

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation.	Section 14	All disputes arising out of or relating to the Franchise Agreement must be mediated in Portland, Maine no later than ninety (90) days after commencement of any litigation or arbitration by either party to the Franchise Agreement.
v. Choice of forum.	Section 14.2	Litigation must be in the State of Maine, unless inconsistent with any specific state law having jurisdiction. (See State Addendum).
w. Choice of Law.	Section 14.1	Maine State law applies unless inconsistent with any specific state law having jurisdiction (See State Addendum).

It should be noted that 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.

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

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PUBLIC FIGURES

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

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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 December 31, 2024, there were 32 franchise offices operating in our Affiliate network. This Item highlights certain historical financial data reported by these franchisees for the calendar year ending December 31, 2024. The information provided below includes data for all territories operated by franchisees that had been operating at least one Affiliate office location for at least twelve months as of December 31, 2024.

The information provided was based on the franchisee’s monthly report, due on the 10th of the month following. The size of the territories vary, and no attempt was made to segregate the data by any other variables.

Some franchises have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

A. Annual Revenue – All Franchise Offices

The consulting engineering service business in the territories served by franchisees (“Home Inspection Consultant” office “old system,” and CRITERIUM® System franchisees “new system”) operating in 2022, 2023 and 2024, in the United States and Canada, is illustrated in the following table.

Franchise Annual Office Revenue Bands (by Quartile)									
	Low 25%			Mid 50%			High 25%		
	2022	2023	2024	2022	2023	2024	2023	2023	2024
Average	\$91,153	\$86,510	\$75,131	\$280,884	\$268,266	\$278,207	\$874,121	\$773,689	\$841,433
Low	\$11,588	\$10,050	\$9,778	\$178,991	\$160,559	\$136,272	\$453,580	\$412,985	\$527,066
High	\$157,731	\$158,100	\$112,126	\$446,408	\$406,465	\$467,820	\$2,042,206	\$1,157,041	\$1,207,917
Median	\$91,238	\$90,445	\$90,977	\$266,288	\$236,227	\$234,907	\$787,256	\$853,160	\$864,306
#offices	9	8	8	16	16	17	9	8	8
#above avg	5	4	5	7	7	8	3	5	4

“Quartile” refers to the relative reported total annual revenue ranking of the franchisee offices. Therefore, “Low 25%” refers to the set of offices reporting annual revenue lower than the 25th percentile of all office locations included in the full data set, “Mid 50%” refers to the offices reporting annual revenue higher than the 25th percentile and lower than the 75th percentile of the franchise count, and “Top 25%” refers to the set of offices the highest reporting annual revenue of all locations when measured by revenue for the year.

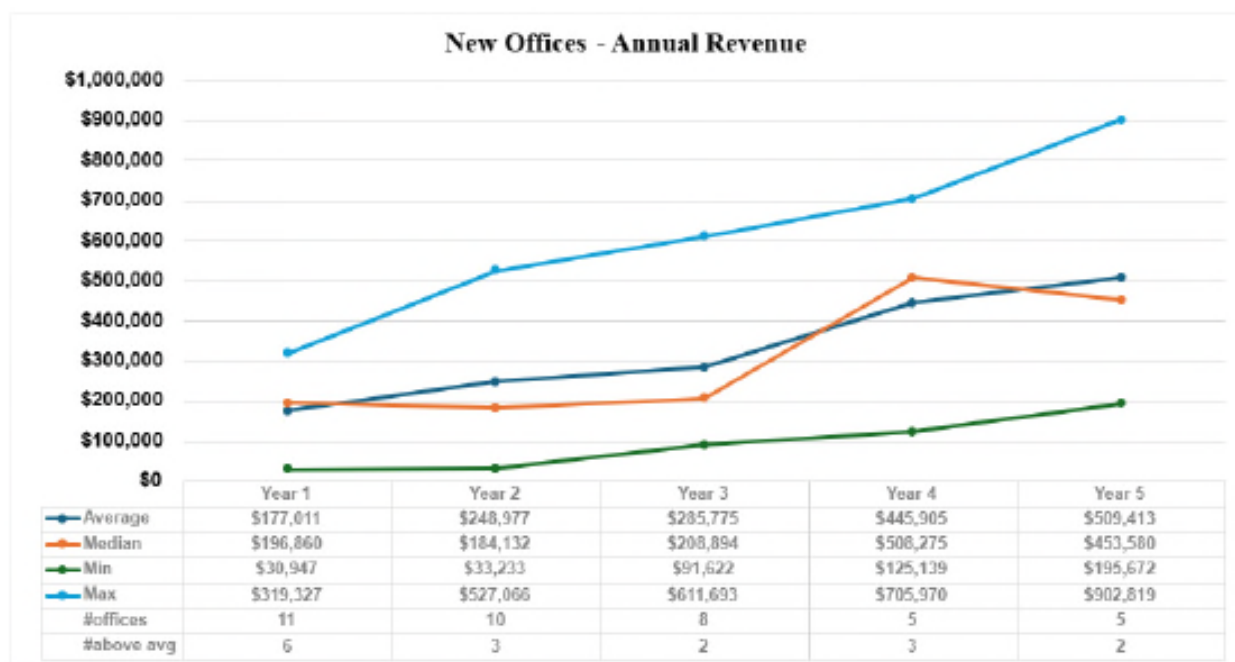
The 2023 data in this section represents 32 of our 33 franchise offices operating as of December 31, 2023. These 32 reporting businesses were open for at least 12 months as of December 31, 2023. Of the businesses not included in the 2023 data but operating in 2023, one new franchise office was opened in 2023 and had not been operating for one full year, and one closed midyear reporting only a partial year of revenue.

Franchises that changed ownership mid-year without disruption in business are represented as a single revenue source for the year of transfer. New franchises that did not report

12 months of receipts in a given year are excluded from the incomplete year; only franchises reporting the full 12 months in a given year are included in this data set.

B. Annual Revenue – New Franchise Offices from The Last 10 Years

The consulting engineering service business in the territories served by franchisees (CRITERIUM® System franchisees “new system”) who opened a new office in the last ten (10) years is illustrated in the following figure. This data set includes newly opened offices only and does not include transfer of ownership of existing offices.



Franchises that did not report 12 months of receipts in a given year (typically due to opening mid-year) are excluded from the incomplete year; only franchises reporting the full 12 months in a given year are included. Franchises that have been open for less than the full range of table data are included only where there is complete data for the given 12-month segment. For example, the office that opened midyear in 2021 and first reported 12-months of revenue in 2022 is included in the Year 1 and Year 2 sets, but is not included in the Year 3, 4, or 5 sets.

C. Data and Analysis

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

2. “Annual Revenue” means all revenue and income received from the operation of the Franchisee Business, including all revenue received from Clients directly billed, and also includes all revenue received from a Client’s insurance carrier, late fees, revenue generated over

the billed amount, and any other amount charged to Clients, whether received in cash, in services in kind, from barter or exchange, on credit or otherwise.

Other than the preceding financial performance representation, CRITERIUM ENGINEERS does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, the franchise owner may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Deborah Adams, 5 Depot Street, Suite 23, Freeport, ME 04032, 1-800-242-1969, (207) 828-1969, the Federal Trade Commission, and the appropriate state regulatory agencies.

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OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For
years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	31	30	-1
	2023	30	31	+1
	2024	31	31	0
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	32	31	-1
	2023	31	32	+1
	2024	32	32	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Minnesota	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	1

Table No. 3
Status of Franchised Outlets For years 2022 to 2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
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
Alabama	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Colorado	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Delaware	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions- Other Reasons	Outlets at End of the Year
Hawaii	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Maine	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
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
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Utah	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Washington	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
West Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TOTAL OF U.S. OUTLETS	2022	30	1	0	0	0	2	29
	2023	29	2	0	0	0	0	31
	2024	31	0	0	0	0	0	31
Ontario	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
TOTAL OF ALL OUTLETS	2022	31	1	0	0	0	2	30
	2023	30	2	0	0	0	1	31
	2024	31	0	0	0	0	0	31

Table No. 4
Status of Company-Owned Outlets For years 2022 to 2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	20Outlets at End of the Year
	2022	1	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 200Outlets at End of the Year
Maine	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 2024

States	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
District of Columbia	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
Rhode Island	0	1	0
Texas	0	1	0
Wisconsin	0	1	0
Canada	0	1	0
Totals	0	7	0

A list of the names, addresses, and telephone numbers of all franchisees as of December 2024 is attached as Exhibit A.

Exhibit D to the Franchise Disclosure Document outlines the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within ten (10) weeks of the issuance date of this Disclosure Document (Franchisor's fiscal year end is December 31st of each year). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed two (2) confidentiality clauses with current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between us and the current or former franchisee. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with CRITERIUM ENGINEERS. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

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

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FINANCIAL STATEMENTS

Our fiscal year end is December 31. The following financial statements of CRITERIUM ENGINEERS are attached to this Disclosure Document as Exhibit "B":

A. Audited financial statements of CRITERIUM ENGINEERS for the fiscal year ending December 31, 2024 and December 31, 2023;

B. Audited financial statements of CRITERIUM ENGINEERS for the fiscal year ending December 31, 2023 and December 31, 2022;

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CONTRACTS

Attached are the following Agreements to be executed by you where applicable:

Exhibit "C" - Franchise Agreement and Attachments A through H

Exhibit "E" - State Addenda

Exhibit "G" - Name Change Addendum

Exhibit "H" - Franchisee Disclosure Questionnaire

Exhibit "I" - Area Development Agreement

Except for the above documents, there are no other contracts or agreements proposed for use or in use in this State.

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RECEIPT

Attached as the last 2 pages of this Disclosure Document as Exhibit K is the Acknowledgment of Receipt by you of this Franchise Disclosure Document. You must sign, date and deliver one copy of the Receipt Page to us for our records.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY