

capital and equipment to market and service both your Territory and the additional Territory at the same time and be in compliance with your franchise agreement.

If you are approved for an expansion territory, you must sign a new Franchise Agreement and pay the appropriate fee in full within 14 days of receiving the documents. The Initial Package Fee may be waived for franchisees who qualify to expand; however, you need to pay the Initial Franchise Fee and sign a new Franchise Agreement. You may not, without our prior written permission, solicit or perform services for customers geographically located within the proposed Territory until you have purchased the Territory and signed a then current Franchise Agreement.

12.7 Minimum Gross Sales Requirement

Following your first full year of operation, THE PATCH BOYS Businesses must maintain the following minimum levels of monthly Gross Sales (the “Minimum Gross Sales”):

Months in Operation	Minimum Monthly Gross Sales Required in Standard Territory
0 to 12 months	No Minimum
13 to 24 months	\$4,000
25 to 36 months	\$5,000
37 to 48 months	\$6,500
Greater than 48 months	\$8,000

If you do not achieve the required Minimum Gross Sales after 12 months in operation, we may collect a Royalty equal to what you would have been assessed had you achieved the Minimum Gross Sales. In that instance, in addition to the Royalties you actually paid, we will collect the Royalties on the difference between the Gross Sales reported for the month and the Minimum Gross Sales on the Friday following the prior month end.

If THE PATCH BOYS Business fails to achieve the required Minimum Gross Sales Requirement during any consecutive three-month period, we reserve the right to terminate the Franchise Agreement. You agree that any franchise or Company Store we designate may provide Services in the Territory. Neither the franchise or Company Store nor we are liable or obligated to pay you any compensation for doing so, and neither the franchise nor we will be considered in breach of any provision of the Franchise Agreement or any other agreement between you and us regardless if minimum sales are achieved in the future. If you are awarded more than one THE PATCH BOYS Business, the dollar values in the above chart will be reduced by \$1,000 for the subsequent THE PATCH BOYS Business through month 48.

If this is a renewal term, you will be required to meet the Minimum Gross Sales requirement for the greater than 48-month level for the first year of the Renewal Term. For all subsequent years of the Renewal Term, you must achieve Minimum Gross Sales growth of at least three percent (3%) per year, each year.

Once a Royalty Fee is paid, it is neither refundable nor applied to any future or past fees owed.

The Minimum Gross Sales Requirement is not intended to be a financial performance representation. Financial performance representation can be found in Item 19.



12.8 Relocation

You may not relocate your THE PATCH BOYS Business without our prior written consent, which we may grant in our sole discretion.

ITEM 13: TRADEMARKS

Our parent, BELFOR Franchise Group, LLC (“BFG”), owns the common law trademarks, service marks, trade names, logotypes, and numerical symbols listed below and licensed us the right to use such marks for promotion, use, license, and sale throughout the United States, its territorial possessions, and the District of Columbia. The Franchise Agreement grants to you the license to operate the System under THE PATCH BOYS name and under any other trade names, trade dress, indicia, trademarks, service marks, and logos currently used or that may be used in the operation of the System.

The following trademarks, service marks, trade names, logotypes, or other commercial symbols are registered with the United States Patent and Trademark Office (“USPTO”), and all required affidavits have been filed unless otherwise noted.

Registration	Registration Number	Registration Date	Register
THE PATCH BOYS	4,862,197	December 1, 2015	Principal
	6,639,074	February 8, 2022	Principal
	7,255,501	December 26, 2023	Principal
EXPERT DRYWALL REPAIR SEAMLESS PATCHES, SUPERIOR SERVICE	6,585,233	December 7, 2021	Supplemental

All required affidavits and renewals with respect to these registrations have been or are intended to be filed when due.

We or our parent intend to commence an on-going practice of registering new trademarks for promotional or related advertising activities. No state trademark registrations have been filed.

Except for the registrations of the above Marks, there are no other effective determinations of the USPTO or of the trademark administrator of any state or court. There are no pending proceedings or material litigation involving Marks that are relevant to their use.

There are no agreements currently in effect that significantly limit our rights within the United States, to use, or license the use, of the above-mentioned Marks in any manner material to THE PATCH BOYS Business.

There is currently no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

You will follow our rules when you use the Marks. You may not use any Mark (including the name THE PATCH BOYS) as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you). You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.

