

		which the Franchised Business was open and operating) multiplied by thirty-six (36) or the number of months remaining in the then-current term of this Agreement, whichever is less. Notwithstanding anything contained herein to the contrary, if a court determines that this liquidated damages provision is unenforceable, then Franchisor may pursue all other available remedies, including claims for lost future royalty fees.
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### **ITEM 18** **PUBLIC FIGURES**

We do not currently use any public figure to promote our System.

### **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.

#### **HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION**

##### **Background**

This Item 19 discloses certain historical financial performance information for one (1) franchise, owned and operated by our founder Philip Crutchfield. The history of this Founder Business is disclosed below.

##### **The Founder Business**

On December 14, 2023, HPB HVAC LLC purchased certain assets from Amped Services Plus, Inc., a Florida corporation owned by the Founder Philip Crutchfield (“the Founder Business”). The Founder Business has operated an HVAC installation and repair business in southwest Florida since 2021, under the proprietary marks: “Amped Services”, “Amped Services Heating and Cooling”, “Amped Air”, and “Amped Services Plus”. The Founder Business entered into franchise agreements with us and rebranded to a Varsity Zone Franchised Business in May 2024. The Founder Business serves as our flagship outlet and served as the base from which we created the franchise model offered under this Disclosure Document. The Founder Business offers substantially similar products and services as the business you will operate under the Varsity Zone trademark.

The Founder Business was in operation for the entirety of the 2024 calendar year (the “Measurement Period”). During the Measurement Period, the Founder Business operated a business substantially similar to the franchised business offered under this Disclosure Document in an area that would encompass approximately six (6) Protected Territories.

Financial Performance Information for the Founder Business During the Measurement Period

This Item sets forth historical Gross Sales and operating results for the Founder Business Measurement Period. We obtained these figures from information provided by the Founder Business to us through our software program for the Measurement Period. Franchisees are not required to use generally accepted accounting principles when reporting these figures. We did not audit or otherwise independently verify this information.

**Section A** sets forth Gross Sales of the Founder Business during the Measurement Period.

**Section B** sets forth the gross profit percentage of the Founder Business during the Measurement Period.

**Section C** sets forth certain assumptions and additional notes to the information disclosed in this Item 19.

We will provide you with written substantiation for the financial performance representation upon reasonable request.

**Section A. Gross Sales**

Gross Sales During the Measurement Period	
Gross Sales	\$ 1,379,367.00

“Gross Sales” is defined as total revenue less sales tax, discounts, allowances and returns during the stated calendar year, as reported to us by the Founder Business.

**Section B. Gross Profit**

The Item 19 historical financial performance representation included in this Item 19 includes certain reported performance information reported by the Founder Business during the Measurement Period only. It is not a representation of what you can expect to achieve in connection with the operation of a Varsity Zone Business. The financial information presented in this Item 19 does disclose any cost, expense, or profit information. You will incur costs and expenses in launching and operating your Varsity Zone Business and there is no guarantee that your Varsity Zone Business will be profitable.

The Founder Business reported sales and cost of goods sold into the software tool to provide estimates to its customers. According to the data reflected in the software during the Measurement Period, the average gross profit percentage was 49.09%. Gross profit was determined by taking sales less the cost of labor, materials and costs directly related to the job as reported to us by the Founder Business via the proprietary reporting software. Gross profit percentage is determined by dividing gross profit by the Gross Sales to arrive to a percentage. We have not independently verified this amount. Gross profit may vary from this average, depending upon the number and nature of competitors in your area, the pricing in your market, your abilities and efforts, the type of HVAC services sold, and several other factors. In addition to the cost of goods sold, you will also incur other expenses that are not included in this calculation, such as monthly payments (lease or financing) for the required vehicle(s), labor costs for anyone you hire, rent for

office/warehouse space (especially if you do not work out of your home), telephone and other utility expenses, automobile, general liability, and other types of insurance, royalties and advertising expenses, federal, state and local taxes, and financing expenses if you finance any part of your investment. You may also incur other expenses, depending upon the manner in which you operate the business. You should consult with your advisors and with other business owners concerning the other types and amounts of expenses you will incur.

### Section C. Assumptions and Additional Notes

1. The Item 19 historical financial performance representation included in this Item includes certain reported performance information reported by the Founder Business during the 2024 Calendar Year only.
2. The financial information presented in this Item 19 does not disclose any cost, expense or profit information.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

Other than the preceding financial performance representations, HPB HVAC LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Legal Department at 2525 N. 117<sup>th</sup> Avenue, Third Floor, Omaha, Nebraska 68164 and 1 (800) 490-8991, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20** **OUTLETS AND FRANCHISEE INFORMATION**

For purposes of this Item 20, each Protected Territory that a franchisee receives under a Franchise Agreement is considered an "Outlet."

**Table No. 1:**  
**System-wide Outlet Summary For years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	-	-	-
	2023	-	-	-
	2024	-	6*	+6
Company-Owned and Affiliate-Owned	2022	-	-	-
	2023	-	-	-
	2024	-	-	-
Total Outlets	2022	-	-	-
	2023	-	-	-
	2024	-	6*	+6