached)



AIO Home Services

**AIO HOME SERVICES
DEVELOPMENT AGREEMENT**

between

**AIO FRANCHISING, INC.
d/b/a AIO Home Services**

and

Developer: _____

Area: _____

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Appendix A – Franchisee-Specific Terms

Appendix B – Payment and Performance Guarantee

**AIO HOME SERVICES
DEVELOPMENT AGREEMENT**

THIS AGREEMENT (this “**Agreement**”) is made and entered into as of the date set forth on Appendix A of this Agreement (the “**Effective Date**”) (Appendix A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between AIO Franchising, Inc., a Kentucky corporation with its principal place of business at 550 Fairlane Drive, Vanceburg, KY 41179 (“**AIO**”), and the person or entity identified on Appendix A as the franchisee (“**Franchisee**”) with its principal place of business as set forth on Appendix A. In this Agreement, “**we,**” “**us,**” and “**our**” refers to AIO. “**You**” and “**your**” refers to Franchisee.

RECITALS

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the “**Initial Franchise Agreement**”), in which we have granted you the right to establish and operate one AIO Home Services Outlet (an “**Outlet**”).

B. We desire to grant to you the exclusive right to establish and operate a specified number of Outlets within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “**Entity**”), all of your owners of a legal and/or beneficial interest in the Entity (the “**Owners**”) are listed on Appendix A of this Agreement (Appendix A and all other appendices hereto being hereby incorporated herein by reference).

D. You desire to establish and operate additional Outlets upon the terms and conditions contained in our then-current standard franchise agreements (a “**Franchise Agreement,**”).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area.

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated on Appendix A to this Agreement (the “**Development Area**”) the number of Outlets specified in the development schedule in Appendix A (the “**Schedule**”). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees.

Upon execution of this Agreement, you must pay us a development fee in the amount specified on Appendix A (the “**Development Fee**”), which is based on the initial franchise fee you must pay for each Outlet that you develop (the “**Franchise Fee,**” which is also specified on Appendix A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Outlet that you develop pursuant to this Agreement. The

Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Schedule. Upon the earlier of: (i) the Fee Deadline (as defined herein) for each Outlet contemplated in your Development Schedule; or (ii) the execution of a Franchise Agreement for each Outlet contemplated in your Development Schedule, for each Outlet that you develop, you must pay us the initial training fee that is specified in our then-current Franchise Agreement (the “**Training Fee**”).

3. Development Schedule.

3.1 Deadlines. You must enter into Franchise Agreements and open and operate Outlets in accordance with the deadlines set forth in the Schedule. By each “**Fee Deadline**” specified in the Schedule, you must have delivered to us the Training Fee and a signed copy of our then-current standard form of Franchise Agreement for the number of Outlets specified on the Schedule. By each “**Opening Deadline**” specified in the Schedule, you must have the specified number of Outlets open and operating. You must locate the Outlets only at sites that we have accepted in accordance with the terms of the applicable Franchise Agreement.

3.2 Damaged Outlets. If an Outlet is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business, you must immediately give us notice of such destruction or damage (“**Destruction Event**”). You must diligently work to repair and restore the Outlet to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. If an Outlet is closed due to a Destruction Event, the Outlet will continue to be deemed an “Outlet in operation” for the purpose of this Agreement for up to 180 days after the Destruction Event occurs. If an Outlet (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies).

4. Development Area.

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Outlets in accordance with the Schedule and the minimum number of Outlets that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Schedule, we will not operate, or license any person other than you to operate, an Outlet under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Outlets. For example, we and our affiliates have the right to:

- (a) Establish or license franchises and/or company-owned Outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

(b) Sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or Outlets anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the AIO Home Services name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Outlets to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. **Term.**

This Agreement expires at midnight on the last Opening Deadline date listed on the Schedule, unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. **Termination.**

6.1 Events of Default. Any one or more of the following constitutes an “**Event of Default**” under this Agreement:

(a) You fail to pay any Franchise Fee or execute any Franchise Agreement by any Fee Deadline specified in the Schedule;

(b) You fail to have open and operating the minimum number of Outlets specified in the Schedule by any Opening Deadline specified in the Schedule;

(c) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(d) You breach or otherwise fail to comply fully with any other provision contained in this Agreement, including Section 12 (Franchisee’s Covenant Not to Compete).

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election, declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. Your failure to open and thereafter operate Outlets in accordance with the Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement.