You promise to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge, or claim. We have sole discretion to take the action we deem appropriate and the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising out of any infringement, challenge, claim or otherwise relating to any Mark.

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement as we determine in our sole discretion, we shall indemnify and hold you harmless against any loss or expense incurred in connection with any such infringement, challenge or claim. If we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. You promise to sign any and all instruments and documents, render the assistance, and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding, or otherwise to protect and maintain our interest in the Marks, including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts.

If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any Mark and/or use one or more additional or substitute names or marks, you must comply with our direction no later than ten days after you have received notice. We will not be liable to you for any expenses, losses, or damages you sustain as the result of any such addition, modification, substitution, or discontinuance of a Mark and you must not commence or join in any litigation or other proceeding against us for any such expenses, losses, or damages.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our principal Mark in any state.

Our parent is the lawful and sole owner of the domain name www.THEPATCHBOYS.com. You cannot register any of the Marks that are now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the system on the Internet and to create, operate, maintain and modify, or discontinue using any website containing the Marks. You may access our website. Except as we authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the Internet; or (iii) create or register any Internet domain names in connection with your THE PATCH BOYS Business. The only exception is that you may list your THE PATCH BOYS Business in the local online directory.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

14.1 Patents and Copyrights

You do not receive the right to use any item covered by a patent. There are no pending patent applications that are material to the franchise. We do not own any registered copyrights which are material to the franchise; however, we claim copyrights in the Operations Manuals, System Standards, advertising materials, THE PATCH BOYS CRM, business forms, videos, CDs and other printed and advertising material used in operating the System. We have not registered these copyrights with the United States Registrar of Copyrights. You must use these items only in the way we specify and only while operating your THE PATCH BOYS Business. You must comply if we require you to modify or discontinue using material of any of our copyrights and in such an event, we are not obligated to compensate you.

The Operations Manuals System Standards are described in Item 11. You can use the proprietary information contained in the System Standards in connection with the operation of your THE PATCH BOYS Business. Although we have not filed an application for a copyright registration for the Operations Manuals or System Standards, we claim a copyright, and the information is proprietary. Item 11 describes limitations on the use of the Operations Manuals by you and your employees. You must promptly tell us if you learn about unauthorized use of our proprietary information. We are not obligated to take any action, but will respond to this information as we think appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we may do so when this action is, in our opinion, in the best interest of the System.

The Operations Manuals, System Standards, and other materials we possess, contain our confidential information and/or trade secrets. This information may include (a) general operating procedures for a THE PATCH BOYS Business; (b) the proprietary THE PATCH BOYS CRM and any other Required Software; (c) personnel guidelines for hiring, training, retaining, promoting, and supporting the marketing and sales staff; (d) the training programs; (e) written marketing and advertising materials, audiotapes, videos, and programs for their utilization; (f) knowledge of specifications and suppliers of certain equipment and supplies for THE PATCH BOYS Business; (g) information on operating results and financial performance of THE PATCH BOYS Businesses other than your own; (h) the Operations Manuals and THE PATCH BOYS owners internet site and its contents; (i) sales guidelines and strategies for developing business relationships in the insurance industry; (j) Customer Information, as defined below; and (k) any other information we deem confidential. We also own any and all customer lists and their contents that we provide to you and/or that you subsequently develop during the normal course of operating the Business. You are required to keep an up-to-date list of all current and former customers in the THE PATCH BOYS CRM, including their name, telephone number, complete mailing address, frequency of service, last date serviced, and price of service ("Customer Information").

14.2 Proprietary Information

You must disclose to us all ideas, concepts, methods, techniques and products concerning the development and operation of the THE PATCH BOYS Business that you, the Managing Owner,

the Designated Manager, or employees conceive or develop during the term of the Franchise Agreement.

We shall own the rights to all such ideas, concepts, methods, techniques and products, regardless of the source, and you must grant to us and agree to procure from your affiliates, owners or employees a perpetual, exclusive and worldwide right to use such ideas, concepts, methods, techniques and products concerning the development and operation of THE PATCH BOYS Business that you or your employees conceive or develop during the term of the Franchise Agreement.

