under the Franchise Agreement. In the event that any accounting discloses that your payments have exceeded the amounts due pursuant to the Franchise Agreement during that period, we will apply the overpayment as a credit on your Royalty account within forty-five (45) days of completion of the accounting, to offset amounts due in the following period.

Additionally, if the HOODZ Business fails to achieve the required Gross Sales requirement during any consecutive three-month period, we reserve the right to terminate the Franchise Agreement, establish another franchisee or Company Store in the Territory or allow another franchisee to solicit and service customers in your Territory. In that case, any franchise or Company Store that we designate may provide Services in the Territory. 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 this is a Renewal Term, you will be required to meet the minimum Gross Sales requirement for the greater than 48-month level for each month of the renewal term, starting in the first month of the renewal term, for the entire length of the renewal term.

If you have been awarded more than one Territory, you will be required to meet the Minimum Gross Sales for each Territory. In other words, the dollar values for the Minimum Gross Sales would increase for each additional Territory you are awarded. For a second Territory the numbers would double, for a third, they would triple, etc. Your Royalty rates for each Territory may be averaged and aggregated together to form one Royalty rate and threshold scale (if applicable) for all of your Franchise Agreements.

If you purchase an Express Territory and subsequently purchase additional Territory so the aggregate number of RFSCs in that Territory exceeds 1,599, then your Territory will be subject to the minimum Gross Sales Requirements for a Standard Territory.

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

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

12.7 National and Regional Account ("NORA") Programs

We may provide NORA programs for a group of customers, a partnership or group of partners, that operate under a common ownership or control, under the same trademarks or service marks through independent franchises, or some other association, located at multiple Customer Service Locations, Chain Customers (as defined below) and other similar organizations for the benefit of the HOODZ System. Some of the NORA Customer Service Locations may be in your Territory. Our pursuit of these programs may involve solicitations, marketing and other related activities by us within the Territory. You may not solicit, service or otherwise pursue any NORA relationships, whether the contacts for these relationships are in your Territory or not, without our prior written consent. You may not service, solicit or otherwise pursue a relationship with a NORA or potential NORA or any of its members, without notice to us and our prior written consent. A "Chain Customer" is a non-residential customer, a group of customers, a partnership or group of partners, that operate under a common ownership or control, under the same trademarks or service

marks through independent franchises, or some other association, located at multiple Customer Service Locations. A Chain Customer may also be a national account or a regional account.

If a NORA is established in the Territory, you will receive exclusive referrals by us for any service requests we receive to be performed within the Territory, provided that you are in full compliance with this Franchise Agreement, you service these accounts consistent with the terms and conditions of our NORA relationship(s), and to the satisfaction of these accounts. Any such accounts that are in the Territory of a HOODZ franchisee or Company Store or outside of the Territory will be assigned by us as determined by us in our sole discretion.

If a NORA job is referred to you, you agree to abide by the HOODZ System, methods and procedures, as outlined in the HOODZ System Standards, which includes, but are not limited to the following:

1. If you are conducting a NORA Service, and the customer has additional requirements, you agree to follow those requirements, which are to be provided to you in writing. You may be required to sign a contract with the customer amending the base NORA national contract for that Service Location. All work is subject to the terms, conditions and pricing established by HOODZ for that national contract or the national strategic partner as a prerequisite for participation in these programs. These terms may vary, as determined by us in our sole discretion, depending on the situations and circumstances.
2. In the event that you do not comply with all of the requirements in a NORA contract, or if we are directed by a NORA customer at any time for any reason to not have you perform a NORA job in the Territory, then we reserve the right to refer such NORA business to another HOODZ franchisee, Company Store or third party, and you agree to fully indemnify us for any non-compliant work you perform on a NORA project. If a NORA customer expresses a concern about you, we will reasonably cooperate with you to resolve the NORA's concerns. However, after we exercise what we believe to be reasonable efforts to rectify the problem, if the NORA continues to refuse to do business with you, or you decline to do business with them, then you agree that any HOODZ franchisee, Company Store or third party we designate may provide services for that NORA in the Territory. In any event, none of the HOODZ franchisee, Company Store, third party, or us are liable or obligated to pay you any compensation for doing so, and none of the HOODZ franchisee, Company Store, third party or us we will be considered in breach of any provision of the Franchise Agreement or any other agreement between you and us.
3. For purposes of coordinating efforts and results of NORA programs, you must provide us with copies of all reports, forms and notices, in a form prescribed by us in our sole discretion, relating to your pursuit and servicing of a NORA contract, on a timely basis, using the forms we may specify from time to time. You also agree to coordinate with us any solicitations you conduct that may have potential for development as a NORA.
4. We may have a NORA contract, which requires centralized invoicing. The HOODZ corporate office may be required to invoice this customer for multiple services performed at multiple locations, by multiple HOODZ franchisees and collect payment(s). We may also be required to submit invoices at specific intervals. Payment to individual HOODZ franchisees will be forwarded from us to you upon receipt of payment in full from the NORA. All revenue received is subject to the Royalty according to this Franchise Agreement.

HOODZ or our designee reserves the right to offer a job to you for less than what we are being paid for the job by the customer.

ITEM 13: TRADEMARKS

We own the trademarks, service marks, trade names, logotypes, and numerical symbols listed below for promotion, use, license, and sale by us 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 HOODZ 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 #	Registration Date	Register
HOODZ (IC 037)	4,849,454	11/10/2015	Principal
HOODZ (IC 035, 037)	3,675,459	9/1/2009	Principal
HOODZ® (IC 035, 037)	3,746,784	2/9/2010	Principal

No state trademark registrations have been filed.

There are currently no effective determinations of the USPTO, the trademark administrator of this state, or any court, nor are there any pending interference, opposition, or cancellation proceedings, nor any pending material litigation involving the Marks which may be relevant to their use.

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

There are no agreements currently in effect that significantly limit our rights within the United States to use, or license others to use, the Marks listed above in any manner material to the HOODZ Business.

You must follow our rules when you use the Marks. Your right to use the Marks is derived only from the Franchise Agreement and is limited to your operation of the HOODZ Business in accordance and in compliance with the Franchise Agreement and all System Standards we prescribe from time to time during its term. You promise to use only the Marks that we designate in writing, and will use them only in the manner that we authorize. You may not use any Mark (including the name HOODZ) 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 agree that your use of the Marks, and any goodwill established by this use, will be exclusively for our benefit and that the Franchise Agreement does not confer any goodwill or other interest in the Marks upon you (other than the right to operate a HOODZ Business under the

Franchise Agreement). Upon expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System and the Marks.

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 reasonable litigation expenses 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, for us to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions. You must pay for any expenses related to the changing of trademarked items. We will not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

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

We are the lawful and sole owner of the domain name **www.HOODZINTERNATIONAL.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 HOODZ Business. The only exception is that you may list the HOODZ 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 HOODZ Business. We do not own any registered copyrights which are material to the franchise; however, we claim copyrights in the HOODZ System Standards, advertising materials, HOODZ Software, 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 HOODZ Business.

The HOODZ System Standards is described in Item 11. You can use the proprietary information contained in the HOODZ System Standards in connection with the operation of your HOODZ Business. Although we have not filed an application for a copyright registration for the HOODZ System Standards, we claim a copyright, and the information is proprietary. Item 11 describes limitations on the use of the HOODZ System Standards 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 HOODZ System.

The HOODZ 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 HOODZ Business; (b) the proprietary HOODZ Software; (c) personnel guidelines for hiring, training, retaining, promoting, and supporting the marketing and sales staff; (d) the Jumpstart Training Program and Business Manager and Technical Operations Training; (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 HOODZ Business; (g) information on operating results and financial performance of HOODZ Businesses other than your own; (h) the HOODZ System Standards and the HOODZ 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. You acknowledge and agree that we 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 HOODZ Business. You promise to keep an up-to-date list of all current and former customers in the HOODZ Software, including their name, telephone number, complete mailing address, frequency of service, last date serviced, and price of service (collectively, the "Customer Information").

14.2 Proprietary Information

All ideas, concepts, techniques or materials relating to a HOODZ Business, whether or not constituting protectable intellectual property, and whether created by or on behalf of you, must be promptly disclosed to us, will be considered our property and part of our franchise system and will

be considered to be works made-for-hire for us. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

You may not use our confidential information and/or trade secrets in an unauthorized manner and you must take reasonable steps to prevent unauthorized use or disclosure to others. You also agree that you, as well as certain members of your management and your employees must also execute confidentiality and non-competition agreements.

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 below, you must designate one managing owner (the "Managing Owner"), who is either an individual franchisee or a person with an ownership interest in a corporation or Limited Liability Company franchisee, who will have day-to-day responsibility and authority to run the HOODZ Business, and who will be our primary individual contact with the HOODZ Business, and who we approve in our sole discretion. A Managing Owner may, in our sole discretion, serve as the Managing Owner of more than one HOODZ Businesses that are 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 HOODZ Business (the "Designated Manager"). We must approve the Designated Manager in writing in our sole consent. The Managing Owner and, if applicable, the Designated Manager must successfully complete the Jumpstart Training Program and Business Manager and Technical Operations Training. The Designated Manager is not required to have an ownership interest in the HOODZ Business.

At the start of their employment, you must require, as consideration for employment, each of your Service Technicians, sales and/or account management employees to sign non-disclosure and confidentiality agreements. 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 HOODZ Business, which is deemed confidential and/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 Business, except in their capacities as employees of the HOODZ Business. We may require you to send us a copy of such agreements once fully signed.