7. Assignment.

This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason. If you or your Owners intend to transfer any interest in you or this Agreement, we shall have a right of first refusal in accordance with the procedure set forth in Section 13.9 (Our Right of First Refusal) of the Initial Franchise Agreement. We may assign this Agreement or any ownership interests in us without restriction.

8. Franchisee's Covenant Not to Compete.

8.1 In-Term Covenants. You acknowledge that you will receive valuable, specialized training and confidential information regarding the operational, sales, promotional, and marketing methods of the AIO Home Services concept. During the Term, you and your Owners will not, without our prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any business that offers construction services, or other services of the kind offered by the Outlet and/or the AIO Home Services system, or (ii) any entity that grants franchises or licenses for any of these types of businesses (collectively, each, a "**Competitive Business**") at any location in the United States;

(b) divert or attempt to divert any business or customer or potential business or customer of the Outlet to any Competitive Business, by direct or indirect inducement or otherwise;

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Outlets; or

(e) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees.

8.2 Post-Term Covenants. For two years after the expiration or termination of this Agreement or an approved transfer to a new franchisee, you and your Owners may not, without our prior written consent, (i) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a ten-mile radius of the Development Area or any other Outlet that is operating or under development at the time of such expiration, termination, or transfer, or (ii) solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees. With respect to the Owners, the time period in this Section 12.2 will run from the expiration,

termination, or transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first.

8.3 Publicly Traded Corporations. Ownership of less than 5% of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Section 8.

8.4 Covenants of Others. The Owners personally bind themselves to this Section 8 by signing the Guarantee that is attached as Appendix B to this Agreement. You must also obtain from your officers, directors, managers, instructors, Owners' spouses, and other individuals that we may designate executed agreements containing nondisclosure and non-compete covenants similar in substance to those contained in this Section 8 as we prescribe in the Manuals and otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

8.5 Enforcement of Covenants. You acknowledge and agree that (i) the time, territory and scope of the covenants provided in this Section 8 are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section 8 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section 8. You acknowledge that any breach or threatened breach of this Section 8 will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Section 8. Such injunctive relief will be in addition to any other remedies that we may have.

9. Incorporation of Other Terms.

Section 10 (Proprietary Information), Section 16 (Dispute Resolution and Governing Law), Section 17 (Miscellaneous), and Section 18 (Your Representations and Acknowledgements) of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

10. Miscellaneous. Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same

instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

AIO FRANCHISING, INC.

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**APPENDIX A
TO THE
DEVELOPMENT AGREEMENT**

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date (First Paragraph):** _____
2. **Franchisee's Name:** _____
3. **Franchisee's State of Organization (if applicable):** _____
4. **Development Area (Section 1):** [attach map if necessary]

5. **Total Development Fee (Section 2):** \$ _____ .
6. **Franchise Fee for each Outlet developed pursuant to this Development Agreement (Section 2):** \$ _____
7. **Training Fee for the Outlet developed pursuant to the Initial Franchise Agreement (Section 2):** \$ _____
8. **Development Schedule (Section 3):** You agree to establish and operate a total of _____ Outlets within the Development Area during the term of this Agreement. The Outlets must be open and operating in accordance with the following Schedule:

<u>MINIMUM NUMBER OF OUTLETS</u> The Minimum Number of Outlets for Which Training Fees Have Been Paid and Franchise Agreements Executed by Each Fee Deadline	<u>FEE DEADLINE</u> Deadline for Paying Training Fee and Executing Franchise Agreement for The Minimum Number of Outlets Paid and Signed	<u>MINIMUM NUMBER OF OUTLETS</u> The Minimum Number of Outlets Open and Operating by Each Opening Deadline	<u>OPENING DEADLINE</u> Deadline for Having the Minimum Number of Outlets Open and Operating
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__
	_____, 20__		_____, 20__ (the Expiration Date of the Agreement)

9. **Ownership of Franchisee (Recital C):** If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
	_____ %
	_____ %
	_____ %

10. **Other Terms:**

Signature Page for Appendix A (Franchisee-Specific Terms)

FRANCHISOR

AIO FRANCHISING, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**APPENDIX B
TO THE
DEVELOPMENT AGREEMENT**

**AIO FRANCHISING, INC.
PAYMENT AND PERFORMANCE GUARANTEE**

In order to induce AIO Franchising, Inc. (“**Franchisor**”) to enter into an AIO Home Services Development Agreement (the “**Development Agreement**”) by and between Franchisor and the Franchisee named in the Development Agreement dated _____ to which this Payment and Performance Guarantee (the “**Guarantee**”) is attached (“**Franchisee**”), the undersigned (collectively referred to as the “**Guarantors**” and individually referred to as a “**Guarantor**”) hereby covenant and agree as follows:

1. Guarantee of Payment and Performance. The Guarantors jointly and severally unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Development Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the “**Guaranteed Liabilities**”). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys’ fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities. The Guarantors represent and agree that they have each reviewed a copy of the Development Agreement and have had the opportunity to consult with counsel to understand the meaning and import of the Development Agreement and this Guarantee.

2. Waivers by Guarantors. The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof. This Guarantee is primary and not secondary, and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. Term: No Waiver. This Guarantee will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

4. Other Covenants. Each of the Guarantors agrees to comply with the provisions of Section 8 of the Development Agreement as though each such Guarantor were the “Franchisee” named in the Development Agreement and agrees that he or she will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Development Agreement and will not take any action that would cause Franchisee to be in breach of the

Development Agreement.

5. Dispute Resolution. Section 16 (Dispute Resolution and Governing Law) of the Initial Franchise Agreement (as defined in the Development Agreement) is hereby incorporated herein by reference and will be applicable to any disputes between Franchisor and any of the Guarantors, as though Guarantor were the "Franchisee" referred to in the Development Agreement.

6. Miscellaneous. This Agreement will be binding upon the Guarantors and their respective heirs, executors, successors, and assigns, and will inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

**EXHIBIT C
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Financial Statements

(attached)

**THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN
AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED
PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER
OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

AIO Franchising Inc

Balance Sheet

As of July 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
Citizen Deposit Bank - 1128	99,271.52
Total Bank Accounts	\$99,271.52
Total Current Assets	\$99,271.52
TOTAL ASSETS	\$99,271.52
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
Owner's Investment	104,595.00
Retained Earnings	
Net Income	-5,323.48
Total Equity	\$99,271.52
TOTAL LIABILITIES AND EQUITY	\$99,271.52

Includes \$100K introduced in bank account and ROBS account set up charge

**EXHIBIT D
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

State Administrators and Agents for Service of Process

Listed on the next four pages are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

(state administrators)
Department of Financial Protection and
Innovation:
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500 Toll Free (866) 275-2677

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205

1350 Front Street
San Diego, CA 92101
(619) 525-4233

One Sansome St., Suite 600
San Francisco, California 94104
(415) 972-8565

(agents for service of process)
California Commissioner of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

California Commissioner of Financial
Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

California Commissioner of Financial
Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834

CONNECTICUT

(state administrator)
State of Connecticut
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

(agent for service of process)
Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800

<p><u>HAWAII</u></p> <p>(state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u></p> <p>(state administrator) Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p> <p>(agent for service of process) Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u></p> <p>(state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 200 West Washington Street E-111 Indianapolis, Indiana 46204 (317) 232-6531</p>	<p><u>MARYLAND</u></p> <p>(state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(agent for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u></p> <p>(state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p> <p>(agent for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u></p> <p>(state administrator) Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p> <p>(agent for service of process) Minnesota Commissioner of Commerce Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198</p>

<p><u>NEW YORK</u></p> <p>(state administrator) NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285</p> <p>(agent for service of process) Attention: Uniform Commercial Code New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492</p>	<p><u>NORTH DAKOTA</u></p> <p>(state administrator) North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p> <p>(agent for service of process) Securities Commissioner North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p>
<p><u>OREGON</u></p> <p>Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u></p> <p>Securities Division Department of Business Regulation, Bldg 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582</p>
<p><u>SOUTH DAKOTA</u></p> <p>Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u></p> <p>(state administrator) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>

WASHINGTON

(state administrator)
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)
Director, Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)
Division of Securities
Department of Financial Institutions
345 W. Washington Avenue
Madison, Wisconsin 53703
(608) 266-1064

(agent for service of process)
Administrator, Division of Securities
Department of Financial Institutions
345 W. Washington Ave
Madison, Wisconsin 53703

**EXHIBIT E
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

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**EXHIBIT F
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Current and Former Franchisees

Franchisees Who Have Opened Outlets (as of December 31, 2020):