You must sign all documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials. We will have no obligation to make any lump sum or on-going payments to you with respect to any such idea, concept, method, technique or product. You must agree that you will not use, nor will you allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

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

You must at all times faithfully, honestly, and diligently perform your obligations under the Franchise Agreement. Except as stated herein, you must designate at least one managing owner (the “Managing Owner”) who will be our primary individual contact with your THE PATCH BOYS Business and who we will approve in our sole discretion. A Managing Owner may, in our sole discretion, serve as the Managing Owner of more than one THE PATCH BOYS Business that is owned by you; provided, however, that we may, in our sole discretion, require you to designate a person who will serve as the primary individual contact for this THE PATCH BOYS Business (the “Designated Manager”). We must approve of the Designated Manager in writing, which we may grant in our sole discretion. The Managing Owner and, if applicable, the Designated Manager, must successfully complete our JumpStart and Initial Training Programs as described in and required by the Franchise Agreement. The Designated Manager is not required to have an ownership interest in the THE PATCH BOYS Business. The Designated Manager must sign our prescribed form of confidentiality and non-compete agreement. The Managing Owner or, if applicable, the Designated Manager must continuously exert her/his full-time best efforts to manage, promote and enhance the THE PATCH BOYS Business, and such other THE PATCH BOYS Businesses as we permit in our sole discretion. Without our prior written permission, the Managing Owner and, if applicable, the Designated Manager, must not engage in any other business or activity that conflicts with their obligations to operate your THE PATCH BOYS Business on a full-time, year round basis. In the case of multiple owners, the owner with day-to-day responsibility and authority to run the THE PATCH BOYS Business and with whom we will communicate shall be identified on the signature line as the first Managing Owner.

Before attending the Initial Training and/or upon any change to the legal entity ownership, you must submit to us a corporate resolution, or similar action, which states the name of the corporation or LLC, the legal names of all of the partners or shareholders, the percentage of ownership that each member controls, their place of residence and their agreement to be bound by the terms of the Franchise Agreement. In the case of multiple owners, you must submit a dispute resolution procedure acceptable to us in our sole discretion that states what you will do in the event that there is a conflict between any owners of the franchisee entity. In addition, at all times, the owners who have executed the Franchise Agreement must control 100% of the franchisee entity.

The remaining owners must sign a written confidentiality and non-compete agreement in the form we prescribe.

If you are a corporation, limited liability company, partnership, or other entity, each of your owners, owner’s spouses, members and member’s spouses, or officers must personally guarantee your obligations under the Franchise Agreement (Section 6.A of the Franchise Agreement). Any partners or spouses involved in the THE PATCH BOYS Business, your Managing Owner, your Designated General Manager (if applicable), and/or employee(s) will need to execute non-disclosure and confidentiality agreements that we have approved. (Section 6.A. of the Franchise Agreements). We do not have a standard form, as laws vary between states; however, we do require that such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any trade secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the THE PATCH BOYS Business, which is deemed confidential or proprietary by us. Such employee non-disclosure and confidentiality agreements will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your THE PATCH BOYS Business, except in their capacities as employees of the THE PATCH BOYS Business. The agreements to be signed by a partner, spouse, or designated Managing Owner, will also need to include a non-compete agreement, which must comply with your state law. A fully executed copy of each agreement is to be sent to us.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and provide only and all of the services that we periodically require for THE PATCH BOYS franchisees in the manner that we prescribe, and you may only provide the services we have approved for THE PATCH BOYS Businesses (“Services”). You may not market or perform any other services, except the Services, without our express, prior written approval. There are no limits on our right to periodically change required and/or authorized services and service categories, and we may do so at our discretion.

As described in Item 12, you may not advertise or service in any way, any customers outside the Territory, even if the area has not been awarded to another THE PATCH BOYS Business or Company Store, without our prior written permission.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise agreement	Summary
a.	Length of the franchise term	Section 1.C	5 years.
b.	Renewal or extension of the term	Section 11.A	2 additional consecutive 5 year terms.
c.	Requirements for franchisee to renew or extend	Section 11.A	In order to renew (which means renewing your franchise relationship with us for an additional term), you must: (i) be in compliance with your Franchise Agreement; (ii) not have made certain repeated defaults of your Franchise Agreement; (iii)