The Managing Owner or, if applicable, the Designated Manager, must continuously exert her/his full-time best efforts to manage, promote and enhance the HOODZ Business, and such other HOODZ Businesses as we permit in our sole discretion and diligently pursue timely collection of receivables. Without our prior written consent, the Managing Owner or, if applicable, the Designated Manager, must not engage in any other business or activity that conflicts with your obligations to operate the HOODZ Business on a full-time, year round basis.

If the franchisee is an entity, the principal owners of the entity, and their respective spouses, must sign the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement as Exhibit F.

You must also, before commencing operation of the HOODZ Business employ at least one (1) Service Technician, who you are responsible for training.

No other business or business operations may be undertaken through your corporate franchisee entity or any of its owners (including the Managing Owner) without our prior written consent.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and provide all of the services that we periodically require for HOODZ Businesses in the manner we prescribe. You may not market or perform any services that we have not authorized, without our express prior written approval. Our System Standards may regulate required or authorized services and service categories and supplies. 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. You may not service residential customers without our express written consent.

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	In order to renew (which means renewing your franchise relationship with us), you must: (i) be in compliance with your Franchise Agreement; (ii) not have made certain repeated defaults of your Franchise Agreement; (iii) provide us with notice of your intent to renew within the required time; (iv) sign our then-current franchise agreement, which may contain materially different terms; (v) upgrade and remodel the HOODZ Business, as necessary; (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 following the Initial 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

	Provision	Section in Franchise agreement	Summary
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 employ for 2 consecutive months a Service Technician or a Designated Manager; (iii) fail to comply with any applicable law, regulation or ordinance; (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 HOODZ 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 to procure or maintain any required licenses, certifications, or permits.
h.	"Cause" defined – non-curable defaults	Section 12.A and Section 12.B	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 HOODZ Business without your consent, and is not vacated within 60 days; or (iii) you make or attempt to make an unauthorized transfer. 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 HOODZ Business within the required time period; (iii) you have

	Provision	Section in Franchise agreement	Summary
			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) you fail to train your Service Technician; (xiv) any other franchise agreement you have with us is terminated; (xv) you commit 3 or more defaults-in any 12 month period; (xvi) you materially breach any other agreement with us or our affiliates, or any lease, and fail to cure such breach within any cure period; (xvii) you materially violate any provision pertaining to Marks or Confidential Information; (xviii) you violate any safety or sanitation law, ordinance or regulation; (xix) you violate the in-term restrictive covenant; (xx) a levy or writ of attachment or execution or any other lien is placed against you and not released or bonded within 30 days; (xxi) you become insolvent; (xxii) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier; (xxiii) you misuse or make unauthorized use of any HOODZ /Required Software; (xxiv) you fail to comply with the anti-terrorism provision; (xxv) you take for your own personal use any assets or property of the HOODZ Business; or (xxvi) 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.	Assignment of contract by franchisor	Section 10.A	No restriction on our right to assign.
k.	"Transfer" by franchisee – definition	Section 10.B	Means any voluntary, involuntary, direct, or indirect, in whole or in part, assignment, sale, gift, encumbrances, lese, merger, bequest, change in control, or other disposition of (i) the Franchise Agreement, (ii) HOODZ Business, (iii) any part of

	Provision	Section in Franchise agreement	Summary
			your ownership in assets of the HOODZ business, (iv) or any part of your equity/ownership interest in the Franchisee entity.
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 HOODZ Business; (iv) you permit us to release to the transferee information about the HOODZ Business; (v) transferee signs the then-current form of franchise agreement; (vi) if an installment sale, Franchisee continues to guarantee performance and payment to Franchisor; (vii) any of transferee's financing obligations are subordinate to payments to us; (viii) you pay us a transfer fee, all Royalties and other fees owed, and all commissions and broker fees, if applicable; (ix) transferee completes training; (x) transferee assumes and agrees to be bound by all outstanding obligations to customers of the HOODZ Business; (xi) you and the transferee sign a release (such requirement to sign a general release is subject to change in our sole discretion); (xii) we have approved the material terms of the purchase agreement;); (xiii) transferee signs a guaranty; (xiv) you have attended training and the HOODZ Business is open; (xv) you comply with all post-term obligations; (xvi) transferee obtains all required permits and licenses; (xvii) lessors have consented to transfer, if applicable; and (xviii) transfer is made in compliance with all laws; (xix) transferee complies with all system standards.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 10.C	Before transferring your interest in the Franchise Agreement, you must first offer us the right to purchase the interest on the 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.D	You must transfer within 6 months of your death or disability. If you are an individual, your heirs may continue to operate your HOODZ Business. You may transfer to a spouse, child, or parent if they qualify as a transferee and satisfy transfer obligations, without a transfer fee.