Franchisee	Telephone	Address	City	State	Zip
None	-	-	-	-	-

Franchisees Who Have Signed Agreements But Not Yet Opened Outlets (as of December 31, 2020):

Franchise Owners	Telephone	Address	City	State	Zip
None					

Former Franchisees (After Outlet Opened):

None

**EXHIBIT G
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Form of General Release

(attached)

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on _____
by _____
 (“Franchisee”), _____
 (“Guarantors”), _____
 (“Transferee”) as a condition of (1) the transfer of the Franchise Agreement dated [month] [day], [year] between AIO Franchising, Inc. d/b/a AIO Home Services (“AIO”) and Franchisee (“Franchise Agreement”); or (2) the execution of a successor Franchise Agreement by Franchisee and AIO. (If this Release is executed under the conditions set forth in (2) above, all references in this Release to “Transferee” should be ignored.)

1. Release by Franchisee, Transferee, and Guarantors. Franchisee and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “Releasers”) freely and without any influence forever release (i) AIO, (ii) AIO’s past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) AIO’s parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the “Released Parties”), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “Claims”), which any Releaser ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Agreement and all other agreements between any Releaser and AIO or AIO’s parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. Risk of Changed Facts. Franchisee, Transferee, and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee, Transferee, and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. Covenant Not to Sue. Franchisee, Transferee, and Guarantors (on behalf of Releasers) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. No Prior Assignment and Competency. Franchisee, Transferee, and Guarantors represent and warrant that: (i) the Releasers are the sole owners of all Claims and rights released in Section 1 and that the Releasers have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releaser has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. Complete Defense. Franchisee, Transferee, and Guarantors: **(i)** acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and **(ii)** consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Successors and Assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

7. Counterparts. This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

8. Capitalized Terms. Any capitalized terms that are not defined in this Release shall have the meaning given them in the Franchise Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, Franchisee, Transferee, and Guarantors have executed this Release as of the date shown above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

TRANSFEREE:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

**EXHIBIT H
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

**Form of Nondisclosure and Noncompete Agreement
(attached)**

NONDISCLOSURE AND NONCOMPETE AGREEMENT

This Agreement is dated [DATE]. The parties are [NAME OF FRANCHISEE] (referred to as “we”, “us”, and “our”), located at [ADDRESS], and [NAME OF EMPLOYEE OR INDEPENDENT CONTRACTOR] (referred to as “you” and “your”). You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation, dividends, or other payments and benefits you will receive from us.

BACKGROUND

We are a franchisee of AIO Franchising, Inc. d/b/a AIO Home Services (“AIO”) under a Franchise Agreement dated [DATE] (the “Franchise Agreement”). We have a license to use the certain trademarks designated by AIO (the “Marks”), certain policies and procedures used in AIO businesses (the “System”), and the Confidential Information developed and owned by AIO Franchising, Inc. AIO recognizes that, in order for us to effectively operate our business, our employees and independent contractors whom we retain must have access to certain confidential information and trade secrets owned by AIO. Disclosure of this confidential information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm AIO, other franchise owners, and us. Accordingly, AIO requires us to have you to sign this Agreement.

AGREEMENT

1. Confidential Information. As used in this Agreement, “Confidential Information” means all manuals, trade secrets, know-how, methods, training materials, information, management procedures, and marketing and pricing techniques relating to the Outlet, the AIO System, or AIO’s business. In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, member information, employee information, independent contractor information and other confidential information of AIO, AIO’s affiliates, or us (collectively, the “Interested Parties”) that you obtain during your association with us.

2. Nondisclosure. You agree not to use or disclose, or permit anyone else to use or disclose, any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose except to carry out your duties as our employee or as an independent contractor to us. You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest our, AIO’s, or AIO’s affiliates’ ownership of it. These obligations apply both during and after your association with us.

3. Return of Confidential Information. If your association with us ends for any reason, you must return to us all records described in Paragraph 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control. You may not retain any Confidential Information after your association with us ends.

4. Noncompete During Association. You may not, during your association with us, without our prior written consent:

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any business that offers residential contracting services to either homeowners or contractors, or (ii) any entity that grants franchises or licenses for any of these types of businesses (collectively, each, a “Competitive Business”) at any location in the United States;

(b) divert or attempt to divert any business or customer or potential business or customer of the Outlet to any Competitive Business, by direct or indirect inducement or otherwise;

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Outlet; or

(e) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by (i) us, (ii) AIO, (iii) our or AIO's affiliates, or (iv) any AIO franchisees.

5. Noncompete After Association Ends. For two years after your association with us ends for any reason, you may not, without our prior written consent:

(a) directly or indirectly own, manage, engage in, be employed by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a ten-mile radius of your former Outlet or any other AIO Outlet that is operating or under development at the time your association with us ends; or

(b) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by (i) us, (ii) AIO, (iii) our or AIO's affiliates, or (iv) any AIO franchisees.

6. Remedies. If you breach or threaten to breach this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.

7. Severability. If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court can modify the provision to make it enforceable and that you will abide by the provision as modified.

8. Independent Agreement. The Agreement is independent of any other obligations between you and us. This means that it is enforceable even if you claim that we breached any other agreement, understanding, commitment or promise.

9. Third Party Right of Enforcement. You are signing this Agreement not only for our benefit, but also for the benefit of AIO and AIO's affiliates. We, AIO, and AIO's affiliates have the right to enforce this Agreement directly against you.

10. Not An Employment Agreement. This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.

11. Modification and Waiver. Your obligations under this Agreement cannot be waived or modified except in writing.

12. Governing Law. This Agreement is governed by the laws of the state in which our principal office is located.

13. Attorney's Fees. If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorney's fees, to the extent that we prevail on the merits.

14. Representation. You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

WITNESS

**EMPLOYEE or
INDEPENDENT CONTRACTOR**

**EXHIBIT I
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

**STATE-SPECIFIC ADDENDA TO THE FRANCHISE
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND DEVELOPMENT
AGREEMENT FOLLOW THIS PAGE**

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

OUR WEBSITES (www.aiohomeservices.com and www.aiohomeservicesfranchise.com) HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

ITEM 3 – LITIGATION

1. Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. The Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Kentucky. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Kentucky. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur in Kentucky. If we are the substantially prevailing party, we will be entitled to recover reasonable attorney's fees and litigations costs and expenses in connection with the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

CONNECTICUT ADDENDUM TO DISCLOSURE DOCUMENT

DISCLOSURES REQUIRED BY CONNECTICUT LAW

The state of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

AIO Franchising, Inc.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the Disclosure Document and Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a disclosure document and franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a disclosure document and franchise agreement may provide for arbitration to take place outside of Illinois.

Your 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 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.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Development Agreement will be governed by Indiana law, Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Development Agreement.
2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. The post-termination non-competition covenants set forth in the Franchise Agreement and Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.
5. Nothing in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.
6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.
7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Special Risks to Consider About This Franchise

Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.
3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) 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.

3. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement or Development Agreement.

5. Under the terms of the Franchise Agreement and Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

**NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT
NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

a. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

b. No such party has pending actions, other than routine litigation . incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust; trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added at the end of Item 4:

Neither the Franchisor, nor its affiliates, officers, or directors during the 10 year period immediately preceding the date of the offering prospectus have (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following are revisions to Item 5 of the Franchise Disclosure Document

The Initial Franchise Fee is to be used for the purpose of sales development, training, and marketing costs as set forth in Item 7.

5. The following is added to the end of the "Summary" section of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer":**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee":**

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(o), titled **"Assignment of contract by franchisor"**

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" section of Item 17(v), titled **"Choice of forum,"** and Item 17(w), titled **"Choice of Law":**

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. Any requirements of the Franchise Agreement that you consent to the entry of an injunction prohibiting any breach by you of your obligations under the Franchise Agreement are modified in the State of New York to provide only that you consent to the seeking of such an injunction.

10. The following sentence is added at the end of the section entitled “Modifications To System” in Item 17 of the Franchise Disclosure Document:

“However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations.”

NORTH CAROLINA ADDENDUM TO DISCLOSURE DOCUMENT

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45-days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

1. Item 17(c) "**Requirements for Franchisee to Renew or Extend**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

2. Item 17(r) "**Non-competition Covenants**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement restricting competition is contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law".

3. Item 17(u) "**Dispute Resolution**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which provides that the parties agree to an arbitration or mediation of disputes which place at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

4. Item 17(v) "**Venue**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota."

5. Item 17(w) "**Governing Law**" is amended to provide as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for AIO Franchising, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17

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

INFORMATION REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

INDIANA ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

8. The Franchise Agreement and Development Agreement will be governed by Indiana law, Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Development Agreement.

9. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

10. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

11. The post-termination non-competition covenants set forth in the Franchise Agreement and Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

12. Nothing in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

13. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

14. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

15. This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISEE

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

FRANCHISOR:

AIO Franchising, Inc.

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

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

This Addendum amends the Franchise Agreement and/or Development Agreement dated _____ between AIO Franchising, Inc., a Kentucky corporation, (“Franchisor”) and _____, a _____ (“Franchisee” or “your”).

Illinois law governs the Disclosure Document, Franchise Agreement(s), and Development Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a disclosure document and franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a disclosure document and franchise agreement may provide for arbitration to take place outside of Illinois.

Your 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 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.

This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Illinois Franchise Disclosure Act, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Agreed to by:

FRANCHISEE:

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

FRANCHISOR:

AIO Franchising, Inc.

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

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

With respect to franchisor's right to terminate you upon your bankruptcy as set forth in the Franchise Agreement and the Development Agreement, termination of the Franchise Agreement or Development Agreement for this reason may not be enforceable under federal bankruptcy (11 U.S.C. 101 et. Seq.).

Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Notwithstanding anything to the contrary in the Franchise Agreement or Development Agreement, the Maryland Franchise Registration and Disclosure Law prohibits the Franchisor from precluding the Franchisee from initiating litigation against the Franchisor in Maryland. Accordingly, the Franchise Agreement and Development Agreement are hereby modified to provide that the Franchisee may initiate litigation or sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No representation or disclaimer by the Franchisee in the Franchise Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

AIO Franchising, Inc.

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

In recognition of the Minnesota Franchise Law, Minn. Stat. §§ 80C.01-80C.22 and the Rule and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement and Area Development Agreement as follows:

1. Releases.

Notwithstanding anything to the contrary set forth in this Agreement, the Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01-80C.22, provided that foregoing shall not bar the voluntary settlement of disputes.

2. Term and Successor Franchise Agreement, Default and Termination.

Notwithstanding anything to the contrary set forth in this Agreement, Franchisor will comply with Minnesota Statutes Clause 80C.14 Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota Franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Licensed Marks.

Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the same provided that your use is in accordance with the requirements of the Franchise Agreement and the System..

4. Time Limit on Filing.

Notwithstanding anything to the contrary set forth in this Agreement, any claim or action arising out of or relating to the Minnesota Franchise Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

5. Jurisdiction and Venue.

Nothing in this Agreement will 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, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Stat. §80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes.

6. Under the terms of the Franchise Agreement and Development Agreement, as modified by this Addendum, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the Franchisor's System Marks, or Proprietary Materials during or after the period of the

Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

7. This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01-80C.22 without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

AIO Franchising, Inc.

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.
2. Releases. The release of claims set forth in this Agreement does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.
3. Assignment by Franchisor. Notwithstanding anything to the contrary set forth herein, Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.
4. Termination by Franchisee. Notwithstanding anything to the contrary set forth herein, you may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.
5. Governing Law. Notwithstanding anything to the contrary set forth herein, the New York General Business Law shall govern any claim arising under that law.
6. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

AIO Franchising, Inc.

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

This Addendum amends the Franchise Agreement and/or Development Agreement dated _____ (collectively, "Agreements") between AIO Franchising, Inc., a Kentucky corporation, ("Franchisor") and _____, a _____ ("Franchisee" or "your").

1. Any provision in the Agreements which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
2. In North Dakota, provisions of the Agreements which unreasonably limit the statute of limitations or remedies under the North Dakota Franchise Investment Law, such as the right to jury trial, may not be enforceable.
3. Provisions of the Agreements requiring the Franchisee to consent to liquidated damages or termination penalties, requiring the Franchisee to consent to a limitation of claims or requiring the Franchisee to pay all of Franchisor's costs and expenses incurred in enforcing the agreement may not be enforceable under North Dakota law.
4. Provisions of the Agreements requiring that the Agreements be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
5. Provisions of the Agreements which provide that the parties agree to arbitration or mediation of disputes at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
6. Provisions of the Agreements which designate jurisdiction or venue or require the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota are void with respect to any cause of action which is otherwise enforceable in North Dakota.
7. Provisions of the Agreements requiring a franchisee to sign a general release upon the renewal of the Agreement(s) are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
8. Provisions of the Agreements restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law.
9. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement or Development Agreement, the terms of this Addendum shall prevail.

10. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

AIO Franchising, Inc.

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

1. Governing Law. The Franchise Agreement and Development Agreement is amended, in relevant part to reflect the following:

Notwithstanding anything to the contrary set forth herein, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. The Franchise Agreement and Development Agreement is amended, in relevant part to reflect the following:

Notwithstanding anything to the contrary set forth herein, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. This Addendum will have effect only if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement and Development Agreement remain unmodified and in full force and effect.

FRANCHISEE:

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

FRANCHISOR:

AIO Franchising, Inc.

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

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20_____.

AIO Franchising, Inc.

FRANCHISOR

Name: _____

Title: _____

FRANCHISEE

Name: _____

Title: _____

**EXHIBIT J
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Information Regarding Area Representatives

**ITEM 2
BUSINESS EXPERIENCE**

We have not yet appointed any Area Representatives in certain geographic areas to recruit and support franchisees in a designated area. The following includes information about our Area Representatives and certain of their personnel and management that may exercise management responsibility relating to the sale and operation of AIO franchises:

Area Representative for: [Geographic Area]

None

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item for Area Representatives.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item for Area Representatives.

**EXHIBIT K
TO THE
FRANCHISE DISCLOSURE DOCUMENT**

Compliance Questionnaire

(attached)

**QUESTIONNAIRE TO BE COMPLETED BEFORE
YOU SIGN THE FRANCHISE AGREEMENT**

You are preparing to enter into a AIO Franchise Agreement (the “Franchise Agreement”) with AIO Franchising, Inc. (“we” or “us”). The purpose of this Questionnaire is to confirm that you understand the terms of the contract and that no unauthorized statements or promises have been made to you. Please review each of the following questions and statements carefully and provide honest and complete responses to each. In this Questionnaire, our “representatives” include our officers, directors, employees, agents, sales brokers, and/or any other representatives working on our behalf.

1. When and where did you have your first face-to-face meeting with our representative(s)?
Approximate date of first meeting: _____

Place of meeting: _____

2. Which of our representative(s) have you been dealing with?

Name(s): _____

3. Have you personally read the AIO Disclosure Document (“FDD”)?

Yes _____ No _____

4. Did you give us a signed receipt for the copy of the FDD that we furnished to you?

Yes _____ No _____ If yes, on what date? _____

5. Do you understand all of the information contained in the FDD?

Yes _____ No _____

If not, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

6. Have you personally read the Franchise Agreement?

Yes _____ No _____

7. Do you understand all of the terms of the Franchise Agreement?

Yes _____ No _____

If not, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

8. Have any of our representatives recommended that you have the FDD and related agreements reviewed by an attorney or other professional advisor?

Yes _____ No _____

9. Have you, in fact, discussed the FDD, the related agreements, and the benefits and risks of operating an AIO franchise with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If yes, name and profession of advisor: _____

If no, do you wish to have more time to do so?

Yes _____ No _____

10. Other than the information presented in Item 19 of the FDD, has any of our employees or any other person speaking on our behalf (this does not include franchisees whom you contact on your own) made any statement or representation (oral, written, or visual) regarding:

a. The amount of money that others have made or that you might make as a AIO franchisee?

Yes _____ No _____

b. The revenue or profits that an AIO franchise will generate?

Yes _____ No _____

c. Any other financial performance information about AIO franchises?

Yes _____ No _____

11. If your answer to any part of Question 10 is “yes,” please describe the statement or representation. Please include when, where, and by whom the statement or representation was made. Please provide full details in the following space. (Attach additional pages, if necessary.)

12. Have you contacted any of our existing franchisees about their financial performance?

Yes _____ No _____

13. If your answer to Question 12 is “yes,” please describe the information that they shared with you in the following space. (You do not need to identify the franchisees with whom you spoke.)

14. Please think about the statements or promises made to you by our employees (or by any other person purporting to speak on our behalf) concerning the advertising, marketing, training, support, or assistance that we will furnish to you. Were any such statements or promises contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

15. If you answered “Yes” to Question 14, please provide full details in the following space. (Attach additional pages, if necessary.)

16. Have you entered into any agreement with us before today concerning our franchise opportunity?

Yes _____ No _____ If Yes, please describe: _____

17. Have you paid any money to us before today in connection with our franchise opportunity?

Yes _____ No _____ If Yes, please describe: _____

18. In entering into the Franchise Agreement, are you relying on any statement, promise, or assurances by us or anyone speaking or purporting to speak on our behalf, other than the terms of the Franchise Agreement itself? If "Yes", please provide full details in the following space. (Attach additional pages, if necessary.)

19. Would you agree that the success or failure of your franchise will depend in large part upon your own skills and abilities, competition from other businesses, the size of your market, and other economic and business factors?

Yes _____ No _____

20. In which state do you reside? _____

21. In which state do you intend to operate the AIO franchise?

22. Have you selected a specific site at which you propose to open your AIO Outlet?

Yes _____ No _____

If yes, please specify the location: _____

23. Do you have personal knowledge of the market area in which you will operate?

Yes _____ No _____

24. Did you obtain advice from anyone other than our representatives in selecting your site?

Yes _____ No _____ If yes, name of advisor: _____

If not, do you wish to have more time to do so?

Yes _____ No _____

25. Have all of your questions concerning your proposed investment in an AIO franchise been answered to your satisfaction?

Yes _____ No _____

* * *

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

Date: _____

NOTE FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISEES WITH OUTLETS TO BE LOCATED IN MARYLAND: All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to, nor shall they act as, a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

ITEM 23 RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If AIO Franchising, Inc. d/b/a AIO Home Services (“AIO”) offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement with, or make a payment to, AIO or one of its affiliates in connection with the proposed franchise sale. Iowa requires that we provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale. New York requires that AIO provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, AIO or one of its affiliates in connection with the proposed sale. Michigan requires that AIO provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, AIO or one of its affiliates in connection with the proposed sale.

If AIO does not deliver this disclosure statement on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

This franchise is being offered by the following sellers at the principal business address and phone number listed below (check all that have been involved in the sales process):

Sellers at AIO Franchising, Inc., 550 Fairlane Drive Vanceburg, KY 41179 (714) 600-1480			
<input type="checkbox"/> William Pittman IV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sellers at Area Representative: _____, (____) ____-____			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franchise Consultant/Broker: _____, (____) ____-____			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AIO’s registered agents authorized to receive service of process are set forth on Exhibit D.

Issuance Date: August 13, 2021

This Disclosure Document included the following exhibits: A. Franchise Agreement; B. Development Agreement; C. Financial Statements; D. State Administrators and Agent For Service of Process; E. Operating Manual Tables of Contents; F. Current Franchisees and Former Franchisees; G. General Release; H. Nondisclosure and Noncompete; I. Additional State-Required Disclosures and Riders; J. Information Regarding Area Representatives; and K. Compliance Questionnaire.

Signature (individually and as an officer)

Date Disclosure Document Received

Print Name

TO BE KEPT FOR YOUR FILES

Print Franchisee’s Name (if an Entity)

ITEM 23 RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If AIO Franchising, Inc. d/b/a AIO Home Services (“AIO”) offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement with, or make a payment to, AIO or one of its affiliates in connection with the proposed franchise sale. Iowa requires that we provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale. New York requires that AIO provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, AIO or one of its affiliates in connection with the proposed sale. Michigan requires that AIO provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, AIO or one of its affiliates in connection with the proposed sale.

If AIO does not deliver this disclosure statement on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

This franchise is being offered by the following sellers at the principal business address and phone number listed below (check all that have been involved in the sales process):

Sellers at AIO Franchising, Inc., 550 Fairlane Drive Vanceburg, KY 41179 (714) 600-1480			
<input type="checkbox"/> William Pittman IV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sellers at Area Representative: _____, (____) ____-____			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franchise Consultant/Broker: _____, (____) ____-____			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AIO’s registered agents authorized to receive service of process are set forth on Exhibit D.

Issuance Date: August 13, 2021

This Disclosure Document included the following exhibits: A. Franchise Agreement; B. Development Agreement; C. Financial Statements; D. State Administrators and Agent For Service of Process; E. Operating Manual Tables of Contents; F. Current Franchisees and Former Franchisees; G. General Release; H. Nondisclosure and Noncompete; I. Additional State-Required Disclosures and Riders; J. Information Regarding Area Representatives; and K. Compliance Questionnaire.

Signature (individually and as an officer)

Date Disclosure Document Received

Print Name

TO BE RETURNED TO:
AIO Franchising, Inc.
550 Fairlane Drive
Vanceburg, KY 41179

Print Franchisee’s Name (if an Entity)