	Provision	Section in Franchise agreement	Summary
			provide us with notice of your intent to renew within the required time; (iv) sign our then-current franchise agreement for the renewal term, which may contain materially different terms and conditions than your original Franchise Agreement, including your Royalty rate and Territory; (v) upgrade and remodel THE PATCH BOYS Business, as necessary; and (vi) sign a general release (such requirement to sign a general release is subject to change in our sole discretion); and (vii) if you request and we agree to grant you a second or subsequent renewal term (which you are not entitled to under the Franchise Agreement), pay us a renewal fee (there is no renewal fee required in connection with the first renewal term). “Renewal” means a continuation of the operation of your Franchise Business by entering into a new franchise agreement with us, which may contain materially different terms and conditions from the original franchise agreement
d.	Termination by franchisee	Not Applicable	Not Applicable. You may terminate the Franchise Agreement under any grounds permitted by law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Section 12	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	“Cause” defined – curable defaults	Section 12.C	We may terminate the Franchise Agreement after providing you with notice and a 15-day cure period if you: (i) fail to pay any amounts due to us, or you do not record funds paid to you for jobs completed as required or you default on any loan made to you by us or our preferred lender for the purchase of the Territory; (ii) fail to comply with any applicable law, regulation or ordinance; (iii) fail to comply with any requirement in the Franchise Agreement; (iv) fail to comply with modifications to the System Standards, intranet website, or Manuals; (v) fail to make payments on the vehicle resulting in repossession; (vi) use products or materials that do not meet our System Standards; (vii) fail to provide any required report, statement, or return; (viii) fail to service all customers in a manner consistent with our System Standards; (ix) service a customer in another Territory without permission; (x) fail to endorse any payments due to us that is erroneously made to you; (xi) fail to maintain the hours of operation at THE PATCH BOYS Business; (xii) fail to personally supervise day-to-day operation or fail to employ a sufficient personnel; (xiii) fail to maintain the strict quality controls; (xiv) conduct yourself in a manner that reflects adversely on the System, the Marks, or the products; or (xv) fail

	Provision	Section in Franchise agreement	Summary
			to procure or maintain any required licenses, certifications, or permits.
h.	“Cause” defined – non-curable defaults	Section 12.A and Section 12.B	<p>The Franchise Agreement will automatically terminate without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent; (ii) proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any bankruptcy or insolvency law, and are not dismissed within 60 days, or a trustee or receiver is appointed for you or THE PATCH BOYS Business without your consent, and is not vacated within 60 days; or (iii) you make or attempt to make an unauthorized transfer.</p> <p>We may terminate the Franchise Agreement, immediately, and without an opportunity to cure, effective upon notice, if: (i) your Managing Owner/Designated Manager, fail to attend or successfully complete the required training or the pre-training requirements; (ii) you fail to commence operation of THE PATCH BOYS Business within the required time period; (iii) you have made a material misrepresentation; (iv) you receive 3 or more notices to cure a similar defaults, within any 2-year period; (v) you are convicted, or plead no contest to, a felony; (vi) you understate your Gross Sales by 3% or more on 3 or more occasions, during any 2-year period; (vii) you engage in any dishonest or unethical conduct; (viii) you violate any provision regarding confidentiality or non-disclosure; (ix) you abandon; (x) you fail to acquire or maintain the required insurance; (xi) you fail to attend the Convention as required; (xii) your Managing Owner/Designated Manager fails to attend required refresher training; (xiii) any other franchise agreement you have with us is terminated; (xiv) you commit 3 or more defaults-in any 12 month period; (xv) you materially breach any other agreement with us or our affiliates, or any lease, and fail to cure such breach within any cure period; (xvi) you materially violate any provision pertaining to Marks or Confidential Information; (xvii) you violate any safety or sanitation law, ordinance or regulation; (xvii) you violate the in-term restrictive covenant; (xix) a levy or writ of attachment or execution or any other lien is placed against you and not released or bonded within 30 days; (xx) you become insolvent; (xxi) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier; (xxii) you misuse or make unauthorized use of any THE PATCH BOYS CRM/Required Software; (xxiii) you fail to comply with the anti-terrorism provision; (xxiv) you take for your own personal use any assets or property of THE PATCH BOYS Business; or</p>

	Provision	Section in Franchise agreement	Summary
			(xxv) if there are insufficient funds in your bank account to cover a check or EFT payment 3 or more times within any 12-month period or you fail to achieve minimum sales for 3 consecutive months.
i.	Franchisee's obligations on termination/non-renewal	Section 13	Upon termination or early expiration of the Franchise Agreement, your obligations include: (i) pay all amounts owed to us; (ii) de-identify and otherwise stop using the Marks in any manner, including in business names and telephone listings; (iii) return all Confidential Information and customer lists to us; (iv) comply with post-term non-competition covenants; and (v) deliver proof of compliance.
j.	"Transfer" by franchisor	Section 10.A	No restriction on our right to assign.
k.	"Transfer" by franchisee – definition	Section 10.B	Includes transfer or assignment of the Franchise Agreement, THE PATCH BOYS Business or any part thereof, and change of your ownership in an amount of 33% or more.
l.	Franchisor's approval of transfer by franchisee	Section 10.B	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 10.B	Conditions to transfer: (i) you are in full compliance with the Franchise Agreement or any other related agreement and you have paid all accrued monetary obligations; (ii) the transferee meets our then current standards; (iii) the transferee is not operating a competitive business, unless all competitive services as part of THE PATCH BOYS Business; (iv) you permit us to release to the transferee information about THE PATCH BOYS Business; (v) transferee signs the then-current form of franchise agreement; (vi) you pay us a transfer fee, all Royalties and other fees owed, and all commissions and broker fees, if applicable; (vii) transferee completes training; (viii) you and the transferee sign a general release (such requirement to sign a general release is subject to change in our sole discretion); (ix) we have approved the material terms of the purchase agreement; (x) any of transferee's financing obligations are subordinate to payments to us; (xi) if transferring to a wholly-owned company, you control at least 100% of the interest; (xii) you have attended all required training and your THE PATCH BOYS Business is open; (xiii) you comply with all post-term obligations; (xiv) transferee obtains all required permits and licenses; (xv) lessors have consented to transfer, if applicable; (xvi) transfer is made in compliance with all laws; and (xvii) transferee must purchase all or a portion of the Initial Package and any required equipment and supplies.
n.	Franchisor's right of first refusal to	Section 10.D	Before transferring your interest in the Franchise Agreement, you must first offer us the right to purchase the interest on the

	Provision	Section in Franchise agreement	Summary
	acquire franchisee's business		same terms and conditions contained in any bona fide offer less the transfer fee and we have 30 days to decide.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable.
p.	Death or disability of franchisee	Section 10.C	You must transfer within 12 months of your death or disability. If you are an individual, your heirs may continue to operate your THE PATCH BOYS Business. You may transfer to a spouse, child, or parent if they qualify as a transferee and satisfy transfer obligations, without a transfer fee.
q.	Non-competition covenants during the term of the franchise	Section 6	During the Term, you, your Managing Owner, your Designated Manager, and Service Technician shall not: (i) engage in any capacity in any other in any business offering light restoration and reconstruction services (except for other franchises or authorizations we enter into with you); (ii) use our Confidential Information, System, intranet website, Manuals, Marks, customer lists, Customer Information, or any colorable imitations, in connection with any business other than the THE PATCH BOYS Business; (iii) attempt to or divert any business or customer of THE PATCH BOYS Business to any competitor, or do any other act injurious or prejudicial to the goodwill of the Marks or the System. This provision is subject to state law.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 13.D	For a period of 18 months from expiration or termination of the Franchise Agreement, you, your owners and, your Designated Manager, shall not (a) engage in any capacity in any business offering actual light restoration and reconstruction services, (b) solicit business from customers of your former business; (c) attempt to or divert any business or customer of THE PATCH BOYS Business, or (d) do any other act injurious to the goodwill of the Marks or the System or engage in any business relationship with any of your customers or former customers, within: (i) the Territory; (ii) the Territories of any THE PATCH BOYS franchisees, THE PATCH BOYS Company Stores, or any other THE PATCH BOYS Business operator; or (iii) a radius of 100 miles from the Territory. This provision is subject to state law.
s.	Modification of Agreement	Sections 15.J and 15.L	Modification of the Franchise Agreement must be in writing and agreed upon by both parties.
t.	Integration/merger clause	Section 15.L	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations