

## FRANCHISE DISCLOSURE DOCUMENT



Trident Investment Partners, Inc.  
d/b/a Handyman Connection  
An Illinois Corporation  
11115 Kenwood Rd.  
Blue Ash, Ohio 45242  
(513) 771-3003  
[www.handymanconnection.com](http://www.handymanconnection.com)

Trident Investment Partners, Inc. d/b/a Handyman Connection offers franchises for businesses providing small to medium home repairs and light remodeling using the trade name HANDYMAN CONNECTION®.

The total investment necessary to begin operation of a Handyman Connection franchised business is \$99,710 to \$152,300. This includes the total amount of \$57,500 paid to us or our affiliate(s) comprised of the \$52,500 initial franchise fee and the \$5,000 proprietary software fee.

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, contact the Handyman Connection Franchise Development team at 11115 Kenwood Rd., Blue Ash, Ohio 45242 at 1-877-771-4040 or 1-800-466-5530.

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 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](http://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.

Issuance Date: January 31, 2014.

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND/OR MEDIATION ONLY IN OHIO. OUT-OF-STATE LITIGATION, ARBITRATION, AND/OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE, OR MEDIATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. WE MAY TERMINATE THE FRANCHISE AGREEMENT IF YOU FAIL TO MEET SYSTEM AND FINANCIAL PERFORMANCE STANDARDS THAT WE ESTABLISH.
3. YOUR SPOUSE AND OTHER IMMEDIATE FAMILY MEMBERS MUST ADHERE TO THE NON-COMPETITION PROVISIONS OF THE FRANCHISE AGREEMENT, BOTH DURING AND AFTER THE FRANCHISE TERM, WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISE.
4. THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
5. THE FRANCHISOR HAS MINIMUM SALES PERFORMANCE STANDARDS THAT YOU MUST MAINTAIN. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise. Some states require the registration of the Franchise Disclosure Document. A listing of such states can be found on the next page along with dates upon which this Franchise Disclosure Document became effective in the respective state.

**EFFECTIVE DATES FOR REGISTRATION STATES ARE LISTED ON THE NEXT PAGE**

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates.

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   | PENDING               |
| Florida      | PENDING               |
| Hawaii       | PENDING               |
| Illinois     | PENDING               |
| Indiana      | PENDING               |
| Maryland     | PENDING               |
| Michigan     | PENDING               |
| Minnesota    | PENDING               |
| North Dakota | PENDING               |
| New York     | PENDING               |
| Rhode Island | PENDING               |
| South Dakota | PENDING               |
| Utah         | PENDING               |
| Virginia     | PENDING               |
| Washington   | PENDING               |
| Wisconsin    | PENDING               |

In all other states, the effective date of this Franchise Disclosure Document is its Issuance Date of January 31, 2014.

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**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, "Handyman Connection," "we," or "us," means the franchisor of this offering, Trident Investment Partners, Inc. d/b/a Handyman Connection, which does business under the name "Handyman Connection." "You" means the person who buys the franchise, and includes your owners if you are a corporation or other business entity.

**The Company and its Predecessor**

We are an Illinois corporation formed on December 27, 2013, with a principal business address at 11115 Kenwood Road, Blue Ash, Ohio 45242. Since the Issue Date of this Disclosure Document, we have offered franchises under the name Handyman Connection® in the United States. Neither we, nor our predecessor, have offered franchises in any other line of business.

Our predecessor, Handyman Connection, Inc. ("HCI"), formerly known as Mamar, Inc., an Ohio corporation with a principal business address at 11115 Kenwood Road, Blue Ash, Ohio 45242, was the national franchisor of Handyman Connection franchises in the United States and Canada since its inception in January 1993. HCI's parent, FS Brands, Inc. ("FSB") owned 80% of the stock in HCI and our president and CEO, Jeffrey A. Wall ("Wall"), owned the remaining 20% of the HCI issued and outstanding shares of stock. Effective December 31, 2013, FSB sold all of its stock in HCI to JW, LLC, an Illinois limited liability company which is wholly-owned by Wall. Effective January 31, 2014, we merged with HCI leaving us as the surviving entity which acquired the rights to the Handyman Connection® trademark, Handyman Connection System, all other proprietary rights, and interest in the current Handyman Connection franchise agreements. We have no parents or affiliates.

In addition to our domestic franchising activities, HCI entered into a Master Franchise Agreement with Newbridge Management Group, Inc. in November of 1995, which now offers Handyman Connection® franchises in Canada. As of the end of our most recent fiscal year, we have 52 franchise outlets in the U.S., and 24 franchise outlets in Canada through our master franchisee Newbridge Management Group, Inc.

Our agents for service of process are listed in Exhibit "D".

**The Franchised Business**

We offer franchises for the establishment and development of businesses providing (a) referral and other services to independent contractors; and (b) small to medium home repair services and light remodeling of a non-emergency nature, including plumbing, electrical, carpentry, dry wall, plastering, and painting services, among other services ("Franchised Business"). The light repair and remodeling services provided by Franchised Businesses do not require heavy machinery and are usually not performed beyond a two-story elevation ("Residential Services"). All services are performed by independent contractors or employees who are recruited by you and who are part of your Franchised Business's network of service providers. In general, each customer is charged a flat fee per job, a portion of which is paid to

the service provider. Unless otherwise approved by Handyman Connection, until you complete the Second Calendar Year, jobs cannot exceed \$15,000 per project, or \$30,000 in the aggregate. Franchisees are only purchasing the rights to perform residential work in their specific territory for new residential leads coming into the System. Other franchisees may perform commercial work and residential work inside your Territory for customers who directly reach out to such other franchisees or franchisees to such customers, without any compensation to you. Subject to Sections 2.2, 2.3 and 2.4 of the Franchise Agreement, and subject to you being in full compliance of the Franchise Agreement, you may perform commercial work in your Territory. You agree and acknowledge that you do not own the exclusive rights to perform commercial work in the Territory. There are franchisees in the System that do maintain exclusivity in their market-place for both residential work and commercial work and for these specific franchisees, no work may be performed in their territory without their permission.

Franchised Businesses are operated under a system distinguished by uniform standards and specifications for recruiting and providing referral services to independent contractors; sales techniques; merchandising, marketing, advertising, and inventory management systems; as well as general procedures for operating and managing a Franchised Business (the "System"). We identify Franchised Businesses and the System using certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark "Handyman Connection®," distinctive trade dress, and any other trade names, trademarks, and service marks as we now or in the future may designate in writing for use in connection with the System (the "Proprietary Marks"). We continue to develop, use, and control the use of any Proprietary Marks to identify for the public the source of products and services marketed under the System, and to represent the System's high standards of quality, appearance, and service.

During the term of the Franchise Agreement, you must, at all times, develop and operate your Handyman Connection Franchised Business in compliance with all Handyman Connection System Standards and the Manuals, as we may modify in the future. You should note that we may obtain Handyman Connection Advisory Council (HCAC) input before making changes to the standards, requirements or procedures that represent an additional investment by most or all Franchisees in excess of \$5,000 within the 12 months following the effective date of any changes.

### **Applicable Laws and Regulations**

Franchised Businesses are subject to various federal, state, and local laws and regulations relating to the operation of home repair and remodeling businesses, including contractors' licensing laws and related requirements. Before you begin operations, you must obtain all required licenses and approvals to operate the Franchised Business, including compliance with state, local and other contractor's licensing and related requirements. State, local and other laws and regulations vary widely, can change over time, and can materially affect your ability to do business. On April 22, 2010, the EPA's Renovation, Repair and Maintenance Program's Rule went into effect. This Rule details both information regarding lead paint that must be given to certain homeowners, as well as processes and procedures that must be followed in homes and other structures built before 1978. see <http://www.epa.gov/opptintr/lead/index.html>. In addition, state and federal laws regarding the classification of workers as employees versus independent contractors vary from state to state

and can impact the operation of your Franchised Business. We strongly recommend that you examine applicable laws and regulations before purchasing a Franchised Business, and periodically reexamine these laws during the term of your Franchise Agreement. We have included Exhibit G, Summary of State Contractor Laws, to assist you in researching your particular state's requirements.

Your Franchised Business will also be subject to laws and regulations that are not specific to the home repair industry, but applicable to businesses in general such as zoning laws, labor laws, the Fair Labor Standards Act, workers' compensation laws, business licensing laws and tax regulations, and the Americans with Disabilities Act.

### **Market and Competition**

Franchised Businesses market their products and services to independent contractors who use their referral services, as well as the owners and lessors of residential properties. Your Franchised Business will compete with local, regional, and national home repair and remodeling businesses.

Purchasing and operating a Handyman Connection® Franchised Business involves substantial risks, which cannot be eliminated. Any volume, profit and possible success are primarily dependent on your ability and efforts as an independent business operator, as well as the degree to which you follow the Handyman Connection® System. Among other things, you'll be responsible for aggressive, proactive local marketing efforts using the techniques of the Handyman Connection® System. Finally, entry into any business venture unavoidably involves some risk of loss or failure. The purchase of a Handyman Connection Franchise Business (or any other) franchise is a speculative investment. We cannot guarantee your success.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Jeffrey A. Wall - Chief Executive Officer & President; Director**

Mr. Wall has served as our President and CEO since our inception in Blue Ash, Ohio. Mr. Wall also served as HCI's CEO since January 2012, and has served as HCI's President since January 1, 2010 in Blue Ash, Ohio. Mr. Wall served as HCI's Chief Operating Officer from January 2010 to December 2011 in Blue Ash, Ohio. Previously, Mr. Wall served as Regional Vice President for Certa ProPainters, Ltd. (U.S.) from December 2007 through December 2010.

### **Daniel Sage - Chief Information Officer**

Mr. Sage has been our Chief Information Officer since our inception. Mr. Sage has served as HCI's Chief Information Officer since January of 2008 and was formerly Chief Operating Officer from March 2006 to January 2008. Mr. Sage joined HCI in April 2002 as the Director of Concept Development and became Director of Operations in July 2002. All of the HCI positions were located in Blue Ash, Ohio

### **Marci Kleinsasser – Director of Marketing**

Mrs. Kleinsasser has been our Director of Marketing since our inception. Mrs. Kleinsasser has been HCI's Director of Marketing since September of 2012. Prior to joining HCI, Marci was the Director of Marketing and Client Services at Road America, a MAPFRE company, located in Miami, Florida from August 2011 until September 2012. Prior to joining Road America, Marci was a Vice President of Marketing at PuroSystems, Inc., the Franchisor of PuroClean, located in Tamarac, from February of 2008 to August 2011.

### **Chris Igou – General Manager**

Mr. Igou has been our General Manager since our inception. Mr. Igou has served as HCI's General Manager since January of 2013. Prior to joining HCI, Mr. Igou was a Regional Vice President at LaCosta Facility Support Services from December 2008 through December 2012 located in Wauconda, IL where he oversaw the western half of the U.S and managed over 1,300 employees. Prior to joining LaCosta, Mr. Igou was a Vice President with College Pro Painters located in Woburn, MA from 2006 – 2008.

## **ITEM 3 LITIGATION**

### **COMPANY SETTLED LITIGATION**

LaBelle Enterprises, Inc. v. Mamar, Inc. (17<sup>th</sup> Judicial Circuit Court, Grand Rapids, MI, Case No. 05-06134 - CK). On June 17, 2005, La Belle Enterprises, Inc. ("LaBelle"), a former Handyman Connection franchisee with offices in Middleville, MI, whose franchise agreement expired and with whom we could not reach an agreement on the terms of renewal, filed suit against us. The complaint alleged that we breached LaBelle's franchise agreement by failing to adhere to the renewal provisions of the agreement and by offering franchise renewal terms less favorable than the provisions in the franchise agreement. Additional allegations included an assertion by LaBelle that we violated the Michigan Franchise Law with an intent to defraud regarding renewal practices at the time of the contract formation and tortiously interfered with La Belle's advantageous business relations and the franchise agreement between the parties. LaBelle sought lost profits and attorney's fees in an unspecified amount larger than \$25,000. Without admitting any wrongdoing and to avoid continuing litigation costs, we settled the case and paid plaintiffs \$415,000 pursuant to a settlement agreement dated November 5, 2007.

Other than this action, no litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## **ITEM 5** **INITIAL FEES**

### **Franchise Agreement**

You pay an initial franchise fee of \$52,500 which is due in full upon signing of the Franchise Agreement. We may finance a portion of the initial franchise fee for approved applicants (See Item 10 – Financing for details).

We offer qualified veterans of the U.S. Armed Forces who otherwise meet all applicable requirements, a reduction in the Initial Franchise Fee by \$7,500 for a total initial franchise fee of \$45,000.

At the start of the initial training session, you will pay Handyman Connection a software license fee of \$5,000, which is non-refundable.

We may choose to offer a modified initial fee and/or royalty structure if warranted by the circumstances of a particular transaction. We may also offer promotional offers to candidates.

### **Refunds**

The initial franchise fee is fully refundable if we, in our sole discretion, rescind the Franchise Agreement prior to the completion of your Initial Training. Additionally, we can terminate the Franchise Agreement with written notice to you and a 20 day opportunity to cure if you do not meet your pre-opening obligations, including training and obtaining permits necessary to operate the business, within 120 days of signing a Franchise Agreement. If we do, we agree to refund \$10,000 of the initial franchise fee, provided you sign a general release. There are no refunds under any other circumstances.

Except as stated in this Item 5, all initial fees are deemed fully earned and non-refundable upon payment.

## **ITEM 6** **OTHER FEES**

| TYPE OF FEE <sup>1</sup> | AMOUNT  | DUE DATE  | REMARKS  |
|--------------------------|---|---|--|
| Royalty                  | 5% of Gross Sales <sup>2</sup>  | Payable monthly on the 10 <sup>th</sup> of each month for the preceding month.  | Begins upon operation of your Franchised Business.   |
| Minimum Royalty Fee      | For Calendar Years 3 through 5, the amount of Minimum Royalty is \$11,250 per SFDU Group <sup>3</sup> in your Territory less the amount of actual | January 15 <sup>th</sup> of the Calendar Year immediately following the Calendar Year for which the Minimum Royalty Fee became due. | If the amount of Royalty Fee you pay in a Calendar Year is less than that year's Minimum Royalty Fee, you pay the difference. If a franchisee does not achieve the |

| TYPE OF FEE <sup>1</sup>              | AMOUNT  | DUE DATE                                | REMARKS   |
|---------------------------------------|---|---|---|
|                                       | Royalty due in a given year; for Calendar Years 6 through 10, the amount of Minimum Royalty is \$17,500 per SFDU Group in your Territory less the amount of actual Royalty due in a given year <sup>4</sup> . |   | Minimum Performance Criteria, we have the right to take appropriate corrective action, including establishing a remedial business plan, assigning Franchisee into a franchise resale program, registering you in our initial, on-site, or Supplemental Training programs at Franchisee's cost and expense, or terminating the Franchise Agreement. We are entitled to debit your account as of January 15 <sup>th</sup> of the Calendar Year immediately following the Calendar Year for which the Minimum Royalty Fee became due for the corresponding unpaid amount of the Minimum Royalty Fee. |
| Software Support, and Maintenance Fee | \$5 - \$100 per user  | Monthly, after opening of the business. | Required Software support and maintenance fee payable to Handyman Connection. The software platform will need to be accessed by all users of the IT system (Franchisee, service advisors, CSR, craftsman, etc.) Depending on the level of access required, different monthly charges will be established between \$5 to \$100 a month (with Franchisee fees expected to be \$100 a month, service advisors and CSRs at \$70 a month and craftsman at \$5 a month). These charges will be billed to the  |

| TYPE OF FEE   | AMOUNT   | DUE DATE   | REMARKS  |
|---|--|--|--|
|   |  |  | franchisee monthly.  |
| Software Upgrade Fees   | Varies, up to 0.25% of Gross Sales   | Periodically.  | You are responsible for purchasing all upgrades to the software.   |
| Software License Fee  | \$150 to \$250   | Annually.  | Charged on a per computer/user basis.  |
| National Marketing Fund   | 3% of Gross Sales  | Payable monthly on the 10 <sup>th</sup> of each month for the preceding month. | Due to different forms of Franchise Agreement, some franchisees may have a different obligation.   |
| Telephone Answering Services Fee                                  | \$275 per week   | Payable monthly on the 10 <sup>th</sup> of each month for the preceding month. | Answering inbound calls and assistance in scheduling appointments.   |
| Local Marketing (Including Local Cooperative Fees, if Applicable) | 12% of Gross Sales During 1 <sup>st</sup> Year, 10% of Gross Sales for subsequent years                                    | As Incurred.   | All advertising content must be approved by us prior to use.   |
| Interest and Late Fees on Late Payments and/or Reports            | Due on all amounts owed, not to exceed 1.5% per month. Also \$100 per late report &/or payment                             | When late reports and/or payments submitted.                                   | No amounts collected will exceed or violate any applicable legal restrictions.   |
| Additional Training/Meeting Attendance                            | Varies, has ranged from \$850 to \$1,250   | Payable as incurred.   | You are responsible for all travel, living, incidental and other expenses for you and your personnel attending additional training/meeting attendance, which we may require. |
| Transfer/Sale   | The greater of \$5,000 or 10% of the sale price of the franchised business, not to exceed \$5,000 per Franchise Territory. | Upon transfer.   | Payable when you sell your franchised business. Waived for the first transfer to your controlled business entity.  |
| Renewal Fee   | 10% of our then-current initial franchise fee  | Upon renewal.  | You must pay our attorney's fees when you renew your franchise.  |
| Indemnification   | Amount of Claim or Judgment  | When incurred.   | You must indemnify us and our affiliates from  |



| TYPE OF FEE <sup>1</sup>        | AMOUNT                       | DUE DATE                      | REMARKS  |
|---------------------------------|------------------------------|-------------------------------|--|
|                                 |                              |                               | liability for any claim based on or arising from your operation of the Franchised Business.  |
| Supplier Approval/Testing Costs | Costs of Testing             | When incurred.                | If we incur any costs in connection with testing a particular product or evaluating a supplier at your request, you must reimburse us our reasonable testing costs, regardless of whether we subsequently approve the product or supplier. |
| Annual Conference               | \$300 - \$400 Attendance Fee | Upon conference registration. | Annual Conference attendance is required. If you do not attend, you will be charged \$750.   |

1. Except as otherwise stated above, all fees are uniform, collected by and payable to us and are non-refundable. You are required to pay amounts by electronic funds transfer. We can apply any payments owed by you to any debt of yours that we choose (except for National Marketing Fund contributions), set off any amounts owed to you against any amount owed by you to us and/or specified third parties, and retain amounts received on your account for debts owed.

2. Gross Sales include all charges and/or revenues that are, or could be, received or earned by you (and/or any affiliate):

- A) by, at or in connection with your Handyman Connection® Business;
- B) relating to the kinds of goods or services available now or in the future through a Handyman Connection® Business and/or distributed in association with the Marks or the Handyman Connection® System;
- C) relating to the operation of any similar business;
- D) with respect to any co-branding activities; and/or
- E) all amounts, including the cost of materials, paid by your customers directly to your independent contractors.

Although we have maintained the right to collect the Royalty Fee and National Marketing Fee with respect to Gross Sales derived from all purchases of materials from your Handyman Connection® Business under our form of franchise agreement for a number of years, we had not historically enforced this right. However, we are enforcing this right with respect to all franchisees who purchased their Handyman Connection® Business after January 1<sup>st</sup>, 2012, and for all re-sales of franchises of those existing franchisees who purchased their initial business prior to January 1<sup>st</sup>, 2012, and are selling all or part of their business after January 1<sup>st</sup>, 2014. Therefore, if you purchase a new franchise, you should understand that your Royalty Fee and

National Marketing Fee will be based on Gross Sales amounts that include the materials purchased from your Handyman Connection® Business, which will therefore be calculated differently than the Gross Sales of franchisees who purchased their franchise prior to January 1<sup>st</sup>, 2012. If you are purchasing a re-sale, you should also understand, and account for your Royalty Fee and National Marketing Fee being based off of the Gross Sales of the Franchised Business you are purchasing. Additionally, this payment is different than the Royalty and National Marketing Fee that a franchisee who purchased their initial business prior to January 1<sup>st</sup>, 2012, currently is paying.

Gross Sales include any actual customer refunds, adjustments and credits, but exclude sales tax collected and paid when due to the appropriate taxing authority.

3. A Territory is comprised of single family dwelling units ("SFDUs"), and each 60,000 SFDUs is deemed to be an SFDU Group. For the purpose of calculating Minimum Royalty Fees, if a Territory contains more than 60,000 SFDUs, but the total number of SFDUs is less than a multiple of 60,000, then the number of SFDU Groups in such Territory will be rounded down to the nearest whole number of SFDU Groups

4. If the Final Calendar Year is less than 12 months, then the amount of the Minimum Royalty Fee will be based on the number of months or portion of a month of operation in the Final Calendar Year, divided by 12.

## ITEM 7 ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of expenditure                                      | Amount             | Method of Payment | When due                       | To whom payment is to be made                |
|--|--------------------|-------------------|--------------------------------|--|
| Initial Franchise Fee <sup>(1)</sup>                     | \$52,500           | Lump Sum          | On Signing Franchise Agreement | Handyman Connection                          |
| Travel and Living Expenses while Training <sup>(2)</sup> | \$2,400 to \$4,350 | As Incurred       | As Arranged                    | Airline, Hotels, Restaurants and Auto Rental |
| Real Estate (Leased) <sup>(3)</sup>                      | \$2,000 to \$4,500 | As Arranged       | Per Lease Terms                | Lessor                                       |
| Office Equipment <sup>(4)</sup>                          | \$2,750 to \$7,400 | As Incurred       | As Arranged                    | Various Vendors                              |
| Lease & Utility Deposits <sup>(5)</sup>                  | \$1,000 to \$1,700 | Lump Sum          | Upon Signing Lease             | Landlord, Utility Company                    |
| Insurance <sup>(6)</sup>                                 | \$2,850 to \$7,000 | As Incurred       | Prior to and During Operation  | Insurance Company or Agency                  |

| Type of expenditure   | Amount                | Method of Payment | When due                               | To whom payment is to be made   |
|---|-----------------------|-------------------|--|---|
| Licenses and Permits <sup>(7)</sup>                                       | \$600 to \$3,000      | As Arranged       | Prior to Opening                       | Government Agencies   |
| Grand Opening Marketing, Advertising and Promotion <sup>(8)</sup>         | \$20,450 to \$41,050  | As Arranged       | Prior to Opening and During Operations | Various Vendors, including Handyman Connection for answering services |
| Computer Hardware and Software <sup>(9)</sup>                             | \$10,910 to \$15,800  | As Arranged       | Prior to Opening and During Operations | Various Vendors and Franchisor  |
| Additional Funds - Working Capital (estimated for 3 mos.) <sup>(10)</sup> | \$4,250 to \$15,000   | As Arranged       | As Incurred During Operation           | Various Vendors and Staff   |
| Total <sup>(11)</sup>   | \$99,710 to \$152,300 |                   |  |   |

**NOTE: Amounts are not refundable unless otherwise noted.**

(1) The Initial Franchise Fee is \$52,500 for a Territory. Financing of a portion of the Initial Franchise Fee may be available under a financing program offered in our sole discretion. See Item 5 for more details regarding the Initial Franchise Fee. Any additional Territories purchased after signing the Franchise Agreement must be purchased at the then-current Initial Franchise Fee and through additional Franchise Agreements.

(2) This estimate is for lodging, meals, hotel and airfare for one person only. Transportation costs and airfare will vary depending on which state you will be traveling from.

(3) When possible, we recommend leasing rather than purchasing a space. It is difficult to estimate with any degree of accuracy the initial investment for real estate, leased or purchased, by any franchisee due to the many variables of location, size, quality of structures, and other factors. The maximum recommended size is 500 square feet. The cost per square foot will vary by market, and if the lease includes other services such as cleaning, utilities, etc. The amount stated in Item 7 represents an estimate of rent expenses for the first month's rent, last month's rent, and a security deposit equal to one month's rent. You may not operate out of your home.

(4) This estimate covers the cost of acquiring and installing a telephone system, fax machine, conference tables and chairs, work stations, filing cabinets, a copier, and other miscellaneous office items and suppliers.

(5) Depending upon lease provisions and local regulations and requirements, deposits for leases and utilities vary. Lease deposits are normally a factor of annual or monthly rent.

(6) See Item 8 for more information regarding our insurance coverage requirements.

(7) Licensing laws and permit requirements, including fees, may vary from state to state and city to city, depending on state and local laws. You must comply with these laws. See Item 1.

(8) The Grand Opening Marketing, Advertising and Promotion costs include items such as the purchase of one vehicle wrap, the estimated initial investment for a listing in the prominent yellow pages, pay-per click advertising, home-shows, signs, mailings, etc. to help launch your initial marketing. Marketing costs may vary depending on your specific location.

(9) This amount is an estimate of the cost for the hardware and auxiliary software that includes the initial \$5,000 proprietary software fee, monthly software support, and maintenance fees (after opening of the business). Please note that Handyman Connection is in the process of developing a new IT system and began implementation in 2013. The new IT platform will require some level of access for users, including the franchisee, CSRs, service advisors and Craftsmen. Depending on the level of access required, monthly fees will be assessed to the franchisee for the franchisee's employees and subcontractors. These fees are expected to range from \$5 - \$100 a user per month, with franchisees and other licensed users being charged \$100 a month for their access, Portal users being charged around \$70 a month for their access, and Craftsmen being charged around \$5 a month for their access. The new IT system is not fully developed yet, and as further enhancements and functionality are created, it is important to be aware that these changes may cause disruptions to your Franchised Business. Additionally, you will be required to adopt any of these changes, enhancements and functionality to your Franchised Business at the timeline of Handyman Connection's choosing.

#### **Breakdown of Estimated Computer Needs:**

| <b>Equipment</b>                 | <b>Low</b>      | <b>High</b>     | <b>Comments</b>   |
|----------------------------------|-----------------|-----------------|---|
| PC – workstation 1-2 computers   | \$3,000         | \$4,500         | At least 1 tablet laptop and either 1 Desktop or a second tablet laptop             |
| Printer                          | \$150           | \$300           | 1 Portable printer  |
| Firewall hardware/software       | \$500           | \$1,500         | High speed broadband router   |
| ISP connectivity                 | \$300           | \$1,000         | Internet Service – 3 months   |
| Business Software                | \$1,200         | \$2,000         | Software licensing. QuickBooks Microsoft Office & Estimating software are required. |
| Proprietary Software             | \$5,000         | \$5,000         | Office cabling/network wiring not included.   |
| System set-up and configuration  | \$250           | \$500           |   |
| Software Support and Maintenance | \$360           | \$700           | Monthly Software Support and Maintenance – 3 months                                 |
| Annual License Fee               | \$150           | \$300           | Annual License Fee  |
| <b>Total</b>                     | <b>\$10,910</b> | <b>\$15,800</b> |   |

(10) Additional Funds is an estimate of certain funds needed to cover your business (not personal) expenses during the first three months of operation of the Franchised Business. You will need capital to support on-going costs of your business, such as payroll, utilities, taxes, loan payments and other expenses, to the extent that revenues do not cover business costs. New businesses (franchised or not) often have larger expenses than revenues. You may need additional funds during the first three months of initial operation or afterwards.

The three-month period from beginning business covers the time by which most Handyman Connection® franchisees are fully in operation but does not necessarily mean that you will have reached "break-even," "positive cash flow," or any other financial position by that time. In addition, the estimates presented relate only to costs associated with the Franchised Business, reflect minimal employee wages, and do not cover any personal, "living" unrelated business or other expenses you may have such as royalty payments, National Marketing Fund contributions, debt service on any loans, state sales and/or use taxes on goods and services, and a variety of other amounts not described above.

Miscellaneous costs to begin operations and other financial requirements may be more or less than the figures specified above, as a function of the size of business (number of staff, anticipated volume of business, etc.) and the area in which you intend to operate and other factors, as mentioned above. Many of these factors are primarily under your control in your independent operation of the business. We have made no provision for capital or other reserve funds necessary for you to reach "break-even" or any other financial position nor do any of these estimates include any finance charges, interest or debt service obligations. You should not assume that revenues from your customers will necessarily cover your initial (or other) expenses. You should review these figures carefully with a business advisor (such as an accountant) before making any decision to purchase the franchise.

Since costs can vary with each franchisee, we strongly recommend that you (1) obtain, before you buy a franchise or make any commitments, independent estimates from third-party vendors and your accountant of the costs that would be needed to establish and operate a Handyman Connection® Franchised Business, (2) discuss with current Handyman Connection® franchisees their economic experiences (including initial costs) in opening and operating a Handyman Connection® Franchise and (3) carefully evaluate the adequacy of your total financial reserves.

(11) Total Estimated Initial Investment: All of the figures are estimates of certain initial startup expenses. The chart is not all inclusive as noted in note 9, above, and we cannot guarantee you will not have additional expenses in starting your Handyman Connection® business. Your costs will vary depending on such factors as: how much you follow the Systems and procedures; your management, technical and marketing skill, experience and general business ability; the size and location of your business; local and general economic conditions; the local market for Handyman Connection® services; levels of competition; prevailing wage rates and the sales levels reached by you during the initial period. The estimate does not include any finance charge, interest or debt service obligation.

The factors, basis and experience that we considered in formulating our estimates for your initial start-up are based on 20 years of experience in franchising, and the assistance given to our franchisees in establishing and operating their Handyman Connection franchises.

See Item 10 for information regarding financing.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate your Franchised Business in strict conformity with our methods, standards, and specifications, which we prescribe in our confidential Handyman Connection Operations and Training Manuals, Standard Operating Procedures ("SOP") and various other confidential manuals and writings prepared by us for your use in operating a Franchised Business (collectively the "Operations Manual"). We may periodically change our standards and specifications at our sole discretion.

#### **Approved Products, Services, and Suppliers**

You may only offer approved services and products ("Approved Services and Products") through your Handyman Connection® Franchised Business. We will provide you with a list of the Approved Services and Products when you sign the Franchise Agreement. All Approved Services and Products must meet our standards and specifications, which we will provide to you or directly to our designated or approved vendors. In order to: (i) better assure the quality of the Approved Services and Products; (ii) assure the supply or quality of the Approved Services and Products; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies, we have the right to require you to purchase certain products and services, including any proprietary products and services we or our Affiliates may now or in the future create, from us, our Affiliates, or other suppliers or distributors approved or designated by us. Currently, we have designated suppliers for customized software and specific marketing literature. We may change these categories at any time. You are required to purchase our proprietary software, directly from us. Other than the proprietary software, which is provided by Handyman Connection, neither we nor our officers have an ownership interest in any approved or designated suppliers.

Specification of a supplier may be conditioned on requirements relating to product or service availability, customer service (including prompt attention to complaints), as well as payments, contributions or other consideration to us or other parties designated by us, and may be temporary, in each case in our absolute discretion. Nothing shall be construed to require us to approve any particular supplier. We have the right to receive payments from suppliers on account of their dealings with you and other franchisees and to use all amounts we receive without restriction for any purposes we deem appropriate. We shall not approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may withhold, condition, and/or revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must cease purchasing the disapproved products or services from suppliers.

In the event you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address, and telephone number of the proposed supplier, a description of the item you wish to purchase,

and purchase price of the item, if known. At our request, you must provide us, for testing purposes, with a sample of the item you wish to purchase. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you or the supplier must reimburse our reasonable testing costs, regardless of whether we subsequently approve the item or supplier. We'll notify you within a reasonable time whether or not you're authorized to purchase or use the proposed item or to deal with the proposed supplier. This time period would be within 72 hours if no credit check is required as a standard practice in that particular product or services industry; otherwise, the time period is 7 days.

We may obtain Handyman Connection Advisory Council input before making changes to designated equipment, products, and/or services representing an additional investment by most or all Franchisees in excess of \$5,000 within the 12 months following the effective date of any changes. We will provide you with a commercially reasonable period of time in which to implement any the changes (not less than 90 days).

We have entered into purchasing arrangements with suppliers for a variety of goods and services. We may derive revenue from your purchase of certain core products and services from approved and designated suppliers, including computer hardware and software, and Approved Services and Products. We may receive a rebate in the form of a fixed amount or percentage of sales. Our approved supplier of certain core products pays a rebate of 5%, provided that we meet certain volume requirements. In 2013, we received the amount of \$12,070 from Tele-Link Services. Other than the amounts in the preceding sentence, we did not derive any revenue as a result of required franchisee purchases and leases during 2013.

You must purchase Handyman Connection's proprietary software, as well as periodic upgrades to the software from Handyman Connection; you must use Handyman Connection's designated telephone answering service, Tele-Link Services.

### **Advertising**

We must approve all advertising before first publication or use.

### **Leases and Leasehold Improvements**

You must purchase or lease a retail space for your Franchised Business which meets our standards and specifications. We must approve your location and lease terms before you sign a lease for a location. We will condition our approval of your lease upon, among other conditions, you and your landlord's signing of a collateral assignment of lease, whereby your landlord grants us the right, but not the obligation, to assume your rights and obligations under the lease in the event that you breach your lease agreement, or your Franchise Agreement is terminated or expires.

### **Computer Hardware and Software Components**

You must purchase the required computer hardware and software itemized in detail in Note 8 to the Item 7 Chart.

### **Proportions of Required Purchases**

We estimate that your required purchases will account for approximately 10% to 20% of all purchases and leases necessary to open your Franchised Business, and 5% to 10% of your ongoing cost to operate a Franchised Business. We don't condition providing benefits (such as the award of a renewal term or additional franchise) on use of designated or approved sources. However, failure to use approved items and suppliers might, like other matters, be a default under the Franchise Agreement and, in general, a franchisee in default would not be awarded a successor or additional franchise and might even be subject to termination.

### **Purchasing or Distribution Cooperatives**

We may require that you join and make required purchases/leases through the Handyman Connection® purchasing cooperative or other entity we designate. The cooperative may adopt its own bylaws, rules, regulations and procedures, subject to our consent in our discretion. We can require each cooperative to submit monthly and annual financial statements, and can require that the annual financial statements be audited, all at the expense of the cooperative. Presently, we have not established a purchasing or distribution cooperative. Accordingly, you are not presently required to make purchases or leases through any purchasing cooperative or any other entity.

### **Insurance**

You must procure and maintain the types and amounts of insurance that we specify, as issued by the insurance carriers we approve, including:

- a. Employer's liability and workers' compensation insurance as prescribed by law; At a minimum, worker's compensation shall be maintained with limits of at least \$500,000 per accident. In "Monopolistic States" (e.g., Ohio, North Dakota, Washington and Wyoming), "Stop Gap" coverage must be purchased separately or added to the General Liability Insurance.
- b. Commercial general liability insurance (\$2,000,000 in the aggregate; \$1,000,000 per occurrence) covering the operation of the franchised business;
- c. Liability coverage shall include blanket contractual liability; and broad form property damage insurance;
- d. Business interruption insurance;
- e. Contents coverage insuring the place of the Franchised Business;
- f. Non-owned automobiles coverage (\$300,000); and
- g. Excess liability coverage of at least \$1,000,000.
- h. Employee Dishonesty Insurance with a minimum limit of \$10,000 per loss, including coverage for theft against third parties;



- i. Other insurance required by the state or locality in which your Franchised Business is located and operated.

We may require different, additional, and/or increased amounts or kinds of insurance at any time, including excess liability insurance. Each insurance policy must: (i) name us as additional named insured; (ii) contain a waiver of all subrogation rights against us, our Affiliates and any successors and assigns; (iii) and provide 30 days' prior written notice to us of any material modifications, cancellation, or expiration of the policies.

Prior to the commencement of operations, you agree to furnish to us a Certificate of Insurance documenting that the required insurance coverage is in effect, together with a copy of all such insurance policies. All policies will be renewed annually through the Term of the Franchise Agreement and you will cause a renewal Certificate of Insurance for each required coverage to be mailed or e-mailed to us prior to the expiration of such coverage.

Insurance coverage can vary from state to state and from city to city. Premiums are affected by experience rate, location, nature of business, business organization and many other factors. Franchisees are encouraged to check local rates and coverages. Some states may require you to pay workers' compensation premiums for the independent contractor service providers you recruit. Handyman recommends that you seek legal advice as to the advisability or necessity of maintaining workers' compensation insurance.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

| Obligation   | Section In Franchise Agreement                | Disclosure Document Item |
|--|---|--------------------------|
| a. Site selection and acquisition/lease                    | 5   | Items 7, and 11          |
| b. Pre-opening purchases/leases                            | 5, 6 and 7                                    | Items 7, and 11          |
| c. Site development and other pre-opening requirements     | 5, 6, 7                                       | Items 7 and 11           |
| d. Initial and ongoing training                            | 8   | Item 11                  |
| e. Opening   | 7   | Not Applicable           |
| f. Fees  | 1.1.1, 3, 4, 6, 8, 9.10, 13, 14.3.6, and 18.2 | Items 5, 6, and 7        |
| g. Compliance with standards and policies/Operating Manual | 2, 5, 6, 8, 9, 10, 13, 14, 15                 | Items 8 and 11           |
| h. Trademarks and proprietary information                  | 10, 11, 12                                    | Items 1, 13 and 14       |
| i. Restrictions on products/services offered               | 1, 2, 9.1                                     | Items 8 and 16           |

| Obligation   | Section In Franchise Agreement | Disclosure Document Item |
|--|--------------------------------|--------------------------|
| j. Warranty and customer service requirements          | 9.10, 20.7                     | Item 11                  |
| k. Territorial development and sales quotas            | 3.3, 9.2                       | Item 17                  |
| l. Ongoing product/service purchases                   | 6                              | Item 8                   |
| m. Maintenance, appearance and remodeling requirements | 5, 9.1, 9.9                    | Item 11                  |
| n. Insurance   | 15                             | Items 6, 11              |
| o. Advertising   | 13                             | Items 6, 11              |
| p. Indemnification                                     | 16.3                           | Item 13                  |
| q. Owner's participation/management, staffing          | 9.3, 9.5                       | Item 15                  |
| r. Records/reports                                     | 15                             | Item 6                   |
| s. Inspections/audits                                  | 9.11, 14.3                     | Item 6                   |
| t. Transfer  | 18                             | Items 6, 17              |
| u. Renewal   | 4.2                            | Items 6, 17              |
| v. Post-termination obligations                        | 20                             | Item 17                  |
| w. Non competition covenants                           | 12                             | Item 17                  |
| x. Dispute resolution                                  | 21                             | Item 17                  |
| y. Performance standards                               | 9.2                            | Items 12 and 17          |
| z. Personal Guaranty                                   | 22                             | Item 15                  |

## **ITEM 10 FINANCING**

We may finance up to \$26,250 of the initial franchise fee for approved franchisees, in our sole discretion. The following is a summary of the financing offered.

### **SUMMARY OF FINANCING OFFERED**

|                            |  |
|----------------------------|--|
| Item Financed              | Up to one-half of Initial Franchise Fee for approved franchisees.  |
| Amount Financed            | \$26,250   |
| Interest rate - varies     | Prime plus 8% (as of January 2014 – 11.25%)<br>[adjusted annually during term of the Note by no more than 2 percentage points annually]      |
| Term                       | 18 months  |
| Monthly Payment            | \$1,591.65 (as of January 2014)  |
| Security Required          | Security interest in all tangible and intangible assets of the Franchised Business.  |
| Personal Guaranty Required | If franchisee is a corporation, limited liability company or partnership, shareholders, members or partners must execute a personal guaranty |
| Pre-Payment Penalty        | None   |
| Liability Upon Default     | Note accelerated for full amount. We may confess judgment  |

|  |  |
|--|--|
|  | for the accelerated amount, plus attorney's fees and court costs; termination of the franchise |
|--|--|

A Promissory Note and Security Agreement are required to be signed. See Exhibit J for a sample copy of the Security Agreement used in connection with this financing which grants us a security interest in all tangible and intangible assets of the franchised business. A copy of the Note is attached in Exhibit J. Prime Rate is determined as of the date of signing of the Note and will be the Prime Rate as published in that day's Wall Street Journal under "Money Rate."

The Note can be prepaid without any penalty. The Note contains a confession of judgment clause permitting, upon non-payment of any monthly payment, the entry of judgment for the full amount owed under the note plus default interest, attorney's fees of the greater of 10% of the amount owed or \$2,000, and court costs.

Upon default, the amount owed under the Note can be accelerated and the full amount owed will become due and owing, plus attorney's fees of the greater of 10% of the amount owed or \$2,000. A default under the Note or Security Agreement is also a default under the Franchise Agreement and may result in termination of the Franchise Agreement (see Section 19.3.3(a)). We are the holder of the Note and it is not our practice to sell assign or discount the Note to any third party

Except as disclosed above, we do not offer financing that requires you to waive notice, permits us to confess judgment, or requires you to waive a defense against us. Except as disclosed above, we do not arrange financing from other sources. Except as disclosed above, commercial paper from franchisees has not been and is not sold or assigned to anyone, and we has no plans to do so. Except as disclosed above, we do not receive direct or indirect payments for placing financing. Except as disclosed above, we do not guarantee your obligations to third parties.

Except as stated above, neither we, our agents, nor our Affiliates offer any direct or indirect financing, have any practice or intent to sell, assign or discount to a third party all or part of any financing arrangement, or receive any direct or indirect payments or other consideration from any person for the placement of financing with any lender. We do not guarantee any notes, leases, or obligations for any franchisees.

### **Small Business Association (SBA) Loans**

We have been deemed eligible for streamlined loan processing through the Small Business Association ("SBA"). We are listed on the SBA's central registry for franchisors whose current franchise are eligible for SBA financing found at [www.franchiseregistry.com](http://www.franchiseregistry.com). We have arranged with the SBA to provide certain benefits so that our franchise agreements meet SBA eligibility criteria for 7(a) & 504 loans.

**ITEM 11**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Handyman Connection is not required to provide you with any assistance.**

Before you open your Franchised Business we will:

- (1) Designate your territory. (Franchise Agreement, Section 1.1)
- (2) We will lend you a copy of our proprietary and confidential Operations Manual, which we may amend periodically. (Section 8.6 of the Franchise Agreement). The Table of Contents of the Operations Manual is included as Exhibit I to this Disclosure Document.
- (3) Conduct an initial training program consisting of up to 2 weeks of new franchisee training for you and up to one manager. (Franchise Agreement, Section 8).
- (4) We may train additional or replacement employees you may designate, subject to the availability of our personnel, at our corporate headquarters, or any other location we may select. Additional training will be held at our then-current tuition rate, which may vary. (Franchise Agreement, Section 8). All training related expenses for your additional personnel, including transportation to and from the training site, lodging, meals, and salaries during training, are your sole responsibility. You may only use the training materials we provide you with to train your other employees. We will provide updated training materials to you as we develop them.
- (5) We will provide you with written specifications for, and designate sources of supply from which you must purchase required goods and services, including Approved Services and Products, computer hardware and software, inventory items, and other goods and supplies necessary for the start-up and ongoing operation of the Franchised Business. We may, at our sole discretion, provide you with assistance in establishing pricing.

During the operation of the Franchised Business we will:

- (1) Provide you continuing consultation and advice as we deem necessary and appropriate regarding the management and operation of the Franchised Business. We will provide ongoing assistance, in our discretion, by telephone, facsimile, and intranet communication. (Franchise Agreement, Section 5.2)
- (2) To assist you in operating your Franchised Business, offer additional training programs and/or refresher courses to you, your manager, and/or your employees on a local, regional, or national level. We may require you and your employees' attendance at these programs and/or courses. You must pay for your and your employees' travel, meal, lodging, and payroll expenses while attending our additional training programs. The additional training programs and refresher courses will be at our then-current tuition for ongoing training, which varies. (Section 8 of the Franchise Agreement).

(3) Manage the system-wide advertising, publicity, market research and marketing fund (the "National Marketing Fund" or "NMF"), to, at our sole discretion, develop, produce, and distribute national, regional and/or local advertising and create advertising materials and engage in public relations activities which promote the services offered by System franchisees (including, among others, both consumer- and craftsmen-related items, programs and/or campaigns). (Franchise Agreement, Section 13.1).

(4) We may now or in the future develop additional products and services to be offered by franchisees in operating their Franchised Business, including the development and creation of private label proprietary products and services such as home repair and maintenance tools and kits, and related goods and services. You must sell all proprietary products and services we designate for use in connection with the System through your Franchised Business.

### **Training**

You and up to one additional trainee must attend and complete initial training to our satisfaction prior to opening. If you are a partnership, corporation or limited liability company, the trainee must be a general partner, principal shareholder, or manager as appropriate. We do not charge a tuition fee for this mandatory initial training; however, you must pay all of your and any of your employees' costs in attending the program, including travel costs, room and board expenses, and employees' salaries. You are responsible for training all of your other employees.

Our initial training program covers all phases of operation including computer software training, sales presentation, advertising, banking and basic accounting, pricing, production management and recruiting of service providers, as detailed in the chart below.

#### **TRAINING PROGRAM**

| Subject   | Hours of Classroom Training | Hours of On-The-Job Training | Location   |
|---|-----------------------------|------------------------------|--|
| General Overview and Business Planning          | 7.5                         | 5                            | Corporate Headquarters, Online (virtual training)    |
| Utilization of the Operating System             | 8                           | 2                            | Corporate Headquarters, Online and in your Territory |
| Craftsman Selection, Recruiting and Orientation | 7                           | 2                            | Corporate Headquarters and Online                    |
| Daily Office Operations                         | 2                           | 2                            | Corporate Headquarters and Online                    |

| Subject   | Hours of Classroom Training | Hours of On-The-Job Training | Location   |
|---|-----------------------------|------------------------------|--|
| Inventory and Production Management                 | 7                           | 1                            | Corporate Headquarters and Online                    |
| Understanding and Utilizing the Estimating Software | 32                          | 8                            | Corporate Headquarters, Online and in your Territory |
| Lead Generation and Marketing Plans                 | 5                           | 4                            | Corporate Headquarters, Online and in your Territory |
| Basic Construction Knowledge                        | 0                           | As needed                    | Corporate Headquarters and Online                    |
| In Home Sales Training                              | 16                          | 8                            | Corporate Headquarters, Online and in your Territory |
| <b>Total</b>  | <b>84.5</b>                 | <b>32</b>                    |  |

Our initial training program is supervised by Dan Sage, Marci Kleinsasser and Chris Igou. Dan Sage has been our Chief Information Officer since 2008 and has over 10 years of experience in the industry. Marci Kleinsasser has been our Director of Marketing since our inception and has over 20 years of experience in the marketing industry. Chris Igou has been our general manager since our inception and has worked in franchising for over 8 years.

Training is conducted utilizing the Operations Manual, online resources, and forms prepared by us, as well as affiliates and outside vendors. Failure to complete initial training to our satisfaction within the applicable time period may result in rescission of the Franchise Agreement (Franchise Agreement, Section 19.3.2), and a partial refund of the Initial Franchise Fee (See Item 5). All training materials we provide you with will remain our property, and you agree not to challenge our or our Affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication, or other unauthorized use of any portion of the training materials. See below for information regarding ongoing training we may provide.

### **Typical Length of Time to Open Your Business**

We expect you to open your business a minimum of 1 week and a maximum of 6 weeks after your training is concluded. The typical length of time between the signing of the Franchise Agreement or the first payment of consideration for the franchise and the opening of the Franchised Business is 2 to 4 months. The actual length of this period will depend upon factors including your ability to obtain a mutually acceptable site and a lease for that site, acceptable financing arrangements, training schedules, delivery schedules for inventory and equipment and other factors including the time necessary to obtain zoning permits, licenses, and variances. You must open your business within 120 days of signing the Franchise Agreement.

Failure to do so can result in termination of the Franchise Agreement (Franchise Agreement, Section 7).

### **Computer System**

Due to the changing nature of hardware systems, you will need to contact Handyman Connection for current computer and hardware specifications. You must purchase, use, maintain and update at your expense the software and hardware computer systems meeting our specifications, as we may modify them. Please note that Handyman Connection is in the process of developing a new IT system that we began implementing in 2013. You must use proprietary Handyman Connection® Software in your Franchised Business and sign a license agreement for its use. You are required to purchase Handyman Connection's proprietary software at a cost of \$5,000. The software is a customer/craftsman database and scheduling system with reporting modules. We are in the process of continued additions and refinements to the new operating system, and you must implement and utilize all of the changes and additions to the IT system as update you of such changes and additions. As we continue to develop this software, it is important to understand that there may be disruptions to your Franchise Business as these implementations are made. To use our software, you will need to have a license that will require initial and annual fees. Your initial license is \$150 and you will be charged this on an annual basis; additional licenses for your employees and craftsmen will have to be purchased. You are required to pay an annual software renewal fee to us. You are also required to pay a monthly software support and maintenance fee for each user. Depending on the level of access required, (less access for craftsmen, more for CSRs, service advisors and franchisees), a monthly fee of \$5 to \$100 will be assessed to the franchisee (Franchisees and license users will be billed a \$100 monthly fee, craftsmen will be billed a \$5 monthly fee, and portal users [usually CSRs and service advisors] will be billed a \$70 monthly fee). All upgrades and maintenance of proprietary software will be provided by the vendor at your expense. The Franchise Agreement provides that you may be required by us to upgrade or update any hardware component or software program during the term of the franchise, at your expense. The total cost of computer needs is between \$10,910 and \$15,800 as stated in Item 7 of this FDD. You will need a Microsoft Windows operating system – Windows 7 Professional is the current requirement. You will also need at least one computer workstation is a tablet laptop/notebook computer, which is a tablet pc with a touch screen, and another computer workstation is a desktop or laptop docking station. There are no contractual limitations on our right to access the information and data you collect electronically.

You must pay a fee for the ongoing maintenance and/or support of the software. (See Item 6). We require that you maintain your systems on-line to allow us access to system data and information. You must comply with our then-current Terms of Use and Privacy Policies and any other requirements regarding all computer and other systems, including Internet/Intranet usage. You are responsible for all charges by our designated supplier or and/or licensor charges for use, maintenance, support and/or updates of and to the required systems.

You must obtain and maintain at your sole expense accounting, sales, reporting and records retention systems conforming to any requirements we prescribe including any electronic systems with on line access for us. These systems may include computer and accounting systems, and software programs, and may have components available only from us, or an approved or designated supplier. We reserve the right to use, as we think appropriate,

and to have full access to, all accounting systems, computer and any other systems, and the information and data they contain. We may charge a reasonable fee for the license, modification, maintenance or support of software or any other goods and/or services that we furnish to you in connection with any of the systems.

We may seek HCAC input before making changes to Designated Equipment, Products, and/or Services that represent an additional investment by most or all franchisees in excess of \$5,000 within the 12 months following the effective date of any changes we establish. We will provide you with a commercially reasonable period of time in which to implement any such changes (not less than 90 days).

Handyman Connection® will provide the Handyman Connection® proprietary software, and may provide periodic updates, improvements, and revisions to this software (as we deem appropriate) at an estimated annual cost to you of approximately \$500 to \$1,000, each of which you'll promptly implement. You may install other software on your computer other than what we or the third-party vendors supply you with. You must lease or buy a complete computer system for each location you own.

In addition to Handyman Connection's proprietary software, we require you to purchase, for yourself and your employees, third party estimating software. The cost of this software is estimated in Item 7 for one user for the low-end estimation, and two users for the high-end estimation.

The computers will be used in the day-to-day operation of the business as well as operating the proprietary software. In the future, we may require you to purchase additional or alternative proprietary software, which has no compatible equivalent that we have approved. It may be by third party vendors which we may designate from time to time.

### **Site Selection**

We don't select the site for your Handyman Connection® franchise, but must approve the site and your lease. As stated in Item 7, we recommend that you lease a site no larger than 500 square feet.

You select the site for your office that complies with the Franchise Agreement. You must maintain adequate office space and telephone lines for your Franchised Business (Franchise Agreement Section 5.) All matters related to the site selection, development, etc. are your sole responsibility.

### **Marketing**

As stated above, we have created a National Marketing Fund to develop, produce, and distribute national, regional and/or local advertising and to create advertising materials and engage in public relations activities that promote the services offered by System franchisees, including, among others, both consumer- and craftsmen-related items, programs and/or campaigns. In general, the NMF is intended to provide you and other members of the Handyman Connection® system with marketing tools, including advertisements, market research, administrative services, new product/services development, craftsmen recruitment



tools, etc., and customer support designed to build and maintain Handyman Connection® brand awareness and consumer preferences. (Franchise Agreement, Section 13.1).

We may use the NMF to satisfy any and all costs of maintaining, administering, directing, preparing, producing, placing and distributing advertising, including both consumer and craftsperson related, as well as any customer support administration, tests, and pilot programs. We will select the types of media used and the location of the advertising and any public relations campaigns administered through the NMF. We use or may use the following media: print, radio, television, telephone, telephone directories, Internet, mobile and direct mail and any other form of advertising medium that is appropriate for the use intended. The media coverage may be national, regional or local in scope. We coordinate the advertising, through in-house specialists and outside agencies, including Tele-Link Services, an outbound and inbound call center.

We will not use NMF funds for franchise development or for items primarily related to franchise marketing; general corporate research unrelated to marketing activities that we are authorized to perform under the Franchise Agreement; administrative expenses not permitted by the relevant Franchise Agreements; or franchise support and field services performed by us. (Franchise Agreement, Section 13.1).

We will account for the NMF separately. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the NMF in that year, and the NMF may borrow from us or other lenders to cover deficits of the NMF or cause the NMF to invest any surplus. We retain the right to defer, waive and/or compromise claims for current/future contributions to, and/or claims against or with respect to, the NMF and fund the same with the NMF. We may also merge the NMF with any marketing fund otherwise established for Handyman Connection® Businesses, so long as the restrictions of the relevant Franchise Agreement(s) continue to apply to contributions made by Franchisees under the arrangements. (Franchise Agreement, Section 13.1). We retain the right to incorporate the NMF or operate it through an entity separate from us, which is subject to all rights and duties of ours relating to the NMF. We do not have to spend a specific amount on advertising in your Territory.

We prepare a summary statement of operations of the Fund annually and make the statement available to you upon written request. We are entitled to receive payment for salaries, administrative costs and overhead in connection with the services we provide to the NMF. Any funds not spent in any particular year are kept in the Fund for use in subsequent years.

Handyman Connection has a franchise advisory council (Handyman Connection Advisory Council "HCAC") that may review and propose advertising. The council is comprised of franchisees. The members of the council are selected by Handyman Connection franchisees by secret ballot at the annual conference. The HCAC serves in an advisory capacity; it has no decision-making power over what advertising Handyman Connection will use in the campaigns administered through the NMF.

You understand that some Handyman Connection® franchisees have NMF obligations that are different and more favorable than yours. We have in the past extended offers to non-NMF participants to amend their existing agreements to allow them to participate in the NMF at

a lesser contribution percentage for established time periods to encourage their participation, and may do so in the future.

We may provide advertising creative concepts and other content and/or materials to marketing funds for Handyman Connection Business franchisees and/or to franchisees located outside of the United States provided that such fund/franchisees will be required to bear a reasonable portion of the costs for such items (and or reimburse the NMF for such amount) as determined by us.

Neither we, HCAC, nor any Affiliate will be liable for any act or omission in connection with the NMF. None of the relationships with you in connection with the NMF is in the nature of a "trust," "fiduciary" or similar special arrangement.

We may deny access to any and all programs and/or materials created by, and benefits of, the NMF to you and to any franchisees who are in default in any obligations to the NMF and/or otherwise in default under the Franchise Agreement.

You must participate in all NMF programs. You will fully honor all coupons, price reduction and other promotions/programs as we direct.

For the partial fiscal year through November, 2013, the NMF funds were spent as follows:

|   |     |
|---|-----|
| Production (Research and Development)     | 16% |
| Media Placement and Promotional Materials | 51% |
| Administration and Other expenses         | 33% |

#### Local Advertising

In addition to contributions to the National Marketing Fund, you must spend an amount equal to ten percent (10%) of the Gross Sales of your Franchised Business on local marketing in your Territory, either by way of direct promotion or participation in a local or regional advertising cooperative with other System franchisees. For the first year of operation, you must spend an amount equal to twelve percent (12%) of the Gross Sales of the Franchised Business on local marketing. The purchase of your required vehicle wrap is not included in the 12% marketing requirement in your first year. We have the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to your Franchised Business. (Section 13.3 of the Franchise Agreement). Any contributions you must make to a Cooperative will be credited towards your local advertising requirement. You may spend any additional sums you wish on local advertising. You must spend the Local Advertisement Requirement as we prescribe in the Operations Manual or otherwise in writing. All marketing must be restricted to the Territory.

Handyman Connection has the right to require that you submit reports at the end of June and December detailing the amounts you have spent on local advertising. Handyman Connection may require similar reports at other times. If you do not spend the required amounts on local advertising, Handyman Connection may, in its sole discretion, require you to make an additional contribution to the NMF to make up the difference between what you were required to

spend on local advertising and what you, in fact, spent on local advertising for that year. (Section 13.2.2 of the Franchise Agreement).

You may only use the advertising, marketing and promotional materials created for and provided to the system to support you in your business. If it is necessary for you to produce your own materials locally, you may do so only if you have submitted them to us for approval at least 15 business days before their use. We will inform you in writing of our approval or disapproval of your proposed materials within 10 business days of submission. (Section 13.2 of the Franchise Agreement).

In addition to making contributions to the National Marketing Fund, you agree, at your own cost and expense, to market, advertise and promote the Franchised Business in the Territory, and will: (a) list separately, or participate in a listing, in the Yellow Pages of the local telephone directory servicing the Franchised Business' Territory and the corresponding internet directory, which must conform with our specifications, and if directed by us, you agree to participate in a pro-rata share of Yellow Page ad by a group of local franchisees; (b) maintain at least one white pages listing in the principal local telephone directory serving the Territory; and (c) have at least one wrapped vehicle displaying the Handyman Connection logo, website, and phone number.

You must market, advertise and promote the Franchised Business in the Territory only in a manner that will reflect favorably on us, the Franchised Business, the services and products offered by you, and the good name, goodwill, and reputation of the System and Proprietary Marks. You must not use any advertising or other marketing or promotional materials furnished by Franchisor or any other materials containing any of the Proprietary Marks for any purpose other than to market and promote the Franchised Business. Your advertising or marketing materials must be in good taste, conform to brand standards and requirements, ethical and legal standards, and may include both consumer and crafts-person-related materials and campaigns. We require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet and World Wide Web, to us for our review and approval before use. You will not use any materials or programs disapproved by us at any time and will use all materials and programs designated by us as mandatory. We can require you to include a brief statement regarding the availability of Handyman Connection® franchises in advertising used by you and/or that brochures regarding purchase of Handyman Connection® franchises be displayed in your Handyman Connection® Franchised Business. We may establish standards and requirements for yellow page and other directory advertising, which you must follow. All use of the Internet, World Wide Web or other electronic media by you in connection with your Handyman Connection® Business will be as we specify.

## **ITEM 12**

### **TERRITORY**

You will operate your Handyman Connection® Franchised Business from a single location within a territory approved by us and designated in Schedule A to the Franchise Agreement (the "Territory"). The Territory presently being offered generally includes 100,000 single family dwelling units ("SFDUs"), but the size of the territory being offered to you may be smaller or larger. There are several factors that might affect the number of SFDUs in a Territory; including the number of single family dwelling units in an area, which further depends

on external factors such as Territory location and geography; whether the Territory was previously owned or serviced by any former or current franchisee; and a franchisee's experience. Population counts are derived from a third party independent source using 2010 United States Census Bureau statistics, and any updated estimates, if available.

You may advertise, offer and perform Residential Services outside of your Territory so long as, (i) the offering and performing of services is not within the territory of another Handyman Connection franchised business, (ii) the services are within the definition of Residential Services as defined by the Franchise Agreement, and (iii) you get our prior written approval. You may not sell or offer any services outside the boundaries of your Territory without our prior written consent. We will not enter into a Franchise Agreement licensing a Handyman Connection® Franchised Business, or open and operate a company-owned Handyman Connection Business, servicing customers inside your Territory.

### **Reservation of Rights and Alternative Channels of Distribution**

Under the Franchise Agreement, we and our Affiliates retain the right to: (i) own and operate, and license to others the right to own and operate Handyman Connection® Franchised Businesses outside of your Territory using the Proprietary Marks or any other marks we may designate; (ii) own and operate and license to others the right to own and operate similar businesses under different names inside or outside of the Territory under different marks; (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of Proprietary Services and Products, home repair tools and tool kits, and other items through wholesale and retail stores, via the Internet, through mail order catalog, and via direct marketing through telephone, television, or radio within or outside of your Territory; (iv) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the Handyman Connection System and/or the Proprietary Marks, and award franchises under other concepts for locations anywhere; (v) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere (these transactions may include arrangements involving competing outlets and brand conversions to or from the Handyman Connection Marks and System); and (vi) engage in any other activities not expressly prohibited by the Franchise Agreement.

We reserve the right, among others, as to any service arrangements relating to our sale of products and services through alternative channels of distribution and our reserved rights. The Franchise Agreement grants you no right to: (i) to distribute products and services through our reserved rights or through alternative channels of distribution; or (ii) to share in any of the proceeds from our activities through alternate channels of distribution.

### **Minimum Performance Criteria**

Your exclusive right to operate a Handyman Connection® Franchised Business within the Territory is dependent upon achieving the Minimum Performance Criteria and paying the annual Minimum Royalty Fee.

For Calendar Years third through fifth, you must achieve a minimum of \$225,000 in

Gross Sales for each 60,000 SFDUs in your Territory (60,000 SFDUs is one "SFDU Group"), and for Calendar Years 6<sup>th</sup> through 10<sup>th</sup>, you must achieve a minimum of \$350,000 in Gross Sales for each SFDU Group in your Territory. For the purpose of calculating the Minimum Royalty Fees associated with Minimum Performance Criteria, if your Territory contains more than 60,000 SFDUs, but less than a multiple of 60,000, then the number of SFDU Groups in that Territory will be rounded down to the nearest whole number of SFDU Groups.

| <b>CALENDAR YEAR</b>               | <b>Minimum Performance Criteria amounts for Gross Sales</b> |
|------------------------------------|---|
| 3 <sup>rd</sup> – 5 <sup>th</sup>  | \$225,000 for each SFDU Group in your Territory             |
| 6 <sup>th</sup> – 10 <sup>th</sup> | \$350,000 for each SFDU Group in your Territory             |

Calendar Years are determined as follows: (a) the "First Calendar Year" is that portion of the year ending on December 31 of the same year as the Effective Date of your Franchise Agreement; (b) the "Second Calendar Year" is the first full year following the First Calendar Year; (c) the "Third Calendar Year" shall be the second full year following the First Calendar Year; and, (d) the "Fourth Calendar Year" through "Tenth Calendar Year" shall be determined in the same manner as listed in subparagraphs (b) and (c) above, except increasing by one for each full year following the First Calendar Year. If the Final Calendar Year is less than 12 months, then the amount of the Minimum Royalty Fee will be based on the number of months or portion of a month of operation in the Final Calendar Year, divided by 12.

We have the right to terminate the Franchise Agreement if you fail to meet your Minimum Performance Criteria for any given Calendar Year. Under the terms of the Franchise Agreement, you must make up any deficiency in your Minimum Performance Criteria for any given year by paying us the difference between the Royalty payment actually received and the Royalty payment we would have received had you met the Minimum Performance Criteria. Submission of the annual Minimum Royalty Fee will not negate our right to terminate your territorial exclusivity or the Franchise Agreement. If you do not meet the Minimum Performance Criteria, you may be ineligible to participate in the Certificate Programs and National Account Programs described below. We may also terminate your Franchise Agreement or otherwise modify your rights in the Territory, or reduce the size of your Territory.

#### **Certificate Programs and National Accounts**

We reserve the right to establish one or more "Certificate Programs" through which franchisees may be authorized to offer, sell, and perform maintenance, installation, and repair services, not specifically identified as Residential Services ("Certificate Program Services"). In order to provide such services, you must meet the eligibility requirements of the individual Certificate Programs, which may include signing Handyman Connection's Certificate Program Services Addendum, the payment of an initial program fee, the payment of enhanced royalty fees, the purchase of increased insurance coverage, the satisfactory completion of supplemental training, and other requirements as we determine necessary and appropriate, at our discretion.

You may not enter into contracts to perform such services with third parties or other system franchisees without our written permission. We, our Affiliates, other Handyman Connection franchisees, or third party designees may perform services under such contracts within the Territory. You disclaim any compensation or consideration for work performed by others in the Territory under any Certificate Program. We have not currently established any Certificate Programs.

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services (as defined below) to any entity that owns or otherwise has responsibility for a building or common services in more than one location whose business is not confined to one particular franchisee's territory, regardless of the contract amount of the services to be performed (a "National Account"). We have not currently established any National Accounts. We or any party we may designate shall have the right to perform the services for the National Account within your Territory.

### **Residential Services**

The grant of a franchise is for the right to provide Residential Services only. Until completion of your Second Calendar Year, the cost of Residential Services cannot exceed \$15,000 per project or \$30,000 in the aggregate without our prior approval. Residential Services are limited to one, two, or three owner-occupied dwellings. Franchisees may not offer services unrelated to home repair such as lawn care. Subject to your compliance with the terms of the Certificate Programs and National Accounts listed immediately above, and subject to you being in full compliance with the Franchise Agreement, you may perform commercial work in your Territory but you agree and acknowledge that you do not own the exclusive rights to perform such commercial work in your Territory. If you wish to offer services other than Residential Services, you must obtain our prior written approval, which we may grant at our sole discretion. We may condition our approval on your completion of a Certification Program, if any, and the payment of any licensing fee associated with providing additional services.

### **Relocation**

You may relocate the Franchised Business only with our prior written approval, which we will not unreasonably withhold provided that the proposed new location meets our then-current criteria for a Franchised Business.

### **ITEM 13** **TRADEMARKS**

You will have the limited right to use the Proprietary Marks we designate to operate your Franchised Business. We or our predecessors have registered the following trademarks on the Principal Register of the U. S. Patent and Trademark Office:

| <u>Mark</u>                                      | <u>Registration No.</u> | <u>Registration Date</u> |
|--|-------------------------|--------------------------|
| Handyman Connection                              | 1838843                 | June 7, 1994             |
| Handyman Connection                              | 1874163                 | January 17, 1995         |
| Home Repair Connection                           | 1874225                 | January 17, 1995         |
| Retired Craftsmen &<br>Other Experts             | 1869114                 | December 20, 1994,       |
| HandyNet   | 2679617                 | January 28, 2003         |
| Handyman Connection                              | 2935897                 | March 29, 2005           |
| ALL WORK GUARANTEED IN WRITING                   | 3076595                 | April 4, 2006            |
| DONE RIGHT. DONE QUICK. GUARANTEED!              | 3103780                 | June 13, 2006            |
| GET THE THINGS YOU WANT DONE...DONE!             | 3076591                 | April 4, 2006            |
| ONE CALL GETS THE THINGS<br>YOU WANT DONE...DONE | 3103781                 | June 13, 2006            |
| TOOLS FOR SUCCESS                                | 2963412                 | June 21, 2005            |
| LIFE   | 3379361                 | February 5, 2008         |
| L.I.F.E.   | 3461630                 | June 8, 2008             |

We, our predecessors or others from whom we derived our rights have filed all required affidavits of use in connection with the applications for trademark registration. All marks have been renewed. There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Proprietary Marks.

Handyman may change or modify its commercial symbols and you must adopt, use, and display the additional, substitute, or modified marks at your sole expense. You must use all names and marks in full compliance with the rules prescribed from time to time by Handyman.

You are prohibited from using any name or mark as part of any corporate name or with any prefix, suffix, or other modifying words, forms, designs or symbols (other than logos licensed by Handyman to you). In addition, you may not use any name or mark in connection with the sale of any unauthorized product or service in any other manner not explicitly authorized in writing by Handyman.

Handyman (through its predecessor, Neubel, Inc.) is subject to an agreement with Handyman Lumber Company, Inc. of unspecified duration. This agreement restricts Handyman from using the name "Handyman Connection," or any other name utilizing the word or mark "Handyman," in 12 counties (and a portion of one other), the "Restricted Territory," in Ohio. In addition, Handyman cannot use the word or mark "Handyman" in any area for retail store services or for any services rendered or arranged to be rendered by a retail store. As part of the Agreement, Handyman Lumber Company, Inc. agreed to make no use of the name "Handyman Connection" as a service mark, trademark or trade name and agreed to not take any action to restrict the use by Handyman's predecessor of "Handyman Connection" for home repair services in any area outside the Restricted Territory. Nothing in the agreement prohibits Handyman from using the name "Handyman Connection" for services outside the Restricted Territory in advertising and marketing media that originate outside the Restricted Territory and are targeted to potential customers outside the Restricted Territory. The agreement is binding on and benefits the parties' successors (and the assignees of substantially all the assets used in the businesses concerned) and makes no provision for cancellation or modification, any cancellation or modification normally requiring the agreement of both parties. There are no other agreements currently in effect which significantly limit the rights of Handyman Connection, to use or license the use of its trademarks, service marks, logotypes or commercial symbols in any matter material to the franchise. There are no other agreements currently in effect which significantly limit the rights of Handyman Connection to use or license the use of its trademarks, service marks, logotypes or commercial symbols in any matter material to the franchise.

If it becomes advisable at any time, for you to modify or discontinue the use of any of the Marks or use one or more additional or substitute trademarks or service marks, you will promptly comply (at your sole expense) with our directions to modify or otherwise discontinue the use of such Marks, or use one or more additional or substitute trademarks or service marks, including replacement of all signage, etc. We won't have any liability or obligation (whether of defense, indemnity, expense reimbursement or otherwise) to you. You agree to make no claim, for, or in connection with, any modification, discontinuance or otherwise, and/or any dispute regarding the Marks and/or your and/or our rights in or to them. We make no guaranty that a modification, discontinuance or otherwise may not be required, whether as a result of expiration, termination or limitation of our rights to the Marks or otherwise.

You understand that there is always a possibility that there might be one or more businesses, similar to the business covered by the Franchise Agreement, operating in or near the Territory or area(s) where you may do business or otherwise, using a name and/or marks similar to ours and with superior rights to such name and/or marks as a result of prior use or otherwise. We strongly urge you to research this possibility, using telephone directories, local filings, internet, and other means, prior to your signing the Franchise Agreement, any other documents, expending or paying any sums or making any commitments and you understand that if you fail to do so, you're at risk. (Franchise Agreement, Section 6.4)



Outside of those stated above, there are no infringing uses actually known to Handyman Connection that could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any other state in which the franchise business is to be located.

We are the lawful and sole owner of the domain name [www.handymanconnection.com](http://www.handymanconnection.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 use of a web site using the Marks. Except as we authorize in writing in advance, you may not (i) link our web site; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain names in connection with your franchised business.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents or copyrights (other than common law copyrights with respect to the Manuals) are material to the franchise. There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of any unauthorized use. We may revise our System and any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement you will receive information that we consider trade secret and confidential information. You may not, during the Term of the Franchise Agreement or after its termination or expiration, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, price marketing mixes, copyrighted materials, methods and other techniques and know-how concerning the operation of a Franchised Business ("Confidential Information"). You acknowledge and agree that Confidential Information includes any media that contains customer names and addresses, as well as prices charged to customers and credit extended to customers. You must require your manager and any personnel having access to any of our Confidential Information to sign an agreement stating that they will maintain the confidentiality of information they receive in connection with their employment and restricting their right to work for a competitor while they are employed by you. Your agreement, which will be in a form that we prescribe, will identify us as a third party beneficiary to the agreement and will give us independent enforcement rights.

The Franchise Agreement provides that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of Franchised Businesses, you shall promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement shall become our sole property and we shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to any new concepts. In the alternative,

you and your principals shall grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement if the use or sublicense would, absent the relevant agreements, directly or indirectly infringe on your rights to the new concepts.

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

Your Handyman Connection® Business must be personally managed on a full-time basis by a person who has successfully completed our mandatory training program and who meets our then-current standards. If Franchisee is an individual, Franchisee will be the manager of the Franchised Business unless we approve a different manager in writing.

We have the right to deal with the manager regarding routine operations and reporting requirements. The manager is responsible for the day-to-day operations of the business and will devote at least 40 hours per week to the supervision and conduct of the Handyman Connection Business. You will ensure that our records for your Handyman Connection® Business managers/supervisors are kept current and promptly advise us in writing of any changes. Your manager must sign a non-disclosure, non-competition agreement with provisions substantially similar to those contained in the Franchise Agreement, if the manager is not a party to this agreement. We do not require that your manager hold an equity interest in the franchise.

You are responsible for the hiring and management of your Handyman Connection® Business employees, for the terms of their employment, for ensuring their compliance with any training or other employment-related requirements established by us, and for complying with all applicable employment laws and regulations. You must maintain a competently trained staff and take steps necessary to ensure that good customer relations are preserved and maintain a dress code and the training standards established by us.

You (or if you are a corporation, each of your shareholders; or if you are a partnership, each of your general partners; or, if you are a limited liability company, each of your members and the spouse of any such shareholder, general partner, or member or manager) must sign a Personal Guaranty attached as Exhibit A to the Franchise Agreement.

Pursuant to the signing of the Franchise Agreement or Personal Guaranty, you and the other principal owners of your Handyman Connection® Business, must enter into a covenant not to engage in a competing business and/or use/disclose our confidential business information during the term of the Franchise Agreement or their employment with you, whichever is applicable, and for a period of 2 years following termination of the Franchise Agreement or employment.

Each of your employees, craftspeople, service providers, agents, principals and affiliates must sign a confidentiality agreement containing substantially the same protections as provided in the form agreement contained in the Manuals (although you are responsible for ensuring its adequacy and enforceability under local law). Our approval of a manager other than you is conditioned upon the manager's entering into a confidentiality and restriction of like business

agreement containing covenants like those contained in the Franchise Agreement against engaging in competing businesses and use/disclosure of our confidential business information during the term of the employment with you and for a period of 3 years following. You will provide us copies of these upon request.

In order to maintain the goodwill of the system, you agree to provide response to any customer or craftsman inquiry within one business day, and agree to make your best efforts to resolve any and all outstanding customer or craftsman issues within seven days of the initial customer or craftsman inquiry, even when such response may necessitate the re-performing of a task, or issuing a refund of monies received.

#### **ITEM 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Your Handyman Connection® Business will provide small and medium size home repair and light remodeling services. You are prohibited from providing products and/or services we designate, including lead abatement, roofing, HVAC, and work that requires certain permits or licenses, unless you receive specific, written permission from the President of Handyman Connection. You must promptly obtain all required licenses, permits or otherwise. 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. We reserve the right to add additional products and services at any time.

You must offer and sell all of the services that we require and only the services that we authorize for the System. You will not offer to sell or provide at or through your Franchised Business any merchandise, products or services that have not approved in writing, or use the premises for any other purpose other than the operation of the Franchised Business. We may impose scope and dollar limits on the types of services that you may provide. By way of illustration, you may not be authorized to perform major remodeling services that are estimated to be over a certain dollar amount established by us. Currently, as stated in Item 1, unless otherwise approved by Handyman Connection, until you complete the Second Calendar Year, jobs cannot exceed \$15,000 per project, or \$30,000 in the aggregate. You will not engage in any other business or activity that may conflict with your obligations under the Franchise Agreement or reduce the Gross Sales of your Handyman Connection® Business. Handyman Connection will not restrict you from soliciting any customers within your Territory if you meet your Performance Criteria. (See Item 12).

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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.

| Provision   | Section in franchise or other agreement | Summary   |
|---|---|---|
| a. Length of the franchise term                                 | 4.1                                     | 10 years.   |
| b. Renewal or Extension of the Term                             | 4.2                                     | You have the right to renew the franchise for one renewal additional 10 year term provided certain conditions are met unless we provide you 120 days advance written notice of our intent to not renew.   |
| c. Requirements for renewal or extension of Franchise Agreement | 4.2                                     | You timely notify us in writing of your intention to renew; you have the right to operate your Franchised Business at the approved location for the duration of the renewal term or have secured an approved substitute location; you have satisfactorily completed no later than 180 days before the expiration of the then-current term, all necessary maintenance, refurbishing, renovating, updating and remodeling of the Franchised Business premises to bring the premises and all equipment into full compliance with our then-current System standards and specifications; you are not in breach of any provision of the Franchise Agreement, or any other agreement between you and us, our Affiliates, and/or our major suppliers and vendors, and you have substantially complied with all agreements during their respective terms; you have satisfied all monetary obligations you owe us, our Affiliates, and/or our major suppliers and vendors; you sign our then-current form of franchise agreement, which may contain materially different key terms; you satisfy our then-current training requirements; you pay a renewal fee equaling 10% of our then-current initial franchise fee; and you sign a general release. |
|   |   |   |

| Provision  | Section in franchise or other agreement | Summary  |
|--|---|--|
| d. Termination by franchisee                       | No Provision.                           | You do not have the contractual right to terminate the Franchise Agreement.  |
| e. Termination by franchisor without cause         | No Provision.                           | Not Applicable.  |
| f. Termination by franchisor with cause            | 19                                      | We have the right to terminate the Franchise Agreement with cause.   |
| g. "Cause" defined -curable defaults               | 19.3                                    | We have the right to terminate the Franchise Agreement after providing you a 10-day cure period if: (i) you fail to pay any monies you owe us or our Affiliates; (ii) you fail to submit reports within 10 days of the due date; (iii) you fail to maintain the prescribed hours of operation for the Franchised Business; (iv) you fail to maintain proper permits, insurance, licenses, or certificates related to your operation of a Franchised Business; (v) you fail to submit timely reports twice within any 12 month period; (vi) fail to maintain strict quality control standards or have 6 or more material customer complaints for every 1,000 customers with respect to the Franchised Business in any 12 month period, whether resolved or not resolved; (vii) you breach any other term or condition of the Franchise Agreement, SOP, or the Operations Manual; (viii) a final judgment of \$10,000 or more is entered against you and not satisfied within 20 days or within the time frame prescribed by law. The right to terminate is an addition to any other rights or remedies available under the Franchise Agreement or applicable law. |
| h. "Cause" defined defaults – non-curable defaults | 19.3.4                                  | We have the right to terminate the Franchise Agreement with notice but without opportunity to cure if: (i) you commit any two breaches within a 12 month period; (ii) any audit reveals you understated Gross Sales, royalties, or NMF payments or other advertising payments by more than 2%; (iii) you make any material misrepresentation in connection with obtaining a franchise or are fraudulent in your dealings with us; (iv) you make any unauthorized transfers; (v) you become unable to operate the business subject to Section 18.9 of the Franchise Agreement; (vi) you fail to meet the  |

| Provision  | Section in franchise or other agreement | Summary  |
|--|---|--|
|  |   | <p>Performance Criteria in Section 9.2 of the agreement; (vii) you commit fraud; (viii) you abandon your Franchised Business for 15 calendar days or more or threaten to abandon your business; (ix) you or a guarantor make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or allow the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or allow the appointment of a trustee or receiver for you or the Franchised Business; (x) proceedings are commenced to have you or a guarantor adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, or a trustee or receiver is appointed for you or the franchised business without your consent; (xi) you or a guarantor(s) become inactive, dissolve, liquidate, merge or otherwise cease to exist voluntarily or involuntarily; (xii) you or a guarantor are convicted of a felony, any act of theft, or other immoral crime or offense or any crime or offense reflecting negatively on you, the Franchised Business, or System; (xiii) a lien is placed against you or a guarantor and is not released or bonded against in 30 days; (xiv) you or a guarantor fail to comply with the anti-terrorist obligations in the Franchise Agreement or engage in misconduct affecting us, our System, or the Proprietary Marks; (xv) you take any of the Franchised Business's assets for personal use; (xvi) you are in default of any other agreements with us.</p> |
| i. Franchisee's obligations on termination/non-renewal | 20                                      | <p>On termination or expiration of the Franchise Agreement, you must (i) pay all fees owing – if termination occurs before May 1st of any Calendar Year, then you pay the then current Calendar Year's Minimum Royalty Fee in full upon notice of termination; if termination occurs after May 1st of any Calendar Year, then you pay the current Calendar Year's Minimum Royalty Fee plus 25% of the following Calendar Year's Minimum Royalty Fee; (ii) discontinue use of Handyman</p>  |

| Provision  | Section in franchise or other agreement | Summary  |
|--|---|--|
|  |   | Connection Marks and cease holding yourself out as a System franchisee; (iii) return or destroy materials, (iv) cancel or assign fictitious business names; (v) remove signage; (vi) transfer phone numbers and listings and internet sites and addresses; (vii) pay us the greater of two percent (2%) of your total Gross Sales for the preceding twenty-four (24) months or \$15,000 to cover our fulfillment of all customer warranties; (viii) comply with the post term covenants of the Franchise Agreement, including non-competition and confidentiality provision; (ix) allow us to inspect your financial records; (x) cease to use in advertising or in any other manner any methods, procedures or techniques associated with us or the System; and (xi) sign periodically any papers, documents, and assurances necessary to effectuate termination or nonrenewal. |
| j. Assignment of contract by franchisor          | 18.8                                    | We have the right to assign our rights under the Franchise Agreement.  |
| k. "Transfer" by franchisee -- defined           | 18.1, 18.3, 18.4, 18.5                  | A transfer includes any sale, assignment, subfranchise, transfer, conveyance, pledge, mortgage, lease or other encumbrance on any interest in this Agreement. A sale, transfer or assignment requiring our prior written consent also occurs: (i) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock that results in a change in ownership; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if you are a limited liability company, upon any assignment, sale, pledge or transfer of any fractional portion of any interest in the limited liability company.  |
| l. Franchisor approval of transfer by franchisee | 18.1                                    | You may not transfer any rights in the franchise without our prior written consent. We have the right to condition our approval of any sale, transfer, assignment or encumbrance as described below.   |

| Provision   | Section in franchise or other agreement | Summary   |
|---|---|---|
| m. Conditions for franchisor approval of transfer                       | 18.2                                    | <p>Our approval of a proposed transfer is conditioned upon you and/or your transferee meeting all of the following conditions: (i) you have paid all monies owed to us; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you sign a general release in favor of us and our Affiliates; (iv) you provide us a copy of the signed purchase agreement; (v) the transferee meets our qualifications; (vi) the transferee signs our then-current franchise agreement; (vii) you or the transferee pay us costs in approving the transfer, which transfer fee will be no less than \$5,000; (viii) the transferee satisfactorily completes our training program; (ix) you comply with the post term provisions of the Franchise Agreement; (x) the transferee obtains all licenses and permits necessary operate the Franchised Business; (xi) as required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; and (xii) the transfer is made in compliance with all applicable laws; (xiii) the purchase price and terms of the proposed transfer are not burdensome. You must assume all responsibility for any warranty work. We will determine whether the Franchisee or the prospective transferee shall have primary responsibility for any warranty work. We have the right to perform and charge either you or the prospective franchisee the cost to perform such warranty work plus a 15% administration fee. We may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise, though we will not unreasonably withhold, delay, or condition our consent to a transfer.</p> |
| n. Franchisor's right of first refusal to acquire franchisee's business | 18.6                                    | <p>You must first offer to sell to us on the same terms and conditions as those offered by a third party. We will notify you, within 30 days after receiving the offer, whether we wish to exercise our right to purchase your business.</p>  |



| Provision   | Section in franchise or other agreement | Summary   |
|---|---|---|
| o. Franchisor's option to purchase franchisee's business                  | None                                    | N/A   |
| p. Death or disability of franchisee                                      | 18.9                                    | Upon your death or disability, you may transfer your rights under the Franchise Agreement pursuant to the transfer provisions set forth in Section 18 of the Franchise Agreement. If no transfer takes place within 90 days of your death or disability, the Franchise Agreement is automatically terminated.   |
| q. Non-competition covenants during the term of the franchise             | 12.1                                    | During the term of the Franchise Agreement, neither you, your partners, members, or shareholders, as applicable, nor any member of their family can directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation engage in any competing business anywhere, or solicit Handyman Connection customers, employees, or independent contractors for any competitive purposes.   |
| r. Non-competition covenants after the franchise is terminated or expires | 12.2                                    | For a period of 3 years after the termination of the Agreement, neither you, nor your officers, directors shareholders, members, or any members of their immediate families may directly or indirectly engage in any business: (i) competing with us in granting franchises or licenses; (ii) which offers, sells or licenses products or services of the type offered under the System within a radius of twenty (20) miles of the perimeter of your Territory, or five (5) miles from the perimeter of any other Handyman Connection franchisee's territory in operation, or of any territory which is being considered or for which discussions are under way for a Handyman Connection franchise, as of the date of expiration and nonrenewal, Transfer or termination of your Franchise Agreement. For a period of 3 years, you may not solicit business from then existing or prospective National Account or customers with whom you did business as System Franchisee in the preceding five (5) years for any related or competitive business purpose, nor solicit any employee or craftsman of us or |

| Provision   | Section in franchise or other agreement | Summary  |
|---|---|--|
|   |   | any other System franchisee to discontinue his employment. Finally, for a period of 3 years you may not own, maintain, engage in, be employed by, or have any interest in any company which engages in any business competing in whole or in part with us, Handyman Connection franchisees, solicits work for Handyman Connection franchisees that otherwise would fall under the National Account Program, or which grants franchises or licenses for any business competing in whole or in part with us. |
| s. Modification of the agreement                  | 23.9                                    | All modifications must be in writing and signed by the parties, except the Operations Manual which is subject to change.   |
| t. Integration/merger clause                      | 23.13                                   | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.  |
| u. Dispute resolution by arbitration or mediation | 12.1, 21.2                              | At our option, you must bring all disputes before our President prior to bringing a claim before a third party, at our option. All disputes not resolved by mediation must be submitted to arbitration through the AAA office nearest our headquarters (subject to state law).   |
| v. Choice of forum                                | 21.5                                    | Any dispute not resolved by mediation or arbitration must be submitted before the United States District Court or state trial court in the city or county of our headquarters (subject to state law).  |
| w. Choice of law                                  | 23.6                                    | Laws of Ohio apply, but Federal Arbitration Act preempts. Please see the state-specific addenda to the Disclosure Document and Franchise Agreement in Exhibit E.   |

## ITEM 18 PUBLIC FIGURES

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

## 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.

### Background

This Item sets forth certain historical data reported to us by franchisees of the Handyman Connection System. We have not audited this information, nor independently verified this information. The information provided for the Annual Gross Sales and for the Leads from Repeat & Referral customers is for the period of January 1, 2013 through December 31, 2013 (the "2013 Data Period"). The Gross Margin on Service Revenue information is for the period of January 1, 2012 through December 31, 2012 (the "2012 Data Period"). Because of the timing of this FDD, we had not received the unaudited Profit & Loss Statements from our 2013 franchisees, and therefore could not publish this information. The information provided represents the information from our U.S. franchisees who operated for a full 12 months, including any of the re-sales that operated for the full 12 months of 2013.

### Annual Gross Sales

The following Table presents the Gross Sales<sup>(1)</sup> as reported to us by 35 out of the 36 U.S. franchisees (representing 48 of the 49 franchised territory outlets in the U.S.), who were in operations for more than 12 months as of December 31, 2013 ("Reporting Businesses"). The following table presents the high, low, Average<sup>(2)</sup> and Median<sup>(3)</sup> Gross Sales for the Reporting Businesses during the 2013 Data Period.

| Number of Reporting Franchises in the US | Cumulative # of territory outlets owned by reporting franchisees | High Gross Sales among reporting franchisees | Low Gross Sales among reporting franchisees | Average Gross Sales among Reporting Franchisees | Median Gross Sales among Reporting Franchisees | Number of reporting Franchisees exceeding the average | Average # of SFDUs for those reporting | Average # of SFDUs for those exceeding the average |
|--|--|--|---|---|--|---|--|--|
| 35                                       | 48   | \$1,960,027                                  | \$76,726                                    | \$510,968                                       | \$470,804                                      | 14 (or 40%)   | 312,317                                | 367,314  |

Notes:

1. "Gross Sales" is defined as a franchisee's total sales invoices or other items or services billed to the customer for all completed sales, less any discounts and cancellations reported to us on our software system. Note the majority of these sales do not include the sale of materials. The Gross Sales figure forms the basis for your calculation of the Royalty Fee based on the previous month's Gross Sales.

2. "Average" is defined as the sum of the Gross Sales of the Reporting Businesses divided by the number of Reporting Businesses in each operating category.

3. "Median" means the amount that falls in the middle when all other amounts listed are arranged highest to lowest. In other words, one-half of the Reporting Businesses exceeded the median value above and one-half did not.

4. The Territory presently being offered generally includes 100,000 single family dwelling units ("SFDUs"), but the size of the territory being offered to you may be smaller or larger.

Leads<sup>(1)</sup> from Repeat Customers<sup>(2)</sup> and Referrals<sup>(3)</sup>

Offering many different services through the Handyman Connection System will give you the opportunity to serve your customers in multiple ways at a single residence. In the course of operating your Handyman Connection Franchised Business, we recommend that you monitor certain performance measurements, such as Leads from Repeat Customers and Referrals. Service requests from Repeat Customers indicate multiple contacts for different services. Referrals can indicate satisfaction with the quality of service received, resulting in recommendations to others.

This Table presents the Percentage of Leads from Repeat Customers and Referrals as reported to us by Reporting Businesses, as defined above. The following table presents the high, low, average and median percentage of Leads from Repeat Customers and Referrals for the 35 Reporting Franchisees Businesses during the 2013 Data Period.

| Number of Reporting Franchises in the US | Cumulative # of Territory Outlets Owned by Reporting Franchisees | High # of Leads from Repeat & Referral Customers | Low | Average | Median | Average % of Leads from Repeat or Referral customers | Number of reporting Franchisees exceeding the average | Average # of SFDUs for those reporting | Average # of SFDUs for those exceeding the average |
|--|--|--|-----|---------|--------|--|---|--|--|
| 35                                       | 48   | 5,469  | 256 | 1,086   | 816    | 52%  | 12  | 312,317                                | 395,335  |

Notes:

1. "Lead" is defined as a request from a potential customer for a Reporting Business to provide an estimate to perform services.

2. "Repeat Customers" are defined as a customer that has used a Reporting Business's service in the past.

3. "Referral" is defined as a request initiated by a potential customer for a Reporting Business to perform services based on a recommendation by a previous customer.

### **Gross Margin on Service Revenue**

This Table presents the Percentage Gross Margin<sup>(1)</sup> on Service Revenue<sup>(2)</sup> reported to us by 36 of the 45 U.S. franchisees, plus one corporate store, that had been in operations for more than 12 months as of December 31, 2012, and for whom we received an un-audited Profit and Loss Statement for 2012 ("GM Reporting Businesses"). This Table excludes franchisees that had not been in operations a full 12 months as of December 31, 2012, and those for whom Gross Margin data was not provided in a timely fashion in response to our request. The following Table presents the high, low, average and median percentage of Gross Margin on Service Revenue for the 37 GM Reporting Businesses during the 2012 Data Period.

| Number of GM Reporting Businesses | Cumulative # of Territory Outlets Owned by GM Reporting Businesses | High Gross Margin Among GM Reporting Businesses | Low Gross Margin Among GM Reporting Businesses | Average Gross Margin Among GM Reporting Businesses | Median Gross Margin Among GM Reporting Businesses | Number of GM Reporting Businesses Exceeding the Average Gross Margin | Average # of SFDUs for GM Reporting Businesses | Average # of SFDUs for GM Reporting Businesses Exceeding the Average |
|-----------------------------------|--|---|--|--|---|--|--|--|
| 37                                | 58   | 63%   | 31%  | 47%  | 49%   | 20 (or 54%)  | 433,887  | 421,780  |

#### **Notes:**

1. "Gross Margin" is defined as (Total Revenue – (Labor Cost + Material Cost)), and "Percentage Gross Margin" is defined as (Total Revenue – (Labor Cost + Material Cost)) / (Total Revenue).

2. "Total Revenue" is defined as revenue from labor and materials.

3. Requests for unaudited Profit and Loss Statements were sent to 44 U.S. franchisees that were open and operating for more than 12 months as of December 31, 2012. We received 36 unaudited Profit and Loss Statements in response to that request. These Statements have not been independently verified.

4. The number of GM Reporting Businesses includes one company-owned store.

### **General Notes and Disclaimers**

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much. Gross Sales, revenues, expenses and Gross Margin on Total Revenue may vary. You should not use this information as an indication of how well your franchise will do. A number of factors will affect the success of your franchise, such as (a) geographic location; (b) competition from other similar businesses in your area; (c) advertising effectiveness based on market saturation; (d) your product and service pricing; (e) vendor

prices on materials, supplies and inventory; (f) labor costs; (g) ability to generate customers; (h) customer loyalty; and (i) employment conditions in the market.

The success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise are likely to differ, perhaps materially, from the results summarized in this item.

Therefore, we recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow statements. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.

Written substantiation of the data used in preparing this financial performance representation will be made available upon reasonable written request to the franchisor.

Other than the preceding financial performance representation, we do 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 our management by contacting Jeff Wall, President, at 11115 Kenwood Rd., Blue Ash, OH 45242, (773) 251-1807, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Fiscal Years Ended December 31, 2011 to December 31, 2013**

| Outlet Type   | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Franchised    | 2011 | 119                              | 98                             | -21        |
|               | 2012 | 98                               | 84                             | -14        |
|               | 2013 | 84                               | 76                             | -8         |
| Company-Owned | 2011 | 1                                | 1                              | 0          |
|               | 2012 | 1                                | 1                              | 0          |
|               | 2013 | 1                                | 0                              | -1         |

| Outlet Type   | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Total Outlets | 2011 | 120                              | 99                             | -21        |
|               | 2012 | 99                               | 85                             | -14        |
|               | 2013 | 85                               | 76                             | -9         |

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than Franchisor) For Fiscal**  
**Years Ended December 31, 2011 to December 31, 2013**

| State        | Year | Number of Transfers |
|--------------|------|---------------------|
| California   | 2011 | 0                   |
|              | 2012 | 0                   |
|              | 2013 | 1                   |
| Florida      | 2011 | 1                   |
|              | 2012 | 0                   |
|              | 2013 | 0                   |
| Kentucky     | 2011 | 0                   |
|              | 2012 | 0                   |
|              | 2013 | 1                   |
| Pennsylvania | 2011 | 0                   |
|              | 2012 | 0                   |
|              | 2013 | 1                   |
| Virginia     | 2011 | 0                   |
|              | 2012 | 0                   |
|              | 2013 | 1                   |
| Canada       | 2011 | 1                   |
|              | 2012 | 4                   |
|              | 2013 | 2                   |
| Totals       | 2011 | 2                   |
|              | 2012 | 4                   |
|              | 2013 | 6                   |

**Table No. 3**  
**Status of Franchised Outlets**  
**For Fiscal Years Ended December 31, 2011 to December 31, 2013**

| State       | Year | Outlet at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets At End of the year |
|-------------|------|-------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Alabama     | 2011 | 2                       | 0              | 0            | 0            | 0                        | 2                               | 0                          |
|             | 2012 | 0                       | 0              | 0            | 0            | 0                        | 0                               | 0                          |
|             | 2013 | 0                       | 0              | 0            | 0            | 0                        | 0                               | 0                          |
| Arizona     | 2011 | 4                       | 0              | 0            | 0            | 1                        | 1                               | 2                          |
|             | 2012 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|             | 2013 | 2                       | 0              | 1            | 0            | 0                        | 0                               | 1                          |
| Arkansas    | 2011 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|             | 2012 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|             | 2013 | 2                       | 0              | 0            | 1            | 0                        | 0                               | 1                          |
| California  | 2011 | 10                      | 0              | 0            | 0            | 0                        | 3                               | 7                          |
|             | 2012 | 7                       | 0              | 1            | 0            | 0                        | 0                               | 6                          |
|             | 2013 | 6                       | 0              | 1            | 0            | 0                        | 0                               | 5                          |
| Colorado    | 2011 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|             | 2012 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|             | 2013 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
| Connecticut | 2011 | 4                       | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|             | 2012 | 4                       | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|             | 2013 | 4                       | 0              | 0            | 0            | 0                        | 1                               | 3                          |
| Florida     | 2011 | 14                      | 0              | 4            | 0            | 0                        | 0                               | 10                         |
|             | 2012 | 10                      | 0              | 0            | 5            | 3                        | 1                               | 1                          |
|             | 2013 | 1                       | 1              | 0            | 0            | 0                        | 0                               | 2                          |
| Georgia     | 2011 | 4                       | 0              | 1            | 0            | 0                        | 0                               | 3                          |
|             | 2012 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|             | 2013 | 3                       | 0              | 0            | 0            | 0                        | 3                               | 0                          |
| Idaho       | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|             | 2012 | 1                       | 0              | 0            | 0            | 0                        | 1                               | 0                          |
|             | 2013 | 0                       | 1              | 0            | 0            | 0                        | 0                               | 1                          |
| Illinois    | 2011 | 4                       | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|             | 2012 | 4                       | 1              | 0            | 0            | 0                        | 0                               | 5                          |
|             | 2013 | 5                       | 0              | 0            | 0            | 0                        | 0                               | 5                          |
| Indiana     | 2011 | 3                       | 0              | 0            | 0            | 0                        | 2                               | 1                          |
|             | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|             | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Kansas      | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|             | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|             | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |



| State          | Year | Outlet at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets At End of the year |
|----------------|------|-------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Kentucky       | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Louisiana      | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Maryland       | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Minnesota      | 2011 | 2                       | 0              | 0            | 0            | 1                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Missouri       | 2011 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                | 2012 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                | 2013 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
| Nevada         | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| New Jersey     | 2011 | 4                       | 0              | 0            | 0            | 1                        | 0                               | 3                          |
|                | 2012 | 3                       | 0              | 0            | 0            | 0                        | 1                               | 2                          |
|                | 2013 | 2                       | 0              | 1            | 0            | 0                        | 0                               | 1                          |
| New Mexico     | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| New York       | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 1              | 0            | 0            | 0                        | 0                               | 2                          |
| North Carolina | 2011 | 3                       | 0              | 0            | 0            | 0                        | 1                               | 2                          |
|                | 2012 | 2                       | 0              | 2            | 0            | 0                        | 0                               | 0                          |
|                | 2013 | 0                       | 0              | 0            | 0            | 0                        | 0                               | 0                          |
| Ohio           | 2011 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|                | 2012 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|                | 2013 | 3                       | 1              | 0            | 0            | 0                        | 0                               | 4                          |
| Pennsylvania   | 2011 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2012 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                | 2013 | 1                       | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| South Carolina | 2011 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                | 2012 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                | 2013 | 2                       | 0              | 0            | 0            | 0                        | 1                               | 1                          |
| Tennessee      | 2011 | 3                       | 0              | 0            | 0            | 0                        | 0                               | 3                          |

| State      | Year | Outlet at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets At End of the year |
|------------|------|-------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
|            | 2012 | 3                       | 0              | 0            | 1            | 0                        | 0                               | 2                          |
|            | 2013 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|            | 2011 | 9                       | 0              | 0            | 0            | 2                        | 0                               | 7                          |
| Texas      | 2012 | 7                       | 0              | 0            | 0            | 0                        | 0                               | 7                          |
|            | 2013 | 7                       | 0              | 0            | 1            | 0                        | 1                               | 5                          |
|            | 2011 | 6                       | 0              | 0            | 0            | 0                        | 2                               | 4                          |
| Virginia   | 2012 | 4                       | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|            | 2013 | 4                       | 0              | 0            | 0            | 0                        | 1                               | 3                          |
|            | 2011 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
| Washington | 2012 | 2                       | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|            | 2013 | 2                       | 0              | 3            | 0            | 0                        | 0                               | 0                          |
|            | 2011 | 24                      | 0              | 0            | 0            | 0                        | 0                               | 24                         |
| Canada     | 2012 | 24                      | 0              | 0            | 0            | 0                        | 0                               | 24                         |
|            | 2013 | 24                      | 0              | 0            | 0            | 0                        | 0                               | 24                         |
|            | 2011 | 144                     | 5              | 12           | 9            | 0                        | 9                               | 119                        |
| Totals     | 2012 | 119                     | 0              | 5            | 0            | 5                        | 11                              | 98                         |
|            | 2013 | 98                      | 1              | 3            | 6            | 3                        | 3                               | 84                         |

**Table 4**  
**Status of Company-Owned Outlets**  
**For Fiscal Years Ended December 31, 2011 to December 31, 2013**

| State  | Year | Outlet at Start of Year | Outlets Opened | Terminations | Non-renewal | Re-acquired by Franchisor | Ceased Operations Other Reasons | Outlets At End of the year |
|--------|------|-------------------------|----------------|--------------|-------------|---------------------------|---------------------------------|----------------------------|
| Ohio   | 2011 | 1                       | 0              | 0            | 0           | 0                         | 0                               | 1                          |
|        | 2012 | 1                       | 0              | 0            | 0           | 0                         | 0                               | 1                          |
|        | 2013 | 1                       | 0              | 0            | 0           | 0                         | 1                               | 0                          |
| Totals | 2011 | 1                       | 0              | 0            | 0           | 0                         | 0                               | 1                          |
|        | 2012 | 1                       | 0              | 0            | 0           | 0                         | 0                               | 1                          |
|        | 2013 | 1                       | 0              | 0            | 0           | 0                         | 1                               | 0                          |

**Table No. 5**  
**Projected Openings As Of December 31, 2013**

| State          | Franchise Agreements Signed But Outlet Not Open | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|----------------|---|--|---|
| Arizona        | 0   | 1  | 0   |
| Florida        | 0   | 1  | 0   |
| Georgia        | 0   | 1  | 0   |
| Illinois       | 0   | 1  | 0   |
| Massachusetts  | 0   | 1  | 0   |
| Minnesota      | 0   | 1  | 0   |
| North Carolina | 0   | 1  | 0   |
| Texas          | 0   | 1  | 0   |
| Washington     | 0   | 1  | 0   |
| Wisconsin      | 0   | 1  | 0   |
| Totals         | 0   | 10   | 0   |

The names, addresses and telephone numbers of the franchisees operating as of December 31, 2013, are listed by state in Exhibit B attached to this Disclosure Document. This list indicates the franchisees that have had an outlet terminated, canceled or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the one year period prior to December 31, 2013. There are some franchisees listed that continue to be part of the Handyman Connection system under other franchise agreements. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Handyman Connection. 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 is one Handyman Connection franchisee association, the Handyman Connection Advisory Council ("HCAC") which meets regularly with Handyman Connection. Group membership in this association is selected by the franchisees and Handyman Connection does not sponsor this association. HCAC does not have a formal mailing address, but the association may be reached through the corporate office stated in Item 1.

## ITEM 21 **FINANCIAL STATEMENTS**

Exhibit C to this disclosure document contains the audited financial statements for Trident Investment Partners, Inc. d/b/a Handyman Connection, for the fiscal year ending December 31, 2013. We do not have three full years of audited financial statements because we have only begun franchising as of the Issue Date of this Disclosure Document.

**ITEM 22**  
**CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document

|           |  |
|-----------|--|
| Exhibit A | Franchise Agreement and Attachments                            |
| Exhibit B | List of Franchisees and Former Franchisees                     |
| Exhibit C | Financial Statements   |
| Exhibit D | List of State Administrators and Agents for Service of Process |
| Exhibit E | State Addenda  |
| Exhibit F | Compliance Certification                                       |
| Exhibit G | Summary of State Contractor Laws                               |
| Exhibit H | Sample Release   |
| Exhibit I | Table of Contents of Operations Manual                         |
| Exhibit J | Promissory Note and Security Agreement                         |
| Exhibit K | Receipts   |

**ITEM 23**  
**RECEIPTS**

An Acknowledgment of Receipt of this Disclosure Document, attached as Exhibit "K", should be completed and returned on receipt of this Disclosure Document.

**EXHIBIT A  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT  
FRANCHISE AGREEMENT AND ATTACHMENT**

**Exhibit A**  
**to the**  
**Disclosure Document**

---

**Franchise Agreement**  
**and**  
**Attachments**

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SCHEDULE A – Territory

EXHIBIT A – Collateral Assignment of Lease and Consent and Agreement of Lessor

EXHIBIT B – Confidentiality and Restrictive Covenant Agreement

EXHIBIT C – Conditional Assignment of Franchisee's Telephone, Domain Names, Emails, URL and Such  
Other Addresses and Numbers

EXHIBIT D – Personal Guaranty

EXHIBIT E – Handyman Software User Agreement

**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

THIS AGREEMENT ("Agreement" ) is entered into and made effective this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by and between Trident Investment Partners, Inc. d/b/a Handyman Connection, an Illinois corporation with its principal business address at 11115 Kenwood Road, Blue Ash, Ohio 45242 ("Franchisor" or "Handyman Connection") and \_\_\_\_\_, an [individual, corporation, limited liability company, or partnership], with an address at \_\_\_\_\_ ("Franchisee").

**RECITALS**

**WHEREAS**, Franchisor and its affiliates have expended a considerable amount of time, effort, and money to develop a unique business system ("Business System" or "System") for the operation of a light repair, maintenance and remodeling business that offers services to residential customers (the "Franchised Business" or "Business") under the trade name and trademark "Handyman Connection"; and

**WHEREAS**, Franchisor is engaged in the business of granting franchises to operate Handyman Connection Franchised Businesses;

**WHEREAS**, Franchisee desires to obtain the right to operate a Handyman Connection Franchised Business with access to Handyman Connection's marketing resources, business operating support, and telecommunication systems as stated in this Agreement and supplemented by the Handyman Connection Operations and Training Manuals, ("Operations Manual") including Standard Operating Procedures ("SOP"), as may be modified or updated from time to time by Franchisor in Franchisor's sole discretion;

**WHEREAS**, Franchisee has applied to Franchisor for a license to operate a Franchised Business and Franchisor has approved Franchisee's application in reliance upon the representations contained in the application;

**WHEREAS**, Franchisor and its franchisees use various trade names, trademarks and service marks (the "Proprietary Marks") to generate brand recognition and goodwill with the general public. These names and marks include the trademark "Handyman Connection" and other trade names, trademarks and service marks as are now or in the future designated as part of the System. The right to use the Proprietary Marks as granted in this Agreement does not carry any ownership interest or rights to the Proprietary Marks. The rights to all the Proprietary Marks, including those presently existing and those to be created in the future, are owned by Franchisor. The Proprietary Marks may be used only for the benefit of the Franchised Business, the Handyman Connection System, Franchisor and Franchisor's affiliates; and

**WHEREAS**, Franchisee hereby acknowledges that adherence to the terms of this Agreement and the standards and specifications of Franchisor are essential to the operation of its Franchised Business and to the operation of the System.

**NOW, THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, and in further consideration of the foregoing recitals, which are incorporate into this



Agreement and the mutual promises, commitments, and understandings contained herein, and intending to be legally bound hereby, Franchisor and Franchisee agree as follows:

## **1. RIGHTS AND RESERVATIONS**

**1.1 Grant of Franchise.** Subject to the terms and conditions stated below, and so long as Franchisee is in substantial compliance with this Agreement as determined by Franchisor in its sole discretion, Franchisor grants and Franchisee accepts the non-exclusive license to operate a Handyman Connection Franchised Business using the Handyman Connection System and Proprietary Marks in the territory identified in the Schedule A attached to and incorporated into this Agreement by reference ("Territory") to provide the services that are authorized under the Handyman Connection System.

**1.1.1** Franchisee may advertise, offer and perform Residential Services (as defined in Section 2.1 of this Agreement) outside of Franchisee's Territory so long as (i) the offering and performing of services is not within the territory of another Handyman Connection franchised business; and (ii) the services are within the definition of Residential Services as defined by this Agreement. Franchisee agrees that the performance of services in areas outside of Franchisee's Territory in no way vests in Franchisee any rights or license to such areas. Franchisee acknowledges and agrees that, except as stated in this Agreement, Franchisee is expressly prohibited from offering, selling, or performing any services outside of the Territory.

**1.2 Exclusivity.** Except as provided for in this Agreement, and so long as Franchisee is in substantial compliance with the terms of this Agreement as determined by Franchisor in its sole discretion, Franchisor agrees not to locate another Handyman Connection franchised business, nor a Franchisor owned business, within Franchisee's Territory for the duration of this Agreement. Franchisor retains the right, among other rights, to establish and grant to others the right to establish a franchised business outside the Territory. Further, Franchisee acknowledges that other franchisees may offer, accept and undertake projects within the Territory as set forth in this Agreement.

**1.3 Reservation of Rights.** Franchisor and its affiliates retain the right to use the Proprietary Marks or any other marks in alternative forms of distribution, including but limited to: (i) the sale of goods or materials, such as hammers and other tools to or through manufacturers, wholesale outlets, malls, retail stores, and individuals, or by mail order, electronic commerce or any other direct sales method, anywhere in the world including sales from and to locations in Franchisee's Territory; (ii) the right to offer, or license to others the right to offer non-residential services under the Proprietary Marks or any other marks Franchisor designates within or outside of the Territory; (iii) the right to service National Accounts (as defined in Section 2.3 below); and (iv) the right to engage in any other activities not expressly prohibited by this Agreement. Franchisee understands that this Agreement grants Franchisee no rights to distribute products or services as described in this Section 1.3; or to share in any of the proceeds received by Franchisor, Franchisor's affiliates, or any third party designee therefrom.

## **2. SERVICES AND PROGRAMS**

**2.1 Residential Services.** Franchisee may offer, sell and perform non-emergency, non-structural maintenance, light remodeling and repair services, which do not require heavy machinery, are not performed beyond a two-story elevation, and, until completion of the Second Calendar Year (as defined in Section 3.3.1 below), do not exceed \$30,000 in the aggregate or \$15,000 for any one particular job, unless approved in advance by Franchisor. Additionally, these Residential Services shall be limited to one, two, or three owner-occupied dwellings. Franchisee agrees that the Franchised Business shall not

offer nor perform services that are beyond the scope of Residential Services, as stated in this Section and as may be supplemented by the Operations Manual from time to time. Franchisee understands and agrees that Franchisee is only purchasing exclusive rights in Franchisee's Territory with respect to new residential leads coming into the System, and that other franchisees may perform commercial work and residential work inside Franchisee's Territory for customers who directly reach out to such other franchisees or franchisees to such customers, without any compensation to Franchisee. Subject to Sections 2.2, 2.3 and 2.4 below, and subject to Franchisee being in full compliance with this Agreement, Franchisee may perform commercial work in its Territory. Franchisee agrees and acknowledges that it does not own the exclusive rights to perform such commercial work in its Territory.

**2.2 Certificate Program Services.** Franchisor reserves the right to establish one or more Certificate Programs through which franchisees may be authorized to offer, sell, and perform maintenance, installation, and repair services, not specifically identified as Residential Services (the "Certificate Program Services" or "Certificate Program"). Franchisee acknowledges and agrees that in order to obtain authorization to perform Certificate Program Services, Franchisee must meet the requirements applicable to the individual Certificate Program, which may include, among other requirements, the execution of a Handyman Connection's Certificate Program Services Addendum, payment of an initial program fee, payment of enhanced royalty fees, increased insurance coverage, the satisfactory completion of supplemental training, and other requirements as determined by Franchisor.

Franchisee acknowledges and expressly understands and agrees that Franchisee shall have no right to contracts in any given Certificate Program Services and that other Handyman Connection franchisees or any other third parties designated by Franchisor may perform services under such contracts within the Territory. Franchisee disclaims any compensation or consideration for work performed by others in the Territory pursuant to this Section 2.2.

**2.3. National and Regional Accounts.** The terms National Account and Regional Accounts mean any customer that on its own behalf or through agents, franchisees, or other third parties owns, manages, controls, or otherwise has responsibility for building or common-services in more than one location which is not confined within any one particular franchisee's territory, regardless of the aggregate contract amount of the services the customer wishes to have performed. Franchisee agrees that Franchisor shall have sole discretion in the determination as to whether a customer is a Regional or National Account and Franchisor's determination shall be final and binding.

**2.3.1** Franchisor shall have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, Franchisee, and/or other franchisees using the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to National or Regional Account customers, including any affiliate, company-owned or franchised location within the Territory.

**2.3.2** Franchisee acknowledges and agrees that Franchisor shall have the right, exercisable in its sole discretion, to (i) provide, directly or through any other licensee or franchisee using the Proprietary Marks, such services to the National or Regional Account customer location(s) within the Territory and/or (ii) contract with another party to provide such services to the National or Regional Account customer location(s) within the Territory, on the terms and conditions contained in the National or Regional Account bid or contract between Franchisor and the National or Regional Account customer.

**2.3.3** Franchisee agrees that neither the direct provision by Franchisor or a franchisee, licensee, or designee of Franchisor of services to National or Regional Account customers as authorized above, nor Franchisor's contracting with another party to provide such services as authorized above, shall constitute a violation of the grant of license contained in this Agreement or any other provision of this

Agreement, even if such services are delivered from a location within the Territory. Franchisee disclaims any right to compensation or consideration for work performed by others in the Territory pursuant to this Section.

**2.4 Program Participation.** Franchisee acknowledges and agrees that Franchisee's participation in any particular program including the National or Regional Account Program or the Certificate Programs will be subject to the terms and conditions of such programs and those terms and conditions may include, but shall not be limited to the following:

2.4.1 Prior to the offering, selling, or performing any Certificate Program Services, Franchisee shall execute and agree to comply with such agreements, undertakings or other instructions as Franchisor may require as a condition to participation in any particular program;

2.4.2 The Certificate Program Services, as well as National and Regional Account work, are subject to Franchisor's strict quality control standards, enhanced inspections and testing, and shall be completed according to Franchisor's scheduling requirements. Franchisor may also centralize all accounts, invoicing and payments for Certificate Program Services, Regional and National Account work or designate a third party to perform such functions;

2.4.3 Franchisee may be required to pay certain fees including participation or administration fees, additional royalty fees on work performed pursuant to any particular Certificate Program, or other fees related to the Certificate Program. These fees may be in addition to the Royalty Fee set forth in Section 3.2 of this Agreement. In addition, Franchisee may be required to obtain increased insurance coverage;

2.4.4 Prior to performing any Certificate Program Services, Regional or National Account work, Franchisee must be certified by Franchisor to perform the specific type of work specified in the particular program ("Certification"). The Certification may require, among other conditions, that Franchisee be trained by Franchisor or other qualified third parties and demonstrate, to Franchisor's satisfaction, a minimum level of competency in the performance of the intended service. Furthermore, Franchisor may revoke Franchisee's Certification and/or require re-Certification if, in Franchisor's judgment, Franchisee's performance warrants such action(s); and

2.4.5 Franchisee must be in substantial compliance with the terms of this Agreement and any other agreements or addenda between Franchisee and Franchisor.

### **3. FEES**

**3.1 Initial Franchise Fee.** Franchisee agrees to pay to Franchisor a non-refundable initial franchise fee ("Initial Franchise Fee") of \$52,500 ("Initial Franchise Fee"). Franchisee acknowledges and agrees that this Initial Franchise Fee is fully earned by Franchisor upon the execution of this Agreement and Franchisee shall not be entitled to a refund of any part of the Initial Franchise Fee, regardless of the date of termination of this Agreement, except as expressly provided for in this Agreement.

**3.2 Royalty Fee.** Subject to the Minimum Royalty Fee set forth below, Franchisee must pay Franchisor a monthly royalty fee, due and payable on 10<sup>th</sup> of each month equal to 5% of Franchisee's Gross Sales during the preceding month ("Royalty Fee"). "Gross Sales" includes all revenues Franchisee generates from all business conducted at or from Franchisee's Business during the preceding reporting period, including amounts received from the sale and delivery of services, materials, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. "Gross Sales" does not include the amount of any applicable sales tax imposed

by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged and Franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Sales is the amount of any documented refund, charge back, credit and allowance ("adjustment") given to customers in good faith while the job is in progress, pursuant to Franchisor's standard procedures for issuing such adjustments; provided, however, there shall be no reduction in Gross Sales for any warranty work performed or warranty refunds made. All barter and exchange transactions for which Franchisee furnishes services or products in exchange for goods or services to be provided to Franchisee by a vendor, supplier or customer will be valued at the full retail value of the goods or services provided to Franchisee and shall be included in Gross Sales. Franchisor reserves the right to change the frequency and method of payment from time to time in its sole discretion; provided however, that for the Term of this Agreement, Franchisor agrees that it will not increase the Royalty Fee as agreed to in this Section 3.2.

**3.2.1 Monthly Gross Sales Reports.** Franchisee must input and update all job information within seventy two (72) hours of receipt of that information, including the inputting of leads, lead sources, jobs estimated, jobs booked, jobs completed and payments received. On or before the last day of each month, Franchisee shall update all information with regards to leads, lead sources, jobs estimated, jobs booked, jobs completed and payments received through the month-end. Franchisee's complete cumulative information provided and updated prior to the last day of the month shall set forth the Gross Sales generated by the Franchised Business during the previous month, Franchisee's calculation of the Royalty Fee, National Marketing Fund contributions ("NMF Contributions"), software fees, and any other information Franchisor may require. Franchisor may change the form, content, frequency or due date of the Gross Sales Reports from time to time. In the event that Franchisee fails to submit the required reports, the Royalty Fees due shall be calculated on Franchisee's monthly average for the preceding 12 months or on such other data as may be available.

**3.3 Minimum Royalty Fee.** Notwithstanding the provisions of Section 3.2 above, Franchisee shall be required to pay to Franchisor a minimum annual royalty which will be determined by deducting the amount of Royalty Fees due from Franchisee calculated in accordance with Section 3.2 above, in the applicable Calendar Year, from the amounts determined as set forth below ("Minimum Royalty Fee").

**3.3.1 Calendar Year Determination.** The following provides how Calendar Years will be determined:

- (a) "First Calendar Year" shall be that portion of the year ending on December 31 of the same year as the Effective Date of this Agreement.
- (b) "Second Calendar Year" shall be the first full year following the First Calendar Year.
- (c) "Third Calendar Year" shall be the second full year following the First Calendar Year.
- (d) "Fourth Calendar Year" through "Tenth Calendar Year" shall be determined in the same manner as set forth in subparagraphs (b) and (c) above, except increasing by one for each full year following the First Calendar Year.

**3.3.2. Single Family Dwelling Unit Groups.** For the purpose of calculating Minimum Royalty Fees pursuant to Section 3.3, the number of Single Family Dwelling Units ("SFDUs") in Franchisee's Territory will be determined based on the applicable U. S. Census and other third party data, and each 60,000 SFDUs will be deemed to be an SFDU Group ("SFDU Group"). It is acknowledged and agreed that a Territory can have more than one SFDU Group where the total number of SFDUs in the Territory is a multiple of 60,000. If the Territory is comprised of a greater total number of SFDUs than one SFDU

Group, but less than a multiple of 60,000 SFDUs, then the number of SFDU Groups in that Territory will be rounded down to the nearest whole number of SFDU Groups.

**3.3.3 Minimum Royalty Fees applicable to Calendar Years.** The amount of Minimum Royalty Fees applicable to specific Calendar Years shall be determined as follows:

**3.3.3.1 Calendar Years 3<sup>rd</sup> through 5<sup>th</sup>.** For the Third through Fifth Calendar Years, Franchisee shall be required to pay a Minimum Royalty Fee of \$11,250 per SFDU Group.

**3.3.3.2 Calendar Years 6<sup>th</sup> through 10<sup>th</sup>.** For the Sixth through Tenth or Final Calendar Years, Franchisee shall be required to pay a Minimum Royalty Fee in the amount of \$17,500 per SFDU Group.

**3.3.3.3 Payment Date.** All Minimum Royalty Fees must be paid by January 15<sup>th</sup> of the Calendar Year immediately following the Calendar Year for which they became due. Franchisor is entitled to debit Franchisee's account as of January 15<sup>th</sup> of the Calendar Year immediately following the Calendar Year for which the Minimum Royalty Fee became due for the corresponding unpaid amount of the Minimum Royalty Fee.

**3.3.3.4 Final Calendar Year.** If the Final Calendar Year is less than 12 months, then the amount of the Minimum Royalty Fee will be determined on a pro rata basis, based on the number of months or portion of a month remaining in the Final Calendar Year, divided by 12.

**3.4 Manner of Payment.** Payment of royalties shall be made on a monthly basis, following receipt of each of Franchisee's Gross Sales Reports, and shall be by an electronic funds transfer program ("EFT Program") under which Franchisor automatically deducts from Franchisee's bank account all payments due to Franchisor under this Agreement or any other agreement between Franchisee and Franchisor. Franchisee shall deposit all revenues from operation of Franchisee's Franchised Business into one bank account within two (2) business days of receipt, including cash, checks, and credit card receipts. Before opening Franchisee's Business, Franchisee shall provide Franchisor with Franchisee's bank name, address and account number, a voided check from such bank account, and sign and give to Franchisor and Franchisee's bank, all documents necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee agrees to immediately notify Franchisor of any change in Franchisee's bank, including changes in account numbers. Franchisor reserves the right to require Franchisee to pay any fees due under this Agreement by such other means as Franchisor may specify from time to time. If the Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject month based on the Franchisee's monthly average for the preceding 12 months or on such other data as may be available; provided, that if a Gross Sales Report for the subject month is subsequently received and reflects (i) that the actual amount due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations.

**3.4.1** As part of Franchisee's participation in the EFT Program, if the funds in Franchisee's bank account are insufficient to cover any amounts due under this Agreement on the date such funds are due, then, in addition to the overdue amount, Franchisor has the right to immediately debit from Franchisee's bank account interest on such amount from the date it was due until all past due amounts

are paid, at a rate of the lesser of 1.5% monthly or the maximum rate permitted by law. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that Franchisee shall be responsible for that payment and any service charge.

**3.5 Software Upgrade Fee.** Franchisee shall pay to Franchisor the monthly fees due pursuant to the User Agreement.

**3.6 Software Support Fee.**

3.6.1. Franchisee shall be entitled to receive routine telephone support for any computer program Franchisor provides to Franchisee. As of the date of this Agreement, Franchisee shall not be required to pay any additional fees for the software support, but Franchisor reserves the right, upon giving one hundred and twenty (120) days advance notice to Franchisee, to institute a reasonable fee for such services and Franchisee agrees to pay such fee as Franchisor may impose from time to time.

3.6.2. Franchisee understands and agrees that any software support provided by Franchisor shall not include support for any hardware or software obtained by Franchisee from third party suppliers, nor shall it include the replacement or upgrading of Franchisee's computer hardware or any other software used by Franchisee in connection with the Franchised Business.

**3.7 Answering Services.** Franchisee shall be required to subscribe to, and transact all business through, the telephone answering services as designated by Franchisor from time to time, and shall comply with such terms and conditions established by Franchisor from time to time. Franchisor reserves the right to set operating hours that phone calls must be answered by a live person. Franchisor currently requires that Franchisee subscribe to an inbound call center, and the costs and fees associated with such call center will be borne by Franchisee. The current fee for this service is \$275 a week. These fees and/or costs are subject to change upon 90 days' prior written notice to Franchisee. Franchisor retains all rights to remove this subscription requirement at Franchisor's sole discretion, and Franchisor also maintains the right to stop and/or cancel the support of the telephone answering service in its entirety after providing Franchisee with thirty (30) days' notice.

**3.8 Late Payment.** Any late payment or underpayment of the Royalty Fee and NMF Contribution and any other charges or fees Franchisee owes to Franchisor will bear interest from the due date until paid, at the lesser of one and one-half percent (1.5%) interest monthly or the maximum interest rate allowed by law. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights regarding the default giving rise to such interest payment and shall be without prejudice to Franchisor's right to terminate this Agreement as a result of such default. In addition to the remedies set forth in this agreement, Franchisee will owe one hundred dollars (\$100) per incident for any EFT payment from the Franchisee's bank that cannot be made due to insufficient funds. Nothing contained in this Section shall prevent Franchisor from exercising, in Franchisor's sole judgment, any other rights or remedies available to Franchisor under this Agreement.

**3.9 Additional Remedies for Failure to Pay Fees Timely.** Franchisee understands and agrees that should the Franchisee fail to pay the Royalty Fee, Minimum Royalty Fee, NMF Contribution, or any other fees due to Franchisor as and when such fees are due, or should Franchisee permit any of the Franchisee's accounts with Franchisor to become delinquent, Franchisor may withhold any services it may then be providing to Franchisee until such time as Franchisee pays all outstanding sums due to Franchisor. In addition, Franchisor reserves the right to withhold from Franchisee any products, services,

information, advice, consultation, training and leads, and to deny Franchisee access to Franchisor's proprietary software systems if Franchisee is not in substantial compliance with the terms of this Agreement as determined by Franchisor in its sole discretion, the Operations Manual, or any other agreement or addendum by and between Franchisee and Franchisor. Nothing contained in this Section shall prevent Franchisor from exercising, in its sole judgment, any other rights or remedies available to it elsewhere in this Agreement for Franchisee's failure to make any payment when due.

**3.10 Application of Payments, Set-Offs.** Franchisee acknowledges and agrees that Franchisor may:

(a) apply any money received by Franchisor to any past due, current, future or other indebtedness of any kind of Franchisee, in Franchisor's sole discretion, regardless of any designation by Franchisee; provided, however, that NMF Contributions will only be credited to the National Marketing Fund;

(b) set off, from any amounts due to Franchisee, any amount owed to the NMF or local advertising cooperative; and

(c) retain any amounts received for Franchisee's account, whether as rebates from suppliers or otherwise, as payment against any amounts owed under this Agreement.

**3.11 No Right to Offset.** Franchisee agrees to not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any other agreement between the parties.

#### **4. TERM AND RENEWAL**

**4.1 Term.** This Agreement, unless otherwise terminated pursuant to the terms and conditions hereof, shall commence on the Effective Date and shall continue for a period of ten years ("Term").

**4.2 Renewals.** Subject to the satisfaction of all the conditions listed below, Franchisee is granted the right to renewal of the license granted to Franchisee under this Agreement for a term of ten years unless Franchisor provides Franchisee one hundred and twenty (120) days advance written notice of Franchisor's intent to not renew. No right of renewal is awarded beyond the renewal term listed in this Section; provided, however, the parties may by mutual agreement renew this license further.

**4.2.1** Franchisee has notified Franchisor of Franchisee's desire to renew the license granted by this Agreement in writing at least one hundred eighty (180) days prior to expiration of this Agreement;

**4.2.2** Franchisee has remained in substantial compliance during the Term with all the terms and conditions of this Agreement and is in full compliance with this Agreement and all other agreements between the Franchisee and Franchisor at the time of renewal, as determined by Franchisor in its sole discretion;

**4.2.3** Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the Franchised Business at the Approved Location as defined in Section 5.1 below for the duration of the renewal term; or, if Franchisee is unable to operate the Franchised Business at the Approved Location, Franchisee has secured a substitute location, which meets Franchisor's then current standards for an Approved Location;

4.2.4 Franchisee has completed, to Franchisor's satisfaction, no later than ninety (90) days prior to the expiration of the then-current term, all maintenance, updating and retrofitting of the Franchised Business operation, software, equipment, vehicles, and accompanying third party materials, required to bring the Franchised Business into full compliance with Franchisor's then-current System standards and specifications;

4.2.5 Franchisee shall have paid all amounts due and payable under this Agreement;

4.2.6. Franchisee shall have executed, prior to the commencement of any renewal term, all documents and agreements that are customarily used by Franchisor in the granting of a license for a franchised business, including Franchisor's then current form of franchise agreement, the terms and conditions of which may differ materially from this Agreement, including without limitation, Minimum Royalty Fees and Minimum Performance Criteria (as defined in Section 9.2 of this Agreement), as well as other terms and fees that may have been increased; provided, however, that notwithstanding the foregoing, Franchisee shall not be required to pay an Initial Franchise Fee (other than the renewal fee set forth in this Section), and further provided that Franchisee shall have no further option to renew other than as provided in this Agreement;

4.2.7 Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees at Franchisee's expense, as of the date of such renewal, if any. Franchisee acknowledges and agrees that Franchisor may require Franchisee or Franchisee's employees and staff to successfully complete any retraining at such times and locations as Franchisor specifies;

4.2.8 Franchisee signs a general release, in a form that the Franchisor prescribes; and

4.2.9 Franchisee pays Franchisor a renewal fee equal to 10% of Franchisor's then-current Initial Franchise Fee.

Failure by Franchisee to timely complete these requirements will be deemed an election by Franchisee not to renew. Notwithstanding anything in this Agreement to the contrary, any grant of a second renewal will be subject to the terms and conditions set forth in the franchise agreement under which Franchisee is then operating, which may be materially different from the terms and conditions set forth above.

## **5. SITE LOCATION AND LEASE APPROVAL**

5.1 **Site Location.** Franchisee must secure real estate within the Territory, by purchase or lease, for the operation of the Franchised Business within 90 days from the execution of this Agreement ("Approved Location"). Franchisor has the right to review, evaluate and approve the proposed lease for the Franchised Business site ("Lease") prior to Franchisee's execution.

5.2 **Consent for Site Location.** Franchisor may condition Franchisor's approval of any proposed Lease on, among other things, Franchisee and Franchisee's landlord's execution of a Collateral Assignment of Lease attached as Exhibit A to this Agreement which (i) grants Franchisor the right, but not the obligation, to assume the Lease upon Franchisee's default on the lease, or termination, Transfer or expiration of this Agreement, (ii) provides that the premises may be used solely for the operation of the Franchised Business, (iii) expressly prohibits the assigning or subleasing of the premises without



Franchisor's prior written consent; and (iv) grants Franchisor access to the premises for the inspection of Franchised Business or operations and records, including a final inspection upon the closing of the Franchised Business, expiration or termination of this Agreement. Franchisee agrees to deliver an executed copy of the Lease and the Collateral Assignment of Lease to Franchisor within fifteen (15) days of execution of the Lease. Neither Franchisor's review of the Lease nor Franchisor's acceptance of the site Franchisee has selected constitutes either a representation or guarantee that Franchisee will succeed at the selected Approved Location or an expression of Franchisor's opinion regarding the terms of the Lease. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business adviser to assist Franchisee in selecting a location and negotiating a lease for the Franchised Business premises.

**5.3 Relocation.** If Franchisee must relocate the Franchised Business for whatever reason, Franchisee must notify and obtain Franchisor's approval of such new Franchised Business premises in the same manner as set forth above in Section 5.2 of this Agreement. Franchisee must assure continuous operation of the Franchised Business, and accordingly, Franchisee must re-open for business at the Approved Location within three (3) business days of closing business at Franchisee's prior Approved Location.

## **6. EQUIPMENT, SUPPLIES, AND SERVICES REQUIREMENTS**

**6.1 Purchasing Requirements.** Franchisee agrees to purchase equipment, furnishings, connectivity and telecommunication services, fixtures, signs, and other services and items that are in compliance with Franchisor's System specifications as set forth in this Agreement, the Operations Manual, including SOP, or as otherwise specified by Franchisor. Franchisor reserves the right to modify or supplement Franchisor's System specifications from time-to-time and Franchisee agrees to comply with such modifications or supplements.

**6.2 System Suppliers.** Franchisee acknowledges and agrees that the designation of system supplies, equipment, services, computer software and other items ("Designated Items") creates uniformity and consistency essential to the System. Accordingly, Franchisee agrees to purchase all Designated Items from suppliers designated by Franchisor ("System Suppliers"). Franchisee acknowledges and agrees that Franchisor, Franchisor's affiliates and/or a third party may be one of several, or the only System Supplier of any item or service. Franchisee further acknowledges and agrees that Franchisor and Franchisor's affiliates have the right to realize a profit on any item or service that Franchisor, Franchisor's affiliates or Franchisor's System Supplier sells to Franchisee.

**6.3 Supplier Approval.** In the event Franchisee wishes to purchase a Designated Item from an entity other than a System Supplier, Franchisee must first seek written consent from Franchisor. To evaluate a supplier, Franchisor may request the submission of supplier's name, address, telephone number, a description of the item or service, the price of the item or service, and a sample of the item. Franchisor may base Franchisor's approval of any such item or supplier on considerations not only directly related to the item or supplier itself, but also on factors such as the uniformity, efficiency, and quality of operation that Franchisor deems necessary or desirable in the System as a whole. Franchisee acknowledges and agrees it is in the Franchisor's sole discretion whether to approve any supplier and Franchisor is under no obligation to do so, provided, however, Franchisor agrees to exercise reasonable business judgment in approval of any suppliers.

## 6.4 Computer Systems

**6.4.1 Computer Software and Hardware.** Franchisee agrees to purchase and use any and all computer software programs ("Software") designated for use by the System. If and at such time as Franchisor develops a software program for use in the System ("Custom Software"), Franchisee, at Franchisee's own expense, agrees to obtain the computer hardware required to implement the Custom Software into the Franchised Business, including all hardware required to implement the Custom Software for any full-time employees and for any sub-contractors, and to comply with all specifications and standards prescribed by Franchisor regarding the Custom Software, as provided from time to time in the Operations Manual, including SOP. Custom Software is and will be proprietary to Franchisor and shall constitute Franchisor's Confidential Information (as defined in Section 10.1 of this Agreement). When Franchisor requires the implementation of this Custom Software, Franchisee agrees to use only such Custom Software as designated by Franchisor.

**6.4.2 Computer System Upgrades, Support, and Maintenance.** Franchisee acknowledges and agrees that, from time to time, Franchisee may be required to update or upgrade computer hardware components, Software, and/or Custom Software as directed by Franchisor. Franchisee acknowledges and agrees that Franchisor shall have the right to require Franchisee to enter into a separate maintenance agreement for such computer hardware and/or Software. Franchisee also acknowledges and agrees that Franchisee may be assessed a fee as set forth in Section 3.6.1 of this Agreement for such software support.

**6.4.3 Computer System Backup.** Franchisee agrees to install a "systems backup solution" which backs up critical data in Franchisee's computer system using an off-premises storage scheme, as and when required by Franchisor. Notwithstanding the fact that Franchisee must buy, use, and maintain computer hardware and Software according to Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Software; and (ii) any and all consequences that may arise if the computer hardware and Software are not properly operated, maintained and upgraded. Franchisor may opt to implement its own backup system. Franchisor's use of such a backup system shall not relieve Franchisee of its obligations under this Section and Franchisee shall not rely on Franchisor for Franchisee's system backup solution needs.

**6.4.4 System Data.** Franchisee and Franchisor agree that all data transmitted, used, contained on, stored on, or entered into the computer or email system of the Franchised Business ("System Data"), including but not limited to, Customer Data, are deemed to have been derived from the goodwill of the Handyman Connection name and Proprietary Marks and, therefore, such System Data is considered Confidential Information and is owned by Franchisor. Franchisee agrees that Franchisor may use or access such System Data for any purpose. Franchisee agrees to use the System Data only in the operation of and for the benefit of the Franchised Business. Franchisee agrees to comply with the Operations Manual and SOP, and all applicable law, whether federal, state, or local, regarding the use and safeguarding of System Data. Franchisee agrees to implement commercially prudent privacy policies, procedures, and practices. Franchisee agrees to notify Franchisor immediately of any known or suspected System Data breaches. Further, in event of such security breach, Franchisee agrees to fulfill all notice and other legal requirements as or on behalf of the owner, holder, and/or user of such System Data. Franchisee agrees to indemnify Franchisor as provided for in Section 16.3 of this Agreement against any claim of security breach caused by or arising out of Franchisee's operation of the Franchised Business, Franchisee's acts or omission or the acts or omissions of Franchisee's agents and assigns.

For purposes of this Agreement, Customer Data is defined as current, prospective, and former customer names and contact information, customer purchasing histories, and credit extensions and discounts offered to Customers maintained, used or stored in any tangible or intangible media, including without limitation, hard copy or electronic formats.

**6.5 Telephone.** Franchisee agrees not to publish any telephone numbers for the Franchised Business other than the telephone number(s) authorized by Franchisor as set forth in Schedule A. All such telephone numbers or listings shall be at Franchisee's expense; shall be listed under the "Handyman Connection" name and not under Franchisee's corporate, partnership, or individual name; and are to be used exclusively in connection with the Franchised Business. Franchisee acknowledges that such telephone number(s) are the sole property of Franchisor; provided, however, that Franchisee shall pay all expenses related to the use of such telephone numbers. Franchisee further agrees to display in its advertising and other marketing or promotional materials, as well as in all business documents related to the Franchised Business, including without limitation contracts, purchase orders, invoices, stationery, and business cards, only the toll-free telephone number designated by Franchisor or such other number(s) as may be approved by Franchisor, subject to Franchisee's execution of a conditional assignment of telephone numbers as set forth in Exhibit C.

**6.5.1 Conditional Assignment of Telephone Number.** Franchisee hereby appoints Franchisor and any of Franchisor's officers as Franchisee's irrevocable attorney-in-law and attorney-in-fact in all matters dealing with or concerning any and all telephone numbers used in connection with the Franchised Business or any telephone directory advertisements or listings containing those telephone numbers, including but not limited to the execution at any time, whether before or after any termination of this Agreement, of any writings transferring to Franchisor or to Franchisor's designee, any and all telephone numbers advertised or listed under the Proprietary Marks; this appointment shall survive the termination of this Agreement. Franchisee shall execute a conditional assignment of telephone numbers in such form prescribed by Franchisor as set forth in Exhibit C.

**6.5.2 Telephone Number Assignment.** Franchisor reserves the right to assign Franchisee a telephone number that will be held in Franchisor's name. Franchisee agrees to accept such telephone number as the telephone number of the Franchised Business. By using an assigned telephone number held by Franchisor, Franchisee agrees that Franchisee does not acquire any rights to such telephone number. Upon the expiration, Transfer or termination of this Agreement for any reason, Franchisee agrees to terminate Franchisee's use of any telephone number and listing obtained by or assigned to Franchisee pursuant to this Section 6.5.2, and further agrees to assign such telephone number or listing to Franchisor or Franchisor's designee.

**6.6 Business Technologies.** Franchisee agrees to participate in the technology and business systems that Franchisor prescribes, including but not limited to, extranet, print-on-demand, blogs, digital asset libraries and other technology designated by Franchisor. Franchisee acknowledges and agrees that such technologies may be used for (i) submission of Franchisee's reports due under this Agreement; (ii) viewing and printing the Operations Manual; (iii) downloading approved advertising materials; (iv) communication with the Franchisor and other System franchisees; (v) training; and (vi) other business purposes. Franchisee agrees to use such business technologies in strict compliance with the standards, protocols, and restrictions that Franchisor may establish or implement or as stated in the Operations Manual, including SOP, or other communications. Franchisee also agrees to enter into any applicable business technologies agreements as may be required by Franchisor.

Franchisee agrees to subscribe to, maintain and utilize a high speed internet connection and an e-mail account. Franchisor will provide Franchisee with a @handymanconnection.com e-mail address that Franchisee must use for all business correspondence.

**6.7 Purchasing Cooperative.** If directed by Franchisor, Franchisee agrees to join purchasing cooperatives or other entities designated by Franchisor. Franchisee acknowledges and agrees that such entity may adopt its own bylaws, rules, regulations and procedures, subject to Franchisor's consent. Franchisor, at its discretion, may require such entity to submit monthly and annual financial statements, and can require that the annual financial statements be audited at the expense of the entity. Franchisee acknowledges and agrees that Franchisee's failure to timely pay amounts due to, or to comply with the bylaws, rules, regulations and procedures of any such cooperative is a breach of this Agreement.

## **7. OPENING REQUIREMENTS**

At least ten days prior to opening the Franchised Business, Franchisee agrees (i) to secure all trade/contractor licenses that are required by applicable law for the operation the Franchised Business; (ii) to acquire all telephone, computer, connectivity and telecommunication services, furnishings and equipment as stated in this Agreement; (iii) to complete the Initial Training as stated in this Agreement; (iv) to establish an Approved Location; (v) to acquire and produce evidence of insurance as stated in this Agreement; and (vi) to hire and train a manager (the "Key Manager"), who may be the Franchisee, and Customer Service Representative as required by this Agreement. Unless otherwise agreed in writing by the Parties, the Franchised Business must be open and operating, including without limitation, compliance with these Opening Requirements, shall be completed no later than 120 day after the execution of this Agreement. Franchisee's failure to satisfy the Opening Requirements in within the time frame set forth in this Section 7 is a default under this Agreement and may result in the termination of this Agreement.

## **8. TRAINING AND SUPPORT**

**8.1 Initial Training.** Franchisee agrees to attend, and successfully complete Franchisor's initial training program ("Initial Training"). If Franchisee is a partnership, corporation or limited liability company, at least one of Franchisee's general partners, principal shareholders, or managing members, as appropriate, must attend and successfully complete the Initial Training. In conjunction with the opening of the Franchised Business, Franchisee may designate one employee or Key Manager, who may attend the operational component of the Initial Training tuition-free ( the "Key Employee"). Subsequent or additional Key Employees, employees, office staff, or managers may also attend the operational component of the Initial Training upon advance notice to Franchisor, payment of then-current tuition fee, and the availability of openings in the Initial Training. All training shall be held at Franchisor's headquarters, or at such other locations as Franchisor may designate. Failure to successfully complete the Initial Training is a default under this Agreement and may result in the termination of this Agreement.

**8.2 On-going Supplemental Training.** To assist Franchisee in the operation of Franchised Business, Franchisor may offer, from time to time, additional, expanded or revised training programs and/or refresher courses for Franchisee, Franchisee's Key Employee or other managers, and/or Franchisee's employees ("Supplemental Training"). If required by Franchisor, Franchisee agrees to attend and/or direct employees or managers to attend these training programs and/or courses. Franchisor reserves the right to charge Franchisee a reasonable fee for such Supplemental Training.

**8.3 Operating Assistance.** During the term of this Agreement, Franchisor may, at Franchisee's reasonable request and subject to availability, provide Franchisee with continuing advice and guidance with respect to the operation of the Franchised Business. Franchisee understands and agrees that Franchisor shall provide only such advice and guidance which, in its sole discretion, Franchisor deems reasonably required or desired with respect to the operation of the Franchised Business.

**8.4 Annual and Regional Conferences.** Franchisor may, in Franchisor's discretion, hold annual and regional conferences at location(s) to be designated by Franchisor. Franchisee shall be required to attend such conferences and to pay the then-current registration fee. If Franchisee fails to attend any annual or regional conference then Franchisee shall pay a penalty fee of seven hundred and fifty dollars (\$750) to Franchisor.

**8.5 Training Cost and Expenses.** All expenses related to the Initial Training, Supplemental Training, and Annual or Regional Conferences, including Franchisee and Franchisee's managers' or employees' transportation to and from the training site, lodging, meals, and wages during the training, are Franchisee's sole responsibility to pay.

**8.6 Operations Manual and Training Materials.** Franchisor will lend Franchisee or provide temporary on-line access to one (1) copy of the Operations Manual, including SOP, other training materials, and appropriate revisions as may be made from time to time; provided, however, all such materials shall at all times remain the property of Franchisor. Franchisee agrees to operate its Franchised Business in strict compliance with the Operations Manual, including SOP, as it may be reasonably changed from time to time. The Operations Manual, including SOP, shall be considered Confidential Information under this Agreement. Franchisee shall not make any disclosure, duplication or other unauthorized use of any portion of the Operations Manual, including SOP. The provisions of the Operations Manual, including SOP, constitute provisions of this Agreement as if fully set forth herein. Franchisee shall insure that its copies of the Operations Manual and SOP are current and up-to-date. If there is a dispute relating to the contents of the Operations Manual and/or SOP, the master copy of each as maintained by Franchisor at its principal office shall be controlling. The cost of implementing any such changes, alterations or modifications as required by the Operations Manual and/or SOP shall be borne exclusively by Franchisee. Franchisor may require all training attendees or other recipients of training materials to sign a confidentiality agreement.

## **9. OPERATIONS**

**9.1 Compliance with Standards.** Franchisee acknowledges and agrees that the obligations set forth in this Agreement and the Operations Manual, including any SOP as are established from time to time, are reasonable and necessary for the operation of the Franchised Business and to maintain uniformity throughout the System. Accordingly, Franchisee agrees to comply with the standards and specifications set forth in this Agreement and the Operations Manual and SOP, as revised and updated from time to time. Franchisee agrees to use signs, products, services, tools, furnishings, supplies, fixtures and equipment, which comply with Franchisor's then-current standards and specifications. Franchisee acknowledges and agrees that Franchisor has the right to change, update, or otherwise modify System standards and specifications, solely in the Franchisor's discretion and that such changes, updates, or modifications may result in additional costs to Franchisee which Franchisee agrees to bear.

**9.2 Minimum Performance Criteria.** Franchisee agrees to achieve, report, and pay royalty fees on Gross Sales as required by Section 3.2 of this Agreement and further agrees that if Franchisee does not achieve the requisite level of Gross Sales within the timeframe set forth by Franchisor in Section 9.2 (the "Minimum Performance Criteria"), then Franchisee agrees to pay annual Minimum Royalty Fees set forth in Section 3.3 of this Agreement. In addition to collecting the Minimum Royalty Fee, if Franchisee does not achieve the Minimum Performance Criteria, Franchisor has the right to take appropriate corrective action, including establishing a remedial business plan, assigning Franchisee into a franchise resale program, registering Franchisee in Franchisor's initial, on-site, or Supplemental Training programs at Franchisee's cost and expense, or terminating this Agreement.

9.2.1 Franchisee must achieve certain minimum Gross Sales in the Third Calendar Year through the Tenth Calendar Year of operation as set forth below or Franchisee will be in breach of this Agreement:

| CALENDAR YEAR                      | GROSS SALES                                     |
|------------------------------------|---|
| 3 <sup>rd</sup> – 5 <sup>th</sup>  | \$225,000 for each SFDU Group in your Territory |
| 6 <sup>th</sup> – 10 <sup>th</sup> | \$350,000 for each SFDU Group in your Territory |

**9.3 Personal Management.** Franchisee agrees that he or at least one of Franchisee's principals if Franchisee is a corporation, limited liability company or partnership, must devote his full-time attention and best efforts to the management and day-to-day operations of the Franchised Business, unless Franchisee delegates such duties to a Key Employee, who is approved in writing by Franchisor and who has completed the Franchisor's Initial Training. Franchisee agrees to keep Franchisor informed at all times of the identity of any employee acting as Key Employee of the Franchised Business. In the event that a Key Employee's relationship with a Franchised Business is terminated, Franchisee agrees to hire, within 30 days of such termination, a replacement who is approved in writing by Franchisor and who meets Franchisor's then current standards for Key Employees. The new Key Employee must complete Initial Training to Franchisor's satisfaction within sixty days of hiring, subject to the availability of Franchisor's personnel; Franchisee agrees to pay any costs associated with this training. Any Key Employee(s) shall devote full time and best efforts to the day-to-day operation and management of the Franchised Business.

**9.4 Personal Conduct.** Franchisee agrees to act honestly and ethically in all dealings with Franchisor, customers and the general public. Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring the Proprietary Marks into disrepute, and to operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System.

**9.5 Staffing.** Franchisee agrees to employ and/or contract with a sufficient number of qualified, competent personnel and craftsmen, and to offer honest, ethical, prompt, courteous and efficient service to the public. Franchisee agrees to conduct the Franchised Business in accordance with the Operations Manual. Franchisee agrees to train and instruct, both immediately after hire and continually, Franchisee's employees, contractors and craftsmen in accordance with Franchisor's practices, policies and procedures as stated in the Operations Manual. Franchisee must conduct a yearly background check of all active craftsmen to verify that such craftsmen have not been convicted or charged with any felonies or any other crimes involving theft, fraud, sexual offenses or violent behavior.

9.6 **On-going Operations.** Franchisee agrees to operate the Franchised Business for, at a minimum, those months, hours and days that Franchisor specifies in the Operations Manual or SOP. Franchisee agrees to maintain the Franchised Business premises in a clean, safe and attractive manner, in accordance with all applicable laws. Franchisee agrees, at all times, to maintain such working capital as may be reasonably necessary to meet the obligations of the Franchised Business. Franchisee agrees to use best efforts to promote and increase the demand for goods and services of the Franchised Business.

9.7 **Payment of Debts.** Franchisee agrees that Franchisee is solely responsible for selecting, retaining and paying Franchisee's employees, contractors and craftsmen; paying all invoices for the purchase of goods and services used in connection with the Franchised Business; and determining whether, and on what terms, to obtain any financing or credit that Franchisee deems advisable or necessary for the conduct of the Franchised Business. Franchisee agrees to pay all obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee agrees to make prompt payment of all federal, state and local taxes.

9.8 **Compliance with Applicable Laws.** Franchisee acknowledges and agrees that it is solely Franchisee's responsibility to comply with all federal, state and local laws, statutes, regulations and ordinances applicable to the operation of the Franchised Business.

9.9 **Image and Identification of the Franchised Business.**

9.9.1 Franchisee acknowledges that Franchisor has developed the System to offer and sell services that will distinguish the Franchised Business from other businesses and systems. Franchisee agrees to comply with the standards, specifications and requirements that Franchisor determines from time to time in order to uniformly convey the distinctive image of a Handyman Connection Franchised Business. Franchisee agrees to offer services and products and to conduct the Franchised Business in such a manner that will serve to enhance the image Franchisor intends for the System. Franchisee expressly agrees to use Franchisee's @handymanconnection.com e-mail address for all of Franchisee's business communications.

9.9.2 Franchisee agrees to use the Proprietary Marks on all materials representing the Franchised Business, including without limitation business cards, stationery, yellow pages advertising, uniforms, checks, proposals, contracts, signage, trucks or van advertising, and marketing and promotional materials. Franchisee acknowledges and agrees that such use of the Proprietary Marks must (i) accurately depict the Proprietary Marks (ii) be accompanied by a statement indicating the Franchised Business is independently owned and operated by Franchisee, (iii) not be used in connection with any other trademarks, trade names or services unless specifically approved by Franchisor in writing prior to such use, and (iv) make available to Franchisor, upon request, a copy of any materials depicting the Proprietary Marks. Franchisee agrees to purchase, and maintain in good working order, at least one wrapped vehicle for use when Franchisee or Franchisee's service advisor performs estimates on residential and commercial properties.

9.9.3 Franchisee agrees that any materials not furnished or made available by or through Franchisor which Franchisee wishes to use for public display, must first be submitted to Franchisor for approval, which approval Franchisor shall not unreasonably withhold, provided that such materials are current and in good taste. Franchisee acknowledges and agrees that such material must also accurately

depict the Proprietary Marks and be used in a manner so as to promote or strengthen Handyman Connection brand recognition.

**9.10 Customer Satisfaction and Warranty Service.** Franchisee agrees to respond promptly to customer concerns or complaints and to use best efforts to preserve positive customer relations. Franchisee agrees to offer and honor such warranty on materials and workmanship provided by Franchisee, as Franchisor may designate from time to time in the Operations Manual or SOP. Franchisee agrees to cooperate with Franchisor in all warranty claims and shall make no statements or admissions as to liability. Franchisee agrees to promptly report warranty claims to Franchisor and undertake all warranty work under the Proprietary Marks. Franchisee agrees that all costs and expenses associated with the administering and honoring of warranty services shall be borne by Franchisee, including any costs incurred by Franchisor in ensuring that warranty claims are promptly and properly honored, and further including all costs and expenses referred to in Section 20.7 regarding Franchisee's obligation upon termination of this Agreement.

**9.11 Right to Inspect the Franchised Business.** Franchisee agrees to permit Franchisor or its authorized representative to enter the Franchised Business premises or any job site or location where Franchisee regularly conducts business or any location where Franchisee maintains books or records at all reasonable times during the business day for the purpose of making periodic evaluations and to determine if the Franchised Business is being operated in accordance with this Agreement. Franchisee further agrees that Franchisor shall have the right to contact any of Franchisee's vendors or suppliers to determine if the Franchised Business is being operated in accordance with this Agreement. In the event of such inspection or contact, Franchisee and Franchisee's staff and contractors, and any such vendors or suppliers agree to cooperate fully with such inspection and shall provide Franchisor or its authorized representatives access to Franchisee's computers and all programs and databases and all other records or information whether in electronic or hard copy or other form at any time.

**9.12 Pending Actions.** Franchisee agrees to notify Franchisor, in writing, within five (5) days of receipt of notice of any action, suit or proceeding or the issuance of any order, suit or proceeding by any court, agency or other government instrumentality, including the receipt of any notice or citation which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

## **10. CONFIDENTIAL INFORMATION**

**10.1 Trade Secrets.** Franchisee agrees that it will not, during the Term of this Agreement or thereafter, communicate, divulge to, or use for the benefit of any other person or entity, any confidential information, including the names of other franchisees, mailing lists, Customer Data, Operations Manual, SOP, any Handyman Connection training materials, or know-how made known to Franchisee by virtue of Franchisee's operation of the Franchised Business ("Confidential Information"). Franchisee agrees to communicate to its employees and independent third-party contractors only such Confidential Information as required in order for such employees or independent third-party contractors to operate the Franchised Business. Franchisee acknowledges and agrees that it shall be solely his responsibility to have such employees or independent third-party contractors execute the appropriate documentation, including a secrecy and confidentiality agreement substantially in a form that is prescribed or approved by Franchisor as set forth in Exhibit B. Franchisee agrees that any and all information, knowledge, and know-how including without limitation, materials, data, equipment and all other items or data, which Franchisor designates as confidential, shall be deemed confidential for the purposes of this Agreement.



**10.2 Non-Disclosure.** Franchisee acknowledges and agrees that he has had no part in the creation or development of, or claims any right whatsoever in, any element of the System, the Proprietary Marks or any matters dealt with in the Operations Manual, and that all disclosures made to Franchisees relating to the System are communicated to Franchisee solely on a confidential basis and as trade secrets. Franchisee agrees to maintain the confidentiality of all such information during the Term of this Agreement and at all times thereafter.

**10.3 New Concepts.** If Franchisee, Franchisee's employees, contractors, craftsmen, or principals, develop any new concept, process or improvement in the operation or promotion of the Franchised Business, Franchisee agrees to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Franchisee acknowledges and agrees that any such concept, process or improvement shall become Franchisor's sole property; that Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto; and, that Franchisee acquires no rights whatsoever in such concept, process or improvement and may not sell, license or provide any such concept, process or improvement to other System franchisees without Franchisor's prior written approval. Franchisee and Franchisee's principals agree to assign to Franchisor any rights Franchisee may acquire therein. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. In the event that the grant of ownership herein is not possible or enforceable for whatever reason, Franchisee and Franchisee's principals agree to grant to Franchisor a worldwide, perpetual, non-exclusive fully paid license to use and sublicense the use of the concept, process, or improvement to the extent such use or sublicense would, absent this agreement, directly or indirectly infringe any of Franchisee's right therein.

## **11. PROPRIETARY MARKS**

Franchisee acknowledges and agrees that Franchisor is the sole and exclusive owner of the Proprietary Marks and Franchisee agrees that its right to use the Proprietary Marks is specifically conditioned upon the following terms and conditions:

**11.1 Trademark Ownership.** Franchisee acknowledges and agrees that the Proprietary Marks are valuable property owned by Franchisor, and Franchisor is the exclusive owner of all right, title, and interest in and to the Proprietary Marks and all past, present or future goodwill of the Franchised Business that is associated with or attributable to the Proprietary Marks. Franchisee's use of the Proprietary Marks shall inure to the benefit of Franchisor. Franchisee disclaims all right, title and interest in or to such goodwill and Proprietary Marks. During the Term of this Agreement, Franchisee agrees not to engage in any conduct directly or indirectly that would infringe upon, harm, or contest the rights of Franchisor in any of the Proprietary Marks or the goodwill associated with the Proprietary Marks.

**11.2 Use of the Proprietary Marks.** Franchisee agrees to use the Proprietary Marks only in connection with the Franchised Business, in a manner that accurately depicts the Proprietary Marks, and only as permitted by the Operations Manual, SOP, training manuals, Standards of Use manual or otherwise as directed by Franchisor. Franchisee agrees to comply with all trademark, trade name and service mark notice marking requirements. Franchisee agrees to conduct the Franchised Business in accordance with the standards and requirements pertaining to quality, production, signage, equipment, cleanliness, maintenance, appearance, service standards, methods of operations and sales promotions prescribed by Franchisor from time to time. Franchisee agrees to implement and abide by the

requirements and recommendations of Franchisor directed to enhancing substantial uniformity of the System. Franchisee agrees not to use the "Handyman Connection" name in its corporate or entity name, except that Franchisee may use the name "Handyman Connection of..." to indicate that it is doing business as "Handyman Connection" but only upon (i) obtaining Franchisor's prior written permission; (ii) obtaining a "d/b/a" (doing business as) certificate from the state or local agency responsible for issuing such certificates that puts the public on notice that Franchisee and Franchisor are separate legal entities; and (iii) filing a copy of such d/b/a certificate with Franchisor. All stationery, business cards and contracts of Franchisee shall contain Franchisee's corporate or fictitious name and a conspicuously displayed notice that Franchisee operates its Franchised Business as an independently owned and operated franchise of Franchisor.

**11.3 Third Party Infringements.** Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks and any Custom Software Franchisor may now or hereafter designate for use in connection with the System, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks, any Custom Software, or proprietary merchandise, and the Operations Manual and SOP. In the event that any person or entity improperly uses or infringes on the Proprietary Marks, or challenges Franchisor's right to use or license use of the Proprietary Marks, Franchisee agrees that Franchisor shall have the right to control the defense of all infringement claims and litigation. Franchisee acknowledges that Franchisor shall be the sole judge as to whether a suit should be filed or what action should be instituted, prosecuted, or settled, the terms of settlement, and whether any other action shall be taken. Franchisee agrees to cooperate with any action undertaken by Franchisor in respect thereof.

**11.4 Substitutions.** If there is a claim by any party that its rights to use any of the Proprietary Marks are superior and if Franchisor determines that such claim is legally meritorious, then upon receiving written notice from Franchisor, Franchisee agrees, at its expense, immediately to make such changes and use such substitutions to the Proprietary Marks as may be required by Franchisor. Franchisee agrees not to make any changes or substitutions whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

**11.5 Revision to the Proprietary Marks.** Franchisee recognizes that variations and additions to the Proprietary Marks may be required from time to time in order to preserve and enhance the public image of the System, to accommodate changing customer trends, or to ensure the continuing efficiency and profitability of the System. Accordingly, Franchisee agrees that Franchisor may, from time to time, upon written notice, revise the Proprietary Marks, including the adoption and use of new or modified trademarks, service marks, or trade names, and further agrees to promptly accept, implement, use and display all such changes, alterations or modifications, as directed by Franchisor. Franchisee acknowledges and agrees that the cost of implementing any such changes, alterations or modifications shall be borne exclusively by Franchisee; provided, however, that Franchisee shall be permitted to deplete any existing supplies of stationery, advertising or marketing materials that Franchisee has on hand at the time of such revisions to the Proprietary Marks so long as such supply is exhausted within a reasonable amount of time, but in no case, any longer than nine (9) months after notice from Franchisor.

## **12. RESTRICTIVE COVENANTS AND TRADE SECRETS**

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, Franchisee agrees as follows:

**12.1 During the Term of the Franchise Agreement.** During the Term of this Agreement and any renewal or extension of the license granted hereunder, Franchisee agrees that neither Franchisee, its partners, members, or shareholders, nor any member of the immediate family of Franchisee or its partners, members, or shareholders will, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership, corporation or other entity:

12.1.1 Own, maintain, engage in, be employed by, lend money or extend credit to, or have an interest in any other business offering services and/or products similar to those offered under the System; provided, however, that this Section does not apply to Franchisee's operation of any other Handyman Connection franchised business pursuant to a valid franchise agreement.

12.1.2 Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other Handyman Connection franchised business, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; or

12.1.3 Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

12.1.4 Provide any services not authorized by this Franchise Agreement, including without limitation, any Certificate Program Services, advertise its services under any mark other than the Proprietary Marks or use any Software or computer program except as approved by Franchisor.

**12.2 After the Term of the Franchise Agreement.** For a period of three (3) years after the expiration and non-renewal, Transfer or termination of this Agreement, regardless of the cause, Franchisee agrees that neither Franchisee, its principals, partners, shareholders or members nor any member of the immediate family of Franchisee, its principals, partners, shareholders or members will not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person partnership, corporation or limited liability entity:

12.2.1 Enter into any business competing in whole or in part with Franchisor, Franchisor's granting of franchises or licenses; or

12.2.2 Own, maintain, engage in, be employed by, or have any interest in any other business which offers, sells or licenses products or services of the type offered under the System within a radius of twenty (20) miles of the perimeter of the Territory, or five (5) miles from the perimeter of any other Handyman Connection franchise's territory in operation, or of any territory which is being considered or for which discussions are under way for a Handyman Connection franchise, as of the date of expiration and nonrenewal, Transfer or termination of this Agreement; provided, however, Franchisee may continue to operate any other System franchise for which Franchisee and Franchisor have a then-current franchise agreement; or

12.2.3 Solicit business from then existing or prospective National Account or customers with whom Franchisee's former Handyman Connection franchise did business in the preceding five (5) years for any related or competitive business purpose, nor solicit any employee or craftsman of Franchisor or any other System franchisee to discontinue his employment; or

12.2.4 Own, maintain, engage in, be employed by, or have any interest in any company which engages in any business competing in whole or in part with Franchisor, Handyman Connection franchisees, solicits work for Handyman Connection franchisees that otherwise would fall under the National Account Program, or which grants franchises or licenses for any business competing in whole or in part with Franchisor.

**12.3 Intent and Enforcement.** It is the intent of Franchisee and Franchisor that this Section 12 shall, to the fullest extent permissible under applicable law, be judicially enforced; accordingly, Franchisor and Franchisee agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section, Franchisee acknowledges and agrees that Franchisor shall be entitled to an injunction, without bond, restraining such person(s) from any such actual or threatened breach, that Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee further agrees that the time limitations of this Section shall be tolled during any default under this Section 12.

**12.4. Employees.** Franchisee agrees to require its officers, directors, partners, members, shareholders, employees, contractors, subcontractors, and members of the immediately family of the Franchisee involved in any manner or form in the Franchised Business to execute a non-competition agreement containing provisions similar to those set forth herein and in the form approved by Franchisor, attached as Exhibit B.

**12.5 Public Owned Entity.** This Section shall not apply to any ownership by Franchisee or any other person subject to this Section of a beneficial interest of less than three percent (3%) in the outstanding securities or interests in any publicly-held entity.

### **13. ADVERTISING**

The parties acknowledge the value of standardized advertising and marketing to the growth of goodwill and public image associated with the Proprietary Marks and the System. Franchisee, therefore, agrees to actively promote the Franchised Business, to abide by all of Franchisor's advertising requirements, and to comply with this Section 13.

#### **13.1 National Marketing Fund**

13.1.1 Franchisee recognizes and acknowledges that uniform advertising and promotion by the System, both inside and outside of the Territory, contribute to the goodwill and public image of the System and the Franchised Business. Accordingly Franchisee agrees that Franchisor may institute, maintain and administer a national marketing fund or funds ("National Marketing Fund" or "NMF") for such national, regional and other advertising programs as Franchisor, in its sole discretion, may deem necessary or appropriate to advertise and promote the System and the Franchised Business, including

Residential Services, National Accounts, and Certificate Service Programs. Franchisee acknowledges and agrees that Franchisor shall have the complete discretion as to the use and allocation of these funds.

13.1.2 During the Term of this Agreement, Franchisee agrees to make regular contributions to the National Marketing Fund in an amount equal to 3% of the Gross Sales of the Franchised Business. Contributions to the National Marketing Fund shall be payable at the same time and in the same manner as Royalty Fees are payable.

13.1.3 Contributions to the National Marketing Fund will be accounted for separately from the other funds of Franchisor. Such contributions may be used to pay for any of the National Marketing Fund's direct program cost and/or overhead expenses related to the administration of the National Marketing Fund, including reasonable salaries, accounting and administrative costs incurred by Franchisor. Upon written request, Franchisor will provide an annual unaudited statement of the operations of the National Marketing Fund. Any cost of preparing the statement shall be payable from the National Marketing Fund.

13.1.4 Contributions to the National Marketing Fund may be used and disbursed by Franchisor for national, regional, and/or local advertising, for tests and pilot programs, customer support administration, promotional events and materials, market research costs, creative and production costs, as well as to pay Franchisor for any advertising and/or promotional materials produced by Franchisor.

13.1.5 Franchisee acknowledges and agrees that the selection of media and locale for media placement, the nature of the promotional programs, and the content of advertising and promotional material shall be at Franchisor's sole discretion and Franchisor may engage the services of an advertising agency or agencies to formulate, develop, produce, and conduct any or all such advertising and promotion, the cost of which will be payable from the National Marketing Fund. Franchisee acknowledges and agrees that Franchisor shall not assume any direct or indirect liability or obligation whatsoever towards Franchisee with respect to the direction or administration of the National Marketing Fund.

13.1.6 Franchisee understands and acknowledges that the National Marketing Fund is not intended to promote the business of a single franchisee or specific group of franchisees, but rather is intended to promote the public recognition of the Proprietary Marks and to benefit the Franchisor and all of Franchisor's franchisees. Accordingly, Franchisee understands and agrees that expenditures made from the National Marketing Fund may not directly benefit Franchisee and that expenditures from the National Marketing Fund in Franchisee's market area may not necessarily be proportionate to Franchisee's contributions to the National Marketing Fund. The Franchisor agrees that it will not direct National Marketing Funds in an unreasonably disproportionate share towards any franchisee.

## **13.2 Local Advertising**

13.2.1. Franchisee acknowledges and agrees that to effectively compete within the Territory, Franchisee must undertake and execute an extensive marketing and advertising program designed to promote the Franchised Business within the Territory. Therefore, in addition to making contributions to the National Marketing Fund, Franchisee agrees, at Franchisee's cost and expense, to market, advertise and promote the Franchised Business in the Territory, and shall:

(a) List separately, or participate in a listing, in the Yellow Pages of the local telephone directory servicing the Franchised Business Territory and the corresponding internet directory. The listing must conform with Franchisor's specifications, be of the size specified by Franchisor (at a minimum, Franchisee must maintain a trademark listing in the principal local Yellow Pages directory serving Franchisee's Territory), and be listed under the headings specified in the Operations Manual. If directed by Franchisor, Franchisee agrees to participate in a pro-rata share of Yellow Page ad by a group of local franchisees. Franchisee further agrees to display in the listing in the Yellow Pages, on the internet directory, and on all advertising Franchisor's toll-free telephone number for the Franchised Business. Franchisee agrees not to publish any telephone number for the Franchised Business other than the telephone number set forth in Schedule A of this Agreement or such other telephone number(s) as Franchisor may require or authorize, subject to Franchisee's execution of the Conditional Assignment set forth in Exhibit C. Franchisee also agrees to maintain at least one white pages listing in the principal local telephone directory serving the Territory.

(b) Market, advertise and promote the Franchised Business in the Territory only in a manner that will reflect favorably on the Franchisor, the Franchised Business, the services and products offered by Franchisee, and the good name, goodwill, and reputation of the System and Proprietary Marks.

(c) Not use any advertising or other marketing or promotional materials furnished by Franchisor or any other materials containing any of the Proprietary Marks for any purpose other than to market and promote the Franchised Business. Franchisee further agrees not to copy or otherwise duplicate any advertising or promotional materials prepared by or for or furnished by Franchisor without Franchisor's prior written consent. Franchisee further agrees to destroy and advertising, marketing or promotional materials that have not been approved by Franchisor.

(d) Have at least one wrapped vehicle displaying the Handyman Connection logo, website, and phone number. The vehicle wrap must be approved by the Handyman Connection corporate office and must be well-maintained. If Franchisor changes any national logo, or branding material, Franchisor may, at its sole discretion, require the updating of vehicle wraps to align with any new logo, brand updates or marketing promotions. The costs associated with any required change will be the sole responsibility of Franchisee and Franchisee agrees to comply with any required changes within ninety (90) days of such Notice.

13.2.2 In addition to contributions to the National Marketing Fund, Franchisee agrees to spend on local advertising, either by way of direct promotion or participation in a local or regional advertising cooperative with other System franchisees, an amount equal to ten percent (10%) of the Gross Sales of the Franchised Business; provided, however, for a period of one (1) year following the date that the Franchisee begins operating the Franchised Business, Franchisee agrees to spend an amount equal to twelve percent (12%) of the Gross Sales of the Franchised Business.

Franchisee agrees that all local advertising shall be restricted to the Territory, unless pursuant to Section 1.1.1 above or, in the case of a regional or local advertising cooperative, Franchisee agrees to assure that such advertising shall directly benefit the Territory. Franchisee shall, on the last days of June and December of each year, and at such time or times as Franchisor may reasonably request, provide Franchisor with evidence that such amounts have been expended in the previous six months and a report of the manner in which such amounts have been expended.

If Franchisee has not spent the foregoing amounts on local advertising in any twelve-month period ending on December 31st, Franchisee agrees to make up the deficiency through supplemental expenditures in the next calendar quarter, in addition to the amount required in Section 13.2.2 above, or, if directed by Franchisor, by making an additional contribution to the National Marketing Fund in an amount equal to the difference between the amount payable above and the amount actually spent by Franchisee on local advertising.

**13.3 Regional Advertising and Promotional Cooperative** Franchisor shall have the right, in Franchisor's discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Advertising Cooperative"), and to determine whether the Franchised Business is part of any such Advertising Cooperative. If an applicable Advertising Cooperative has been established at the time Franchisee begins operating under this Agreement, Franchisee must immediately become a member of such Advertising Cooperative. If an Advertising Cooperative applicable to Franchisee's Territory is established at any time during the Term of this Agreement, Franchisee agrees to become a member of such Advertising Cooperative no later than thirty (30) days after the date on which the Advertising Cooperative begins operation. If the Franchised Business is within the area of more than one Advertising Cooperative, Franchisee is required to be a member of only one such Advertising Cooperative. The following provisions will apply to each Advertising Cooperative:

13.3.1 Franchisee agrees to sign all documents as required to evidence membership and participation in the Advertising Cooperative, including but not limited to, any local advertising cooperative agreement, and to be bound by the provisions of any such agreement as to the operation of the Advertising Cooperative.

13.3.2 Franchisee agrees to pay the agreed upon percentage of Gross Sales, whether residential, National Accounts, or Certificate Program Services sales, ("Advertising Cooperative Contribution"), as determined by the vote of the members of the Advertising Cooperative, and that the obligation to make such payment shall commence at the first full week after the actual opening of Franchisee's Franchised Business.

13.3.3 Franchisee agrees to make all such payments to Franchisor at the same time and in the same manner as Royalty Fees are payable; Franchisor agrees to account separately for such funds.

13.3.4. Franchisee agrees to submit any and all information to Franchisor as requested from time to time that is required to administer the Advertising Cooperative

13.3.5 Franchisee agrees that Franchisor may disburse such funds, in a manner that is approved by Franchisor and as determined by the Advertising Cooperative.

13.3.6. Franchisee acknowledges and agrees that the amount of the Advertising Cooperative Contribution may be changed by a majority vote of the members in good standing with the both the Advertising Cooperative and Franchisor, and agrees to be bound by any such change; provided, however, the Advertising Cooperative may increase the percentage of vote required to make such changes.

13.3.7 Each Advertising Cooperative will be organized for the exclusive purpose of administering regional or local advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for use by the members in local advertising.

13.3.8 No promotional or advertising plans or materials may be used by an Advertising Cooperative or furnished without Franchisor's prior approval. All such plans or materials shall be submitted to Franchisor in accordance with the provisions of this Agreement.

**13.4 Approval of Marketing, Advertising and Promotional Materials.** Franchisee agrees to use only such marketing, advertising, or promotional materials as are furnished, approved or made available by or through Franchisor. Franchisee further agrees that such marketing, advertising, or promotional materials will only be used in a manner prescribed by Franchisor. Franchisee agrees to submit to Franchisor any marketing, advertising, or promotional materials not furnished or made available by or through the Franchisor for Franchisor's approval prior to any use of such materials. Such materials must accurately depict the Proprietary Marks, be used in a manner as to promote or strengthen brand recognition, be factual, and conform to the highest standards of advertising. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the Franchised Business, the goodwill associated with the Proprietary Marks or the System. Upon written notice, whether by a System wide posting, modification to the Operations Manual, or SOP, direct written communication to Franchisee or otherwise, Franchisee agrees to discontinue the use of any advertising, marketing, or promotional materials as directed by Franchisor. Franchisee acknowledges and agrees that Franchisee's failure to comply with such a request from Franchisor shall be a breach of this Agreement and an infringement of the Proprietary Marks. Franchisee agrees not to transfer, at any time, such marketing, advertising or promotional materials to any third party without Franchisor's prior written consent.

**13.5 Ownership of Advertising Materials.** Franchisee acknowledges and agrees that Franchisor is the sole and exclusive owner of all copyrights in any and all marketing, advertising or promotional materials made available to Franchisee that have been prepared by or on behalf of Franchisor or contain any of the Proprietary Marks, and that such materials shall at all time remain the exclusive property of Franchisor.

#### **14. ACCOUNTING, RECORDS, REPORTS, AUDITS AND INSPECTIONS**

**14.1 Bookkeeping and Accounting Records.** Franchisee agrees to establish a bookkeeping and accounting system conforming to such requirements as are prescribed by Franchisor in its Operations Manual or SOP from time to time. In the event that Franchisor establishes a computerized bookkeeping or accounting system for its franchisees, Franchisee agrees to use such system, to pay all reasonable fees charged by Franchisor or others for the use of such system, and to purchase or lease all computer hardware and Software required for such system. Franchisee further consents and agrees that Franchisor may access the information stored by this system at any time, whether online or in person.

**14.2 Business Records.** Franchisee agrees to establish a record-keeping system conforming to such requirements as are prescribed by Franchisor in its Operations Manual from time to time. Such record-keeping system shall include a complete record of all work performed in connection with the Franchised Business, including copies of all estimates, proposals, and contracts, and a complete listing of all work performed by any subcontractors engaged by Franchisee, including copies of all contracts, invoices or statements. Franchisee agrees to make such records available for inspection and/or copying



by Franchisor or its authorized representatives during regular business hours in order to determine whether Franchisee has complied with the record-keeping provisions of this Agreement.

**14.3 Financial Reports and Inspections.** Franchisee agrees to submit to Franchisor the following in a manner as designated by Franchisor:

**14.3.1 Daily Reports.** Franchisee agrees to submit, at the end of each business day, in the form or manner designated by Franchisor, all data and information regarding leads, estimates, jobs booked and jobs completed, and containing the Gross Sales generated by the Franchised Business during that business day and such other information about the Franchised Business as requested by the Franchisor. Unless otherwise designated by Franchisor, daily submissions shall be made through Franchisor's Custom Software.

**14.3.2 Annual Reports.** If requested, Franchisee shall provide profit and loss statements and balance sheets prepared in accordance with generally accepted accounting principles. Unaudited annual reports shall be submitted to Franchisor within fifteen (15) days following the end of the Franchisee's fiscal year. Franchisee's fiscal years must end on December 31<sup>st</sup> of each year. Franchisee acknowledges and agrees that Franchisor may require the submission of Franchisee's profit and loss statement and balance sheet on a more frequent basis, semi-annually, quarterly, or monthly, if, in Franchisor's opinion, Franchisee demonstrates operational or financial difficulties. Franchisee understands and agrees that a determination by Franchisor that such reports shall be submitted on a more frequent basis shall be final, and further agrees to provide such reports at such time as Franchisor requires.

**14.3.3 Tax Returns.** Franchisee agrees to provide a true copy of all state, federal, and local income tax returns, together with all accompanying schedules, filed by Franchisee, which shall be provided within thirty (30) days after such tax returns are due to the respective state, federal, and local taxing authorities.

**14.3.4 Inspection and Audit of Books and Operations.** Franchisee agrees to permit Franchisor and its agents and representatives to inspect Franchisee's records, premises, related activities, and method of operations from time to time during regular business hours, without advance notice, and to contact Franchisee's vendors, suppliers and third-party contractors in order to determine that Franchisee is in compliance with the quality control and reporting provisions of this Agreement and the Operations Manual. Franchisee agrees that Franchisor shall have the right to inspect hard copy and electronic files and data, to obtain copies of such files and data, and to interview Franchisee and Franchised Business employees, craftsmen, customers, third-party contractors, suppliers and vendors. Franchisee agrees to meet at Franchisor's principal place of business or other locations designated by Franchisor, for the purpose of discussing and reviewing Franchised Business operations, financial performance and other matters.

**14.3.5 Fee Adjustment for Underpayment.** In the event that any such examination, audit or inspection discloses that Franchisee has not paid or has underpaid Franchisor any amounts that Franchisor is entitled to receive under this Agreement, Franchisor is entitled to debit your account immediately for the corresponding unpaid amounts. If sufficient funds are not available in Franchisee's bank account at this time, Franchisee agrees to pay to Franchisor, within ten (10) days after receipt of written notice, any such unpaid amount plus interest on the unpaid amount at a rate of one and one-half percent per month (18% per annum) or the maximum rate permitted by law, whichever is less, from and after the date Franchisor notifies Franchisee of such underpayment.

Franchisee acknowledges and agrees that if any such examination or audit discloses an understatement of Franchisee's Gross Sales or a variance of two percent (2%) or more from the data reported to Franchisor regarding any item which is a component of the computation of fees due to Franchisor, then Franchisee shall reimburse Franchisor for all costs incurred in conducting such audit, examination, or inspection. Furthermore, if any such examination or audit discloses an understatement of Franchisee's Gross Sales or a variance of two percent (2%) or more from the data reported to Franchisor regarding any item which is a component of the computation of fees due to Franchisor, then, in addition to any other right it may have, Franchisor may conduct such further periodic audits and/or examinations of Franchisee's books and records as Franchisor reasonably deems necessary for up to two years thereafter and such further audits, inspections or examinations shall be at Franchisee's sole expense, including without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, Franchisee acknowledges and agrees that if Franchisee understates or underreports Gross Sales, or if a subsequent audit or examination conducted within the two-year period discloses any understatement or variance of two percent (2%) or more, then, in addition to any other remedies provided for in this Agreement, at law or in equity, Franchisor shall have the right to terminate this Agreement immediately.

In order to verify the information supplied by Franchisee, Franchisee acknowledges and agrees that Franchisor may reconstruct Franchisee's Gross Sale through any reasonable method of analysis and reconstruction. Franchisee agrees to accept any such reconstruction of Gross Sales unless Franchisee provides evidence in a form satisfactory to Franchisor of Franchisee's Gross Sales within 14 days from the date of notice of understatement or variance.

**14.3.6 Credit and Trade References.** Franchisee hereby authorizes Franchisor to make inquiries of Franchisee's bankers, suppliers, and other trade creditors as to their dealings with Franchisee in regard to the Franchised Business, to discuss the affairs, finances, and accounts of the Franchised Business. By execution hereof, Franchisee authorizes and directs such bankers, suppliers, and other trade creditors to discuss with Franchisor the affairs, finances and accounts of the Franchised Business, and to provide information and copies of invoices relating to sales or other dealings with such persons in any way relating to the Franchised Business. Franchisee agrees, upon the request of Franchisor, to execute and deliver such documents as may be required to permit such banks, suppliers, or other trade creditors to release or disclose any such information and documents to Franchisor.

## **15. INSURANCE**

**15.1 Types of Insurance.** Franchisee agrees, at its sole cost and expense, to obtain and maintain in full force and effect throughout the Term of this Agreement, such types and amounts of insurance as are set forth in the Operations Manual. The parties acknowledge that current requirements include the following:

**15.1.1 Workers' Compensation Insurance.** Workers' compensation policy in such form and amount as prescribed by Franchisor from time to time, but in no event shall such insurance be in a form and for such lesser amounts as may be required by laws of the state(s) which has jurisdiction over the Franchised Business. At a minimum, worker's compensation shall be maintained with limits of at least \$500,000 per accident. In addition, Franchisor requires that all workers' compensation policies contain a "Waiver of Subrogation" clause in favor of Franchisee and Franchisor.

**15.1.2 Automobile Liability Insurance.** Automobile liability policy in a minimum amount of \$300,000 single limit or such other amount as shall be required under the Operations Manual or SOP from time to time.

**15.1.3 General Liability Insurance.** Comprehensive general liability insurance, including products liability and broad form contractual liability, in an amount of not less than \$2,000,000 in the aggregate and \$1,000,000 per occurrence or such other amounts as may be required under the Operations Manual or SOP from time to time. The general liability policy shall name Franchisor as an additional insured, shall provide that the policy cannot be canceled without thirty (30) days' prior written notice to Franchisor and shall insure the contractual liability of Franchisee. In "Monopolistic States" (e.g., Ohio, North Dakota, Washington and Wyoming), "Stop Gap" coverage must be purchased separately or added to the general liability insurance described in this Section 15.1.3.

**15.1.4 Employee Dishonesty Insurance.** Employee dishonesty insurance with minimum limits of \$10,000 per loss, and such coverage shall also extend to acts of theft or dishonesty against third parties.

**15.1.5 Excess Liability Insurance.** Commercial liability insurance policy with a limit of at least \$1,000,000 per occurrence and in the aggregate and shall list the general liability and automobile liability policies as scheduled underlying policies.

**15.2 Certificate of Insurance.** Prior to the commencement of operations, Franchisee agrees to furnish to Franchisor a Certificate of Insurance documenting that the required insurance coverage is in effect, together with a copy of all such insurance policies. All policies shall be renewed annually through the Term of this Agreement and Franchisee shall cause a renewal Certificate of Insurance for each required coverage to be mailed or e-mailed to Franchisor prior to the expiration of such coverage.

**15.3 Insurance Requirements as Minimums.** Franchisee understands and acknowledges that preceding amounts of coverage are minimum amounts that may be increased throughout the Term of the Agreement by modification to the Operations Manual and SOP and do not represent a recommendation by Franchisor as to the amount of insurance coverage Franchisee should maintain for the Franchised Business. Franchisee further acknowledges and understands that it is Franchisee's sole responsibility to determine the proper insurance coverage that is appropriate to protect Franchisee's interest and that Franchisee should seek the advice of an independent insurance broker to assist Franchisee in making an informed determination. Franchisee also agrees that no deductible under any one insurance policy will be greater than \$5,000, except that Franchisee may have a deductible of up to \$10,000 on Franchisee's excess liability insurance described in Section 15.1.5 above.

**15.4 Placement of Insurance by Franchisor.** If Franchisee fails to take out or keep in force any insurance required by Section 15.1 above or should any such insurance not be as required in Section 15.1 above, Franchisor may, in its sole discretion, without assuming any obligation in connection therewith, purchase such insurance and charge the cost to Franchisee. Franchisee agrees to immediately reimburse Franchisor for all costs incurred by Franchisor in connection with the placement of such insurance.

**15.5 Third-Party Subcontractors Insurance.** Franchisee agrees not to permit any third-party subcontractor to perform any work or offer any service on behalf of Franchisee in regard to the Franchised Business unless such subcontractor maintains insurance coverage in such amounts and

types as Franchisee is required to maintain under this Section 15 and such insurance names Franchisor as an additional insured, or otherwise has the required insurance coverage through Franchisee's insurance policies. Franchisee agrees to maintain evidence of such insurance by its subcontractors and to provide such proof of insurance as Franchisor may require, in its sole discretion, from time to time.

## **16. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION**

**16.1 Independent Contractor Status.** Franchisee acknowledges and agrees that Franchisee is an independent contractor responsible for full control over the management and daily operations of the Franchised Business and that neither party to this Agreement is the agent, principal, employee, partner, employer or joint venturer of the other party. All letterhead, business cards, advertisements, contractual agreements of the Franchised Business shall conspicuously designate the Franchised Business as independently owned and operated.

**16.2 No Liability.** Franchisee acknowledges and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligations in Franchisor's name. Franchisee further agrees that Franchisor is not responsible or otherwise liable for any injury, loss or damage resulting from, occasioned, or suffered by any person or persons or to any property because of any services provided or products sold by it to Franchisee. Franchisee further agrees that Franchisor is not liable for any direct, incidental, or consequential damages, including, but not limited to, lost profits, lost savings, lost revenue, or consequential, punitive, or incidental damages arising out of or in any way connected to a technology-related problem such as e-mail, software, website, estimating software, or from a call center,

**16.3 Indemnification.** Franchisee and Franchisee's principals agree to indemnify, defend and hold Franchisor, Franchisor's affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees ("Indemnitees") harmless against and to reimburse them for all claims, demands, suits, obligations, liabilities and damages ("Claims"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (a) the operation of the Franchised Business, including the use, condition, or operation of the Franchised Business Premises, the sale of any services by Franchisee and Franchisee's advertising; (b) the use of the Proprietary Marks and other Proprietary materials; (c) the Transfer of any interest in this Agreement or the Franchised Business; (d) from any act, omission, debt or any other obligation of Franchisee; (e) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee's principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (f) libel, slander or any other form of defamation of Franchisor, the System or any franchisee operating under the System, by Franchisee or by any of Franchisee's principals. For purposes of this indemnification, "Claims" shall mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys' and expert witness fees, costs of investigation, court costs, other litigation expenses, and travel and living expenses, whether or not such Claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right to defend any such Claim against it in such manner as Franchisor deems appropriate or desirable in Franchisor's sole discretion. Such an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's and each of Franchisee's principals' obligations to indemnify the Indemnities and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration, transfer or termination of this Agreement.

## **17. SECURITY TO FRANCHISOR**

**17.1 Security Agreement.** Franchisee agrees, in order to secure payment and performance of any and all obligations from time to time owing by Franchisee to Franchisor, to provide, at the request of Franchisor, a security interest or interests by a security agreement, in such form as is provided by Franchisor, in such inventory, equipment, personal property, tangible and intangible and other assets of the Franchised Business all proceeds and accounts of the Franchised Business ("Collateral") and in such amount or amounts and upon such terms as Franchisor, in its absolute discretion, shall require. Any failure to provide such security within ten (10) days following the receipt by Franchisee of the written request specifying the nature and extent of such security required, shall be deemed to be a material default under this Agreement. If Franchisee receives financing through the SBA, the SBA shall be granted a lien on the business assets of Franchisee as required in the SBA's loan authorization. In such cases, the SBA's lien shall terminate upon the earlier of: (i) the loan being repaid in full; or (ii) if the SBA no longer has any interest in the loan.

**17.2 First in Priority.** Franchisee warrants and agrees that the security granted to the Franchisor in this Section shall have priority over any other security interest in the Collateral and the Collateral is otherwise unencumbered, except for bona fide purchase money security interest and the security interest granted if any to a third party in connection with the original financing of the Franchised Business.

**17.3 Secured Party.** Franchisee acknowledges and agrees that Franchisor shall have all rights and remedies of a secured party under the Uniform Commercial Code (UCC) or the like of any state in which the Franchised Business is located, including the right to take possession of the Collateral. If requested by Franchisor, Franchisee agrees to execute and deliver to Franchisor financing statements and/or such other documents to perfect Franchisor's interest in the Collateral within ten (10) days of Franchisee's receipt of such documents from Franchisor.

**17.4 Other Agreement.** Franchisee agrees to execute or cause to be executed such other guaranties or instruments as Franchisor may require from time to time to secure the payment and performance of any and all obligations from time to time owing by Franchisee to Franchisor including a personal guaranty in the form attached hereto as Exhibit D.

## **18. SALE, ASSIGNMENT, TRANSFER AND ENCUMBRANCES**

**18.1 Transfer.** Franchisee acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted to Franchisee the rights and license contained herein in reliance of Franchisee's business skills and financial capacity, and if Franchisee is a corporation or limited liability company, then in reliance upon the owner's business skills and financial capacity. Accordingly, Franchisee agrees not to sell, assign, sub-franchise, transfer, convey, give away, pledge, mortgage, lease or otherwise encumber any interest in this Agreement ("Transfer") without the prior written consent of Franchisor. Franchisee acknowledges and agrees that any purported assignment or Transfer, by operation of law or otherwise, without the prior written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement.

**18.2 Conditions for Transfer.** Franchisee acknowledges and agrees that Franchisor may condition its approval of any proposed Transfer of the Franchised Business or the license granted under this Agreement upon the satisfaction of the following:

18.2.1 All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and System Suppliers and all other outstanding obligations related to the Franchised Business have been satisfied, including payment of any Minimum Royalty Fees due pursuant to Section 3.3; provided, however, that the amount of the Minimum Royalty Fee due will be determined on a pro rata basis based on the number of months or portion of a month during which the Franchised Business operated for the Calendar Year in which the transfer is finalized;

18.2.2 Franchisee must cure all existing defaults under the Agreement, or any other agreements between Franchisee and Franchisor, Franchisor's affiliates and System Suppliers within the cure periods and have substantially complied with such agreements during their respective terms;

18.2.3 Franchisee and Franchisee's principals, and the transferee must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, Franchisor's affiliates, and officers, directors, shareholders and employees, in their corporate and individual capacities;

18.2.4 As a condition of Franchisor's approval of transfer, Franchisee or transferee must provide Franchisor a copy of the executed purchase agreement relating to the proposed Transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of the Franchisee's obligations under this Agreement by the execution of the then current Handyman Connection franchise agreement;

18.2.5 The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses good moral character, business reputation and credit rating; has the aptitude, skills, and ability to conduct the business to be transferred; and has adequate financial resources, capabilities and capital, and does not own, maintain, engage in, be employed by, be a creditor of, or have any interest in any other business offering services and/or products similar to those offered under the System, except that the transferee may be an existing Handyman Connection franchisee;

18.2.6 Franchisee or transferee shall pay to Franchisor the then current transfer fee and otherwise comply with the terms of Franchisor's transfer policy then in effect;

18.2.7 Transferee must satisfactorily complete Franchisor's training program at transferee's expense within the time frame Franchisor sets; provided, however, Franchisor reserves the right to revoke its consent to any Transfer if the transferee does not meet all training requirements;

18.2.8 Franchisee and Franchisee's principals if Franchisee is a business entity, and the members of their respective families who have been involved in the operation of the Franchised Business, must agree in writing to comply with the post termination provisions of this Agreement, including but not limited to, covenants, restrictions and agreements to be performed or observed by Franchisee in accordance with Sections 10, 11 and 12 of this Agreement and that such Sections survive the Transfer;

18.2.9 Franchisee agrees that it shall remain liable for all warranties issued by Franchisee during the operation of the Franchised Business and that it shall perform all such remedial work as may be necessary to comply with the terms of such warranties, or, in the event that Franchisee is unable or otherwise fails to perform such warranty work, Franchisee agrees to pay to Franchisor the cost to perform such warranty work plus a 15% administration fee;

18.2.10 Transferee must obtain, with the time limits set by Franchisor, and maintain thereafter all permits and licenses required for the operation of the Franchised Business, which includes the purchase of a new software license in the event that Franchisee does not transfer the entirety of Franchisee's Franchised Business to the transferee;

18.2.11 Franchisor shall have right to disclose to any proposed transferee revenue or sales reports and other financial information concerning Franchisee and the Franchised Business as supplied by Franchisee to Franchisor;

18.2.12 The purchase price and terms of the proposed Transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

18.2.13 The prospective transferee agrees to assume all responsibility for any warranty work. It is agreed that it shall be at Franchisor's option to determine whether the Franchisee or the prospective transferee shall have primary responsibility for any warranty work; provided, however, if neither the prospective transferee nor Franchisee performs the warranty work within 14 days of notice of the need for such warranty work to be performed, then Franchisor shall have the right to perform such warranty work and charge either Franchisee or the prospective transferee the cost to perform such warranty work plus a 15% administration fee; and

18.2.14 In any event, Franchisor may withhold or condition Franchisor's consent to any Transfer as Franchisor deems appropriate based on the circumstances of the Transfer or otherwise; provided, however, that Franchisor shall not unreasonably withhold, delay, or condition its consent to a Transfer by Franchisee.

**18.3 Transfer of Assets.** Franchisee acknowledges and agrees that a sale or transfer of all or substantially all of the assets of Franchised Business or the sale of the Franchised Business not in the ordinary course of business shall be deemed a Transfer and such Transfer shall be subject to the provisions in this Section 18.

**18.4 Sale of Share or Other Interest in Franchised Business.** If Franchisee is a corporation, partnership, limited liability or other business entity, Franchisee agrees that any transfer of ownership or control whatsoever, shall be deemed to be Transfer of this Agreement and shall be subject to all of the provisions of this Section 18. Franchisee agrees to provide, upon Franchisor's request, a certificate certifying the then current shareholders, directors, officers, members, or partners, as the case may be, of the Franchised Business. Franchisee further agrees that it will cause the share certificates, articles of incorporation or organization, partnership or operating agreement and other documents of ownership to have typed or written a legend stating that such shares, documents of title, or ownership interests are subject to this Agreement and the restrictions on Transfer contained herein.

**18.5 Assignment to Controlled Entity.** If Franchisee is an individual or sole proprietorship, Franchisee may, at any time after providing Franchisor with thirty (30) days written notice, Transfer all of the Franchisee's right and obligations under this Agreement to a corporation or limited liability entity without any applicable transfer fee or any grants of first right of refusal to Franchisor, provided that such Transfer is in compliance with this Section 18.5, and further provided that Franchisee is and throughout the Term of this Agreement remains a principal executive officer of the entity and the beneficial and

registered owner of not less than fifty-one percent (51%) of the issued and outstanding voting shares or ownership interests of such entity and that Franchisee agrees to:

18.5.1 cause the corporation or limited liability entity and its directors, officers, shareholders, and members to acknowledge and ratify this Agreement, to agree in writing to be bound by all the provisions hereof, and to execute such form of agreement as may be specified by Franchisor relating to the assumption by such entity of all rights and obligations under this Agreement in the form attached as Exhibit D; and

18.5.2 such corporation or limited liability entity will cause the share certificates, articles of incorporation or organization, partnership or operating agreement or other documents of ownership to have typed or written a legend stating that the business entity is formed or organized solely for the purpose of operating a Handyman Connection franchised business and that such shares, documents of title, or ownership interests are subject to this Agreement and the restrictions on Transfer contained herein; and

18.5.3 cause the corporation or limited liability entity to restrict the issuance of and its directors, members or shareholders to restrict the transfer of shares or interests of the entity so that Franchisee shall continuously own fifty-one percent (51%) of the issued and outstanding shares or interests and cause the entity to keep Franchisor current as to the names and addresses of the directors, shareholders, members of and those persons financially involved in the corporation or limited liability entity.

18.5.4 pay to Franchisor all reasonable legal costs and expenses and other fees and charges incurred by Franchisor in connection with such assignment and the preparation, execution and filing of any of the documents referred to in this Section 18.5.

18.5.5 satisfy all accrued monetary obligations of Franchisee to Franchisor and any government authority, prior to Transfer;

18.5.6 cause the corporation or limited liability entity and all shareholders or members of the transferee entity to enter into a written assignment and assumption of liability agreement, in a form satisfactory to Franchisor, with the transferee entity assuming all Franchisee's obligations hereunder.

18.5.7 cause all shareholders or members to enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor; and

18.5.8 ensure that no new shares of common or preferred voting stock or membership interests in the corporation or limited liability entity shall be issued to any person, persons, partnerships, associations, or corporations without obtaining Franchisor's prior consent.

**18.6 Right of First Refusal.** Franchisee agrees that any person or entity holding any interest in the Franchised Business and who desires to accept a bona fide offer from a third party to purchase or otherwise Transfer such interest in the Franchised Business shall notify Franchisor in writing of each such offer, provide Franchisor with name and address of the third party and a copy of the sales agreement. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor or its nominee intends to purchase such seller's interest on the same terms and conditions offered by the third party. Any material change in the



terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor or its nominee as in the case of an initial offer. Franchisee acknowledges and agrees that the failure of Franchisor to exercise the option afforded by this Section 18.6 shall not constitute a waiver of any other provisions of this Agreement, including the requirement of this Section 18 with respect to the purposed Transfer. Notwithstanding the foregoing, Franchisor will not exercise its right of first refusal under this Section 18.6 if exercising such right would result in Franchisor becoming a partial owner of the Franchised Business.

**18.7 Effect of Consent to Transfer.** Franchisee acknowledges and agrees that Franchisor's consent to a Transfer is not a waiver of any claims Franchisor may have against Franchisee, and Franchisee is not relieved of any obligations to Franchisor, including any defaults by any transferee. In all cases, Franchisee's obligations under the Section 20 will survive any Transfer or attempted Transfer of this Agreement. It is further agreed that Franchisor will not have any liability to Franchisee or any proposed or actual transferee as a result of or in connection with Franchisor's examination and/or possible consent or withholding of consent to any Transfer or proposed Transfer, or Franchisor's exercise of any rights under this Agreement. Franchisee agrees to indemnify and hold Franchisor harmless from any liability to Franchisee, the proposed transferee or otherwise related to or in connection with any actual or proposed Transfer.

**18.8 Assignment by Franchisor.** Franchisee acknowledges and agrees that Franchisor may, at any time, sell, transfer, or assign its interest in this Agreement. In the event of such a sale, transfer or assignment by Franchisor of this Agreement or any interest therein, to the extent that the purchaser, transferee or assignee shall assume the covenants and obligations of Franchisor under this Agreement, Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations. The consent of Franchisee to such sale, transfer or assignment shall not be required and, notwithstanding any such sale, transfer or assignment, Franchisee shall continue to be fully bound by this Agreement.

**18.9 Death or Permanent Disability of Franchisee.**

18.9.1 If Franchisee, or the person with a controlling interest in the franchise, dies or is permanently disabled, then Franchisee's interest in this Agreement may be transferred to a third party subject to the provisions of this Section 18.

18.9.2 Any Transfer under this Section shall be completed within ninety (90) days from the date of death or permanent disability. If such Transfer does not occur within the ninety day time period, the Agreement and all rights and licenses granted hereunder will automatically terminate.

18.9.3 "Permanent disability" shall be determined by two (2) licensed practicing physicians. One licensed practicing physician will be selected by Franchisor while the second licensed practicing physician will be selected by Franchisee. If these two (2) licensed practicing physicians cannot agree on whether a permanent disability exists, they shall jointly appoint a third licensed practicing physician whose expert opinion shall be controlling. In addition, a permanent disability may be found if Franchisee or the person with a controlling interest in the franchise is unable to personally or actively participate, on a full time basis, during normal business hours, in the management of Franchised Business for ninety (90) consecutive days ("Period of Disability"). The Period of Disability shall be deemed to commence on the first day that Franchisee or the person with a controlling interest does not attend to the business of the Franchised Business on a full time basis. Unless and until Franchisee or the person with the controlling

interest shall have returned to attending to the business of the Franchised Business on a full time basis for twenty (20) consecutive business days, the Period of Disability shall be deemed to have continued without interruption.

18.9.4 Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any disabled Franchisee during or after the Period of Disability. If necessary, Franchisee (or Franchisee's legal representative) shall appoint an acting interim manager, subject to Franchisor's approval, to operate the Franchised Business on Franchisee's behalf and at Franchisee's expense during the Period of Disability.

## **19. BREACH AND TERMINATION**

19.1 **Termination of Rights.** Franchisee acknowledges and agrees that upon termination of this Agreement for any reason whatsoever or upon its expiration, all of the rights and licenses granted to Franchisee hereunder shall terminate and have no further force or effect.

19.2 **Automatic Termination.** This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

19.2.1 **Voluntary Bankruptcy.** If Franchisee is or becomes insolvent, makes an assignment for the benefit of creditors, files or threatens to file a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

19.2.2 **Involuntary Bankruptcy.** If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Franchised Business without Franchisee's consent, and the appointment is not vacated within 60 days.

### **19.3 Termination by Franchisor**

19.3.1 **Franchisor's Option to Rescind.** Franchisee acknowledges and agrees that Franchisor may, before the completion of Initial Training, in its sole and absolute discretion, rescind this Agreement and refund the Initial Franchise Fee to Franchisee. Upon rescission, all the rights and licenses granted to Franchisee hereunder shall terminate. Notwithstanding, Franchisee acknowledges and agrees that he or she shall remain bound, even after rescission of this Agreement, to those obligations contained in Sections 10 and 12.

19.3.2 **Franchisor's Option to Terminate.** Franchisee acknowledges and agrees that if Franchisee has not commenced operation of the Franchised Business under this Agreement within 120 days of the signing of this Agreement or if Franchisee does not successfully complete the Initial Training, or if Franchisee does not obtain the proper permits and licenses to operate the Franchised Business, Franchisor has the option to terminate this Agreement and the licenses granted hereunder, by giving Franchisee 20 days written notice of its intent to terminate. If Franchisee does not cure the default and commence operation of the Franchised Business before the expiration of the twenty-day time period, the Agreement and all licenses granted hereunder shall immediately terminate. Upon such termination, the parties agree to deliver to each other such releases and other instruments as Franchisor may reasonably

require so as to fully terminate any and all agreements between the parties. Upon receipt of such signed releases and other instruments, Franchisor agrees to refund to Franchisee \$10,000 of the Initial Franchise Fee.

**19.3.3 Termination with Opportunity to Cure.** Franchisee acknowledges and agrees that Franchisor has the right to terminate this Agreement ten (10) days after giving Franchisee written notice ("Cure Period"), if any of the following defaults remain uncured after expiration of the Cure Period:

(a) If Franchisee fails to pay as and when due any amounts owed under this Agreement or under any promissory note with Franchisor.

(b) If Franchisee fails to submit any reports required under this Agreement within 10 days of the date any such report is due.

(c) If Franchisee fails to maintain the prescribed hours of operation for the Franchised Business.

(d) If Franchisee fails to maintain the proper insurance, licenses, permits or certificate and other applicable authorizations for the Franchised Business.

(e) If Franchisee has failed to submit timely reports and/or remittances for any two (2) reporting periods within any 12-month period.

(f) If Franchisee fails to maintain the strict quality controls required under this Agreement or the Operations Manual, including SOP, or has six (6) or more material customer complaints for every one thousand (1,000) customers with respect to the Franchised Business in any twelve (12) month period, whether resolved or not resolved.

(g) If Franchisee breaches any of the terms or conditions of this Agreement or fails to observe, perform or comply with any of the rules, bulletins, directives or other notices issued by Franchisor or set forth in the Operations Manual.

(h) If a final judgment is rendered in an amount in excess of \$10,000 by any court or tribunal against either Franchisee or any guarantor hereunder and such judgment shall not be satisfied, discharged, vacated or execution thereof stayed within twenty (20) days after entry thereof or within such time period as action must be taken in order to discharge, vacated or stay execution of the judgment, whichever shall be the earlier.

(i) If Franchisee fails to return the phone call of any officer, director, employee, or any other individual associated with Franchisor or Franchisor's affiliates, within ten (10) days of said phone call.

**19.3.4 Termination without Opportunity to Cure.** Franchisee acknowledges and agrees that Franchisor may terminate this Agreement and all rights granted hereunder, without a right or opportunity to cure, upon written notice of termination, in the event of the following:

(a) If there are two (2) or more incidents of any breach within a twelve (12) month period whether cured or uncured for which Franchisor has provided notice and opportunity to cure, if applicable. The incidents of breach may be of the same violation or different violations of this Agreement, the Operations Manual, SOP or any other agreement between Franchisee and Franchisor.

(b) If any audit reveals that Franchisee has understated Franchisee's Royalty, NMF payments or other advertising payments by more than 2%.

(c) Franchisee makes a misrepresentation or omission of any material fact relevant to the decision of Franchisor to enter into this Agreement.

(d) Any Transfer or attempted Transfer that is without the consent of Franchisor or otherwise not in compliance with Section 18 of this Agreement;

(e) Subject to Section 18.9 of this Agreement, if Franchisee or the person with a controlling interest in Franchisee shall die or become permanently disabled.

(f) If Franchisee or any guarantor violates any of the in-term covenants not-to-compete, the covenants of non-disclosure, or covenants of confidentiality set forth in this Agreement.

(g) If Franchisee fails to meet the Minimum Performance Criteria set forth in Section 9.2.

(h) If Franchisee commits, undertakes to, or otherwise becomes involved in fraudulent conduct in relation to its dealings with Franchisor.

(i) If Franchisee abandons the Franchised Business or fails to continuously and actively operate the Franchised Business for five (5) calendar days (unless caused by an act of God or other circumstance beyond Franchisee's control), ceases, threatens or takes actions to cease business or to liquidate the assets of the Franchised Business, or stops making payments in the ordinary course of business. Abandonment may include such conduct as failure to make updates in the Custom Software, or the failure to return phone calls to customers or Franchisor.

(j) If either Franchisee or any guarantor hereunder makes or attempts to make a general assignment for the benefit of creditors or a bulk sale of their assets, institutes or has instituted against either of them any proceeding relating to insolvency or bankruptcy, has a custodian, receiver or similar person appointed over all or part of the Franchised Business, or in the event any lessor, lien holder or other similar party takes possession of any of the assets or property of Franchisee or the Franchised Business, or if Franchisee or guarantor hereunder commits or suffers any default under any contract or lease pertaining to the Franchised Business.

(k) If Franchisee or any guarantor, hereunder is a corporation, partnership, limited liability company, trust, or other entity becomes in-active, winds-up, dissolves, liquidates, merges, or otherwise ceases to exist, whether voluntarily or involuntarily, or in the event of forfeiture or other loss of charter.

(l) If Franchisee or any guarantors hereunder are convicted of or plead no contest to a felony, any act of theft, fraud, or other offense involving moral turpitude, or any crime or offense that is likely to adversely affect the reputation of the Franchisee or any owner, the Franchisor, the Franchised Business, the System or the goodwill associated with the Proprietary Marks.

(m) If a levy or writ of attachment, judgment, or lien is placed against Franchisee or any of the guarantors hereunder, which is not released or bonded against in thirty (30) days, or if Franchisee or any guarantor hereunder becomes insolvent, or if Franchisee fails, within fifteen (15) calendar days after notice of non-compliance by federal, state, or local governmental authorities, to comply with any law or regulation applicable to the Franchised Business.

(n) If Franchisee or any of the guarantors hereunder fail to comply with the Anti-Terrorist obligation of this Agreement or any federal, state, or law of regarding the same.

(o) If Franchisee or Franchisee's owners, shareholders, members, or partners engage in any misconduct that unfavorably affects the reputation or goodwill or otherwise brings discredit on the Franchisor, the System, and/or Proprietary Marks or otherwise brings discredit on the entire franchise organization, including, but not limited to, willful acts of dishonesty toward the Franchisor, property owners, insurers, and other third parties dealing with Franchisee, Franchisor or other franchisees.

(p) If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance or benefits.

(q) If Franchisee commits any default under any other agreement between Franchisee and Franchisor. Similarly, Franchisee acknowledges and agrees that any default under any other agreement or any other obligation between Franchisor and Franchisee is a default under this Agreement.

(r) If Franchisee does not allow Franchisor and its agents and representatives to conduct an on-site inspection of the Franchisee's records, premises, and method of operations during regular business hours, regardless of whether Franchisor provided prior notice to Franchisee.

**19.4 Additional Remedies.** Franchisee expressly consents and agrees that the remedies provided by this Agreement upon default, termination, and otherwise may not be adequate remedies to address the harm to Franchisor by default listed above; therefore, in addition to any other remedies Franchisor may have at law, Franchisor may obtain an injunction and/or appointment of a receiver of the Franchised Business to terminate or prevent the continuation of any existing default, or to prevent the occurrence of any threatened default by Franchisee of this Agreement.

**19.5 Set-Off by Franchisor.** Notwithstanding anything contained in this Agreement, upon Franchisee's failure to pay to Franchisor any amounts provided for herein when due, Franchisor shall have the right to deduct any and all such amounts remaining unpaid from any monies or credits held by Franchisor for the account of Franchisee.

**19.6 Franchisor Right to Discontinue Supplying Items or Services Upon Default.** Franchisee acknowledges and agrees that, upon Franchisee's default, Franchisor may stop selling or providing Franchisee goods or services until Franchisee has cured the default or Franchisor may require that Franchisee pay cash on delivery, pay in advance for goods and services, or pay by certified check. Franchisee acknowledges that no such action by Franchisor shall be deemed constructive termination of this Agreement, change in competitive circumstances, or similar characteristics, and Franchisee agrees that Franchisee shall not be relieved of any obligations under this Agreement because of this action.

**19.7 Step in Rights.** Franchisee acknowledges and agrees that in addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights, Franchisor may have against Franchisee, upon failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to exercise complete authority with respect to the operations of the Franchised Business until such time as Franchisor determines, in Franchisor's sole discretion, that the default is cured, and Franchisee is otherwise in compliance with this Agreement. Franchisee agrees to reimburse Franchisor for all costs, expenses, and overhead, if any, incurred in connection with such Franchised Business operations. Franchisee further agrees to hold Franchisor harmless from any and against any fines, claims, suits, or proceedings, which may arise out of Franchisor's operation of the Franchised Business.

## **20. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION**

Upon expiration or termination of this Agreement, for whatever reason, Franchisee agrees to comply with the following:

**20.1 Pay all Monies Owed.** Within ten (10) days after such expiration or termination, pay to Franchisor all outstanding Royalty Fees, NMF Contributions, Advertising Cooperative fees, Software fees, any and all amounts owed under this Agreement, and any other sums owed by Franchisee to Franchisor.

**20.2 Discontinue Use of Marks and Confidential Information.** Immediately discontinue the Franchised Business and the use of the Proprietary Marks, Confidential Information and any other proprietary rights licensed under this Agreement and other similar names or marks, or any other designations or marks associating or formerly associating Franchisee with Franchisor or the System, and any conduct that might tend to give the general public the impression that Franchisee is or was associated with Franchisor or the System.

**20.3 De-identification.** Promptly execute such instruments or take such actions as may be necessary to discontinue Franchisee's use of any fictitious business name containing any of the Proprietary Marks

and to remove Franchisee's listing as a Handyman Connection franchise from the telephone classified pages (yellow pages), as well as any other telephone or internet directory or trade or business directories or other media listings. Within ten (10) days after such expiration or termination, make available to Franchisor for inspection all vehicles and equipment for the purpose of allowing Franchisor to confirm the removal of all identification with respect to the System and the Proprietary Marks.

**20.4 Return of Confidential Information.** Within ten (10) days after of such termination or expiration Franchisee agrees to deliver to Franchisor all copies of the Operations Manual, forms, software, including but limited to, custom or proprietary software or other software owned or developed by Franchisor and any copies thereof, signage, and Customer Data, and any other Confidential Information.

**20.5 Assignment of Telephone Numbers, URLs, Domain Names, Website Addresses, Email Addresses, and other forms of Telecommunication and Listings.** Within ten (10) days after such expiration or termination, take all actions and execute all instruments that may be necessary to assign all telephone numbers, URLs, web site addresses, domain names, email addresses, and other forms of telecommunications and listings used in connection with the Franchised Business to Franchisor or any other party designated by Franchisor, or at Franchisor's option to cancel or redirect to another number or address such telephone numbers, addresses, or listings.

**20.6 Power of Attorney.** Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Proprietary Marks and the Confidential Information. Further, upon termination or expiration of this Agreement for any reason, Franchisor, may, in its sole discretion:

20.6.1 Enter Franchisee's premises to retrieve or destroy all computer programs supplied by Franchisor or containing Confidential Information, on any and all computers, owned, leased, rented or in any way operated for the benefit of the Franchised Business;

20.6.2 Direct all existing telephone numbers, URLs, domain names, emails, web sites, and any other forms of telecommunication that have been used in any way in the operation of, or association with the Franchised Business to be transferred, disconnected or referred to another number or address;

20.6.3 Retrieve the Operations Manual and any other proprietary material and software;

20.6.4 De-identify the premises at Franchisee's expense to the extent such de-identification has not been timely and completely performed by Franchisee.

**20.7 Customer Obligations and Warranties.** Franchisee agrees to fulfill all of the obligations to customers under all outstanding contracts and any warranties provided to customers of the Franchised Business, notwithstanding the expiration or termination of this Agreement. If Franchisee does not fulfill these obligations, Franchisor will provide notice to Franchisee and the Franchisee agrees, within fourteen days after notice, to pay to Franchisor the greater of two percent (2%) of Franchisee's total Gross Sales for the preceding twenty-four (24) months or \$15,000. The parties acknowledge that this is not a liquidated damages provision and relates only to the fulfillment of outstanding customer contracts and warranties.

Upon Franchisor's conclusion that Franchisee has satisfied all of its obligations pursuant to this Section, Franchisor agrees to return such sum, after deducting any amounts expended to satisfy Franchisee's outstanding obligations. Franchisee acknowledges and agrees that the payment of the above amount to Franchisor shall not relieve Franchisee from its obligations to consumers and payment of such amount shall not operate to eliminate or otherwise alter Franchisee's duty to indemnify Franchisor as stated in Section 16.3 of this Agreement.

Franchisee further agrees that if such amount paid to Franchisor for customer obligations is found to be insufficient to cover the cost and expense of any one or all of Franchisee's customer obligations, then, upon demand by Franchisor, Franchisee shall immediately, but no later than ten (10) days after such demand, pay to Franchisor such additional amounts as may be needed to cover the cost and expense of such customer obligations.

**20.8 Continuing Obligations.** All obligations and rights which expressly or by their nature survive the Transfer, expiration or termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire, including but not limited to, indemnification, non-competition obligations, payment of amounts owed, and maintenance of confidentiality. If this Agreement is terminated because of default of Franchisee, Franchisee will not be released or discharged from Franchisee's obligations, including payment of all amounts then due and other amounts which would have become due under this Agreement if Franchisee had continued in operation as a Franchised Business for the full Term. Franchisor's remedies will include, but not limited to, the right to collect the present value of these amounts owed to Franchisor. Franchisee and the guarantors herein agree to sign a general release if Franchisor chooses, in its sole discretion, to waive in whole or in part Franchisor's rights to collect any amounts that would have become due if Franchisee would have continued operation of the Franchised Business.

**20.9 Minimum Royalty Due Upon Termination by Franchisee.** In addition to all other obligations upon termination, and except as stated in Section 18.2, if Franchisee causes the termination of this Agreement in any manner, and such termination occurs before May 1<sup>st</sup> of any Calendar Year, then Franchisee agrees to pay the then current Calendar Year's Minimum Royalty Fee, which is to be paid in full upon notice of termination. If such termination occurs after May 1<sup>st</sup> of any Calendar Year, then Franchisee agrees to pay the current Calendar Year's Minimum Royalty Fee plus 25% of the following Calendar Year's Minimum Royalty Fee. Franchisee acknowledges and agrees that Franchisor's right to collect this Minimum Royalty Fee is in addition to any other rights and remedies available under this Agreement and applicable law.

## **21. DISPUTE RESOLUTION**

### **21.1 Mediation**

21.1.1 Franchisee agrees that, subject to Section 21.1.2, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way related to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation before Franchisor's President at Franchisor's headquarters. Prior to the mediation and before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a written notice to Franchisor, which specifies in detail the precise nature and grounds of such claim or dispute.

21.1.2 Franchisee acknowledges and agrees that Franchisor shall not be required to first attempt mediation as set forth in this Section 21.1 for any controversy, dispute, or claim regarding Franchisor's allegation that Franchisee is violating or threatening to violate or poses an imminent threat to violate:

- (a) any of Franchisor's federally protected intellectual property rights in the Proprietary Marks, the System or Franchisor's Confidential Information; or
- (b) any claims pertaining to or arising out of any warranty issued; or
- (c) any of the restrictive covenants contained in this Agreement.

**21.2 Arbitration.** If not resolved by mediation, Franchisee acknowledges and agrees that all disputes and claims relating to or arising out of this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or any other agreement between the parties shall be settled by arbitration in the city or county of Franchisor's Headquarters in accordance with the Federal Arbitration Act and Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The rights and duties of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in event of a conflict, shall govern any arbitration: If the claim is for less than \$50,000 then the matter shall be heard before a single arbitrator. If the claim or a counterclaim, is for \$50,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint an arbitrator, and the appointed arbitrators shall appoint a neutral arbitrator from the AAA's list of arbitrators. Each party must bear its own costs of arbitration including the fee for the arbitrator they appointed; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Franchisor and Franchisee.

21.2.1 Whether the matter is heard by a single arbitrator or three, the arbitrator's award shall be rendered within seven (7) days of the close of the hearing and shall include all fees, costs and attorney's fees for Franchisor if it is the prevailing party. The arbitrators shall have no authority to amend or modify the terms of this Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for the District where Franchisor's headquarters is located, and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

21.2.2 Notwithstanding anything to the contrary in this Agreement, Franchisor shall not be required to arbitrate the following disputes or claims against Franchisee:

- (a) non-payment in any amount not in excess of \$20,000;
- (b) injunctive claims; and
- (c) claims that may be asserted by Franchisor against Franchisee in any action to which a third party, not a party or guarantor under this Agreement, is a party litigant.

**21.3 Third Party Beneficiaries.** Franchisee acknowledges and agrees that Franchisor's officers, directors, shareholders, affiliates, agents and/or employees are expressed third-party beneficiaries of the Agreement including this Section 21, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by Franchisee.



**21.4 Injunctive Relief.** Franchisee acknowledges and agrees that nothing contained in this Agreement shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect the System or Franchisor's interest prior to the filing of any arbitration proceeding or pending the hearing or handing down of a decision or award pursuant to any arbitration proceeding conducted under this Agreement.

**21.5 Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the United States District Court or state trial court in the city or county of Franchisor's headquarters.

**21.6 JURY TRIAL WAIVER.** WITH RESPECT TO ANY PROCEEDING NOT SUBJECT TO ARBITRATION, THE PARTIES HEREBY AGREE TO WAIVE AND DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THE WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, ANY OTHER AGREEMENT BETWEEN THE PARTIES, THE PERFORMANCE OF EITHER PARTY UNDER ANY SUCH AGREEMENT, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

**21.7 Class Action Waiver.** The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee and Franchisor or its affiliates or employees, whether through mediation, arbitration or litigation, may not be consolidated with any other proceeding between Franchisor and any other person or entity.

**21.8 Waiver of Punitive Damages.** Franchisee waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages, including, without limitation, lost profits, that it may have against Franchisor arising out of any cause whatsoever, whether such cause be based in contract, negligence, strict liability, other tort or otherwise, and agrees that in the event of a dispute, its recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, specifically including without limitation, the waiver of any right to consequential damages.

**21.9 Attorney's Fees.** If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligations or to interpret the terms of this Agreement, the prevailing party shall, upon final judgment, be entitled to recover all costs, including reasonable attorneys' fees incurred with such proceedings.

**21.10 No Defense.** Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising under or out of this Agreement, shall not constitute a defense to Franchisor's enforcement of the restrictive covenants and obligations of confidentiality contained in Sections 10 and 12 of this Agreement. Franchisee agrees to pay all costs and expenses, including attorney's fees that Franchisor incurs in connection with the enforcement of this Section 21.9.

**21.11 Limitation of Action.** The parties further agree that no cause of action arising out of or under this Agreement may be maintained by either party against the other unless brought before the expiration of one (1) year after the action, transaction, or occurrence upon which such action is based or the expiration of one (1) year after the complaining party became aware of facts or circumstances reasonably indicating that such party may have a claim against the other party hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off; provided, however, the time period for actions for indemnity shall not begin to run until the indemnified party has been found liable and any time for appeals has run in the underlying action.

## **22. GUARANTY OF PRINCIPALS**

If Franchisee is a corporation, limited liability company, partnership, or trust, Franchisee agrees that each of its shareholders, members, partners, trustees, and beneficiaries owning, controlling or having an interest greater than ten percent (10%) ("Guarantors") and each of the Guarantor's spouses ("Spouses"), hereby personally and unconditionally guarantee, without notice, demand or presentment, Franchisee's performance under this Agreement or any other agreement between the parties, including without limitation, the payment of all of Franchisee's monetary obligations under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such Guarantors and Spouses further agree to be bound by the restrictions on Franchisee's activities upon Transfer, termination, expiration or non-renewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such Guarantors and Spouses must execute a continuing personal guaranty in the form attached in Exhibit D.

## **23. GENERAL PROVISIONS**

**23.1 Gender, Number, and Person.** Throughout this Agreement, the use of the singular number shall include the plural and vice versa, the use of gender shall include the masculine, feminine, and neuter genders, and the word "person" shall include an individual, a trust, a partnership, a body corporate or politic, a limited liability entity, an association or other incorporated or unincorporated entity.

**23.2 Joint and Several.** If two or more individuals or entities, or any combination thereof, shall sign or be subject to the terms and conditions of this Agreement or as guarantor hereof, the liability of each of them under this Agreement shall be deemed to be joint and several.

**23.3 Severability.** The Parties agree that if any provision of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and, if for any reason whatsoever, any term or condition of this Agreement or the application of any such term or condition shall be held to be invalid or unenforceable, then all other terms and conditions of this Agreement or the application of such terms and conditions shall not be affected thereby, and each term and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**23.4 Notice.** All notices, approvals, or other communications (collectively "Notices") required or permitted to be given under this Agreement shall be in writing and shall be deemed duly given when delivered by either hand delivery or delivery by a commercial courier service or by registered or certified

mail, return receipt requested, postage prepaid and addressed to Franchisor at Trident Investment Partners, Inc. d/b/a Handyman Connection 11115 Kenwood Road, Blue Ash, Ohio 45242 or Franchisor's then current headquarters, to the attention of the Chief Executive Officer, and to Franchisee at the Approved Location of the Franchised Business or to such other addresses as may be provided by either party to the other in writing from time to time. Such Notices, if mailed, shall be deemed to have been given on the second business day, following such mailing, or, if delivered by hand, shall be deemed to have been given on the day of delivery. Until the Franchised Business is open for business, Franchisor may send Franchisee Notices to any address appearing in Franchisee's franchise application or any other address of record. Notice to any one Franchisee or guarantor of the Franchised Business, shall be deemed effective as to all Franchisees under this Agreement.

**23.5 Headings, Articles and Numbers.** The headings, article numbers and table of contents, if any, appearing in this Agreement or any schedule or exhibit hereto are for reference only and shall not in any way affect the construction or interruption of this Agreement

**23.6 Governing Law; Jurisdiction.** This Agreement shall be deemed to have been written, approved and accepted in the State of Ohio and the construction and interpretation of this Agreement, wherever executed and wherever performed, shall be governed by the laws of the State of Ohio.

**23.7 Time is of the Essence.** Time shall be of the essence of this Agreement and of every part thereof.

**23.8 Further Assurances.** The parties hereto agree to execute and deliver such further and other agreements or documents, to cause such meetings to be held, resolutions passed and by-laws enacted, and to exercise their vote and influence and do and cause to be done any further and other acts and things as may be necessary in order to give full effect to this Agreement and every part hereof.

**23.9 Binding Agreement.** Subject to the restriction on assignment herein contained, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective, heirs, executors, administrators, successors and assigns. The parties agree that this Agreement may not be modified or supplemented except by means of written agreement signed by both Franchisee and Franchisor. However, Franchisee acknowledges and agrees that changes to the Operations Manual and SOP are binding and do not require any acceptance by Franchisee, written or otherwise, to be effective and enforceable.

**23.10 When Binding Upon Franchisor.** This Agreement is not effective until signed by an authorized officer of Franchisor.

**23.11 Cumulative Rights of Franchisor.** The rights of Franchisor under this Agreement are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is otherwise entitled by law to enforce.

**23.12 Force Majeure.** In the event that any party is delayed in the performance of any act required herein by labor dispute, inability to procure materials, power failure, restrictive government laws or regulations, riots, insurrection, war, or other reasons of a like nature not the fault of such party, the performance of such act and the time for performance thereof shall be extended for a period equivalent to the period of such delay, up to a maximum of three (3) months. The provisions of this Section 23.12 shall

not operate to excuse Franchisee from the prompt payment of any amount due Franchisor under this Agreement.

**23.13 Entire Agreement.** This Agreement and the documents incorporated herein by reference constitute the entire agreement between the parties and supersedes all previous agreements and understandings between the parties in any way relating to the subject matter hereof. The parties have had a reasonable opportunity to review this Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Agreement; provided, however, nothing herein is intended to disclaim any representations made in the Franchise Disclosure Document provided to Franchisee.

**23.14 Anti-Terrorist Certification.** As a condition of entering into this Agreement, Franchisee hereby certifies that it has not provided and will not provide material support or resources to any individual or entity that it knows, or has reason to know, is an individual or entity or agent of such individual or entity, that advocates, plans, sponsors, engages in, or has engaged in terrorist activity, including but not limited to, the individuals and entities listed the on Annex to Executive Order 13224 or other such individuals and entities that may be later designated by the United States under any governmental authority. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism laws by Franchisee, its owners, principals, guarantors, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement between Franchisor and Franchisee.

**23.15 Execution of Franchise Agreement.** Each of the undersigned Parties warrants that it has the full authority to sign and execute this Agreement. If Franchisee is a partnership, corporation, or limited liability company, or other business entity, the person executing this Agreement on behalf of such entity warrants to Franchisor, both individually and in his/her capacity as a member, officer, partner or otherwise, that the entity has read and approved this Agreement, including any restrictions which this Agreement places upon the rights to transfer their interest in the business entity.

**23.16 Non-waiver.** Franchisee agrees that Franchisor's delay, failure or neglect to exercise any right or remedy under this Agreement, or Franchisor's acceptance of any late or partial payment, or failure to insist upon full compliance by Franchisee with his/its obligations shall not constitute a waiver of any provision of this Agreement or any right or remedy against Franchisee. It is further agreed that any waiver of the happening of any event under this Agreement on any one occasion shall not be deemed to be a waiver by Franchisor of any subsequent happening of any such event. All money received by Franchisor from Franchisee or any guarantor may be applied to their respective indebtedness as Franchisor, in its sole discretion, may choose.

## **24. ACKNOWLEDGEMENTS.**

**24.1** Franchisee and any guarantor hereunder acknowledge that they have conducted an independent investigation of the System and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee and any guarantor hereunder acknowledges that they have not received, any warranty or guarantee, expressed or implied, as to the potential sales volume, profit, cash flow or success of the Franchised Business. This provision of this Section 24.1 does not apply and is not effective in the State of Illinois.

24.2 Franchisee and any guarantor hereunder acknowledge that they have received, have had ample time to read, and have read this Agreement and its schedules and exhibits and fully understand its provisions. Franchisee and any guarantor hereunder further acknowledge that they have had an adequate opportunity to be advised by legal counsel and accounting professionals of their own choosing regarding all pertinent aspects of this franchise, the purchase of the Franchised Business and the franchise relationship.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the \_\_\_\_ day \_\_\_\_\_, 201\_.

FRANCHISOR:  
TRIDENT INVESTMENT PARTNERS, INC.  
D/B/A HANDYMAN CONNECTION

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
SS#: \_\_\_\_\_

## SCHEDULE A

**Territory:**

The definition of Territory under this Agreement shall be:

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The Number of SFDU's that will be used for the Performance criteria calculation is: \_\_\_\_\_

The Minimum Performance Criteria that you are responsible for are:

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| 20 | _____ |

**Authorized Telephone, URL, Domain names, Email, and all other address:**

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Authorized Territory Name: \_\_\_\_\_

**EXHIBIT A**  
**to the**  
**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, the undersigned ("Assignor") hereby assigns and transfers to Trident Investment Partners, Inc. d/b/a Handyman Connection, an Illinois corporation, with its business address at 11115 Kenwood Road, Blue Ash, Ohio 45242 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as \_\_\_\_\_ (the "Assignment"). Assignor has entered into the Lease with \_\_\_\_\_ (the "Lessor"). This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the Agreement for a Handyman Connection business between Assignee and Assignor ("Agreement"), or in the event of a default by Assignor under any document or instrument securing the Agreement, or upon expiration or termination of the Agreement or this Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor there from, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

**ASSIGNOR:**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

### CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the above mentioned Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that the Lease is entered into for the sole purpose of Assignor's/Lessee's operation of a Handyman Connection Franchised Business and any assignment or subleasing of the Leased premises requires the advance written consent of Assignee;

(c) Agrees that Assignee has the right, but is not obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

(d) Consents to Assignee's access to the premises for the purpose of inspection of the operations of Handyman Connection Franchised Business, including a final inspection upon the close of the Franchised Business;

(e) Consents to the preceding Collateral Assignment and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant there under, Lessor must recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the defaults, if any, of Assignor under the Lease;

(f) Agrees that Assignee may further assign the Lease to a person, firm or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: \_\_\_\_\_

LESSOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT B**  
**to the**  
**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT**  
*(for trained employees, shareholders, officers, directors,  
general partners, members and managers of Franchisee)*

In consideration of my being a \_\_\_\_\_ of \_\_\_\_\_  
("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is  
acknowledged, I hereby acknowledge and agree that:

1. Franchisee has acquired the right and franchise from Trident Investment Partners, Inc. d/b/a Handyman Connection ("Handyman Connection") to establish and operate a Handyman Connection franchise business ("Franchised Business") and the right to use in the operation of the Franchised Business Handyman Connection's trade names, trademarks and service marks ("Proprietary Marks") and Handyman Connection's unique and distinctive format and system relating to the establishment and operation of Handyman Connection businesses ("System"), as they may be changed, improved and further developed from time to time in Handyman Connection's sole discretion, only at the following authorized and approved territory: \_\_\_\_\_ (the "Territory").

2. Handyman Connection possesses certain proprietary and confidential information relating to the operation of the System, which includes certain trade secrets and copyrighted materials, methods and other techniques and know-how ("Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which Handyman Connection specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As \_\_\_\_\_ of the Franchisee, Handyman Connection and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, The Handyman Connection Operations Manual (the "Operations Manual") and other general assistance during the term of my employment.

5. I will not acquire any interest in the Confidential Information, other than the right to use it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Handyman Connection, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Handyman Connection as confidential. Unless Handyman Connection otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as \_\_\_\_\_ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Agreement.

7. Except as otherwise approved in writing by Handyman Connection, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for three (3) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in,

be employed by, or have any interest in any other business which offers or sells products or services of the type offered under the System within a radius of twenty (20) miles as the crow flies of the Territory, or five (5) miles of any other Handyman Connection franchisee's territory in operation, or of any territory which is being considered or discussions are under way for a Handyman Connection franchise, as of the date of termination of my employment.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Handyman Connection is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that Handyman Connection shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. I acknowledge and agree that Handyman Connection is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause Handyman Connection and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or Handyman Connection may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay Franchisee and Handyman Connection all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisee and Handyman Connection, I agree that any claim I may have against Franchisee or Handyman Connection is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Ohio. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGED BY FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**  
**to the**  
**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE, DOMAIN NAMES, EMAIL, URL  
AND SUCH OTHER ADDRESSES AND NUMBERS**

1. \_\_\_\_\_, doing business at \_\_\_\_\_ ("Assignor"), in exchange for valuable consideration provided by Trident Investment Partners, Inc. d/b/a Handyman Connection ("Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, domain names, email addresses, URLs and other listing and numbers used by Assignor in the operation of its Handyman Connection franchised business at Assignor's above-referenced address. Those numbers and addresses are as follows:

2. The conditional assignment shall become effective automatically upon termination of Assignor's franchise. Upon the occurrence of that condition, Assignor shall do all things required by the telephone company, website administrator, domain holder or other applicable companies, person, or entities to assure the effectiveness of the assignment of telephone numbers as if the Assignee had been originally issued such telephones, domain, URLs, emails, or other listing and addresses and the usage thereof.

3. Assignor agrees to pay the proper entities, person, and/or company on or before the effective date of assignment all amounts owed for the use numbers, addresses, or listings to effectuate this agreement, and agrees to fully cooperate with the entities, persons and/or company and Assignee in effectuating this assignment. Assignor further agrees to indemnify Assignee for any sums Assignee must pay to such third parties to effectuate this assignment, and agrees to fully cooperate with such third parties and Assignee in effectuating this assignment.

ASSIGNOR:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TRIDENT INVESTMENT PARTNERS, INC.  
D/B/A HANDYMAN CONNECTION

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**  
**to the**  
**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

**PERSONAL GUARANTY**

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

**ARTICLE I**  
**PERSONAL GUARANTY**

The undersigned persons (individually and collectively "you") hereby represent to Trident Investment Partners, Inc. d/b/a Handyman Connection ("Franchisor") that you are all of the shareholders of Franchisee, or all of the general partners of Franchisee, or all of the members and managers, or the trustees or beneficiaries of any such shareholder, general partner, trust, or member or manager, or the spouse of any such shareholder, general partner, or member or manager of \_\_\_\_\_ ("Franchisee"), as the case may be. In consideration of the grant by Franchisor to Franchisee as herein provided, each of you hereby agrees, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the preceding franchise agreement of even date for the Territory commonly referred to as \_\_\_\_\_ ("Agreement"), and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Agreement and that you, jointly and individually, will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to the proposed transfer and first paying or causing to be paid to Franchisor, the transfer fee provided for in the Agreement, if applicable, and without otherwise complying with the transfer provisions of the Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the Agreement.

**ARTICLE II**  
**CONFIDENTIALITY**

During the initial and any renewal Terms of the Agreement and this Guaranty, you will receive information that Franchisor considers its confidential information, including Franchisor's Confidential Operations Manual, its proprietary Custom software, its IT System, any customer lists that Franchisee and Franchisor may develop, and information regarding repair and remodeling service providers whom Franchisee recruits ("Confidential Information"). You acknowledge and agree that all repair and remodeling service providers recruited during the initial and any renewal terms of the Agreement have present and future business relationships with Franchisor. You further acknowledge and agree that all repair and

remodeling service provider information, including repair and remodeling service provider (i) names and addresses, (ii) past service history, and (iii) prospective repair and remodeling service provider information (collectively "Service Provider Information"), are the Confidential Information and trade secrets of Franchisor. You also acknowledge and agree that all customer information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, and (iv) rates charged to customers (collectively "Customer Lists"), also constitute the trade secrets and confidential proprietary information of Franchisor. You shall not, during the Term of the Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, trade secrets, Service Provider Information, Customer Lists, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business which may be communicated to you or which you may be apprised of by virtue of your role as a guarantor of the Agreement. Any and all information, knowledge, know-how, techniques, and other data that Franchisor designates as confidential will be deemed Confidential Information for purposes of this Guaranty.

### **ARTICLE III NON-COMPETITION**

**1. During the Term of the Franchise Agreement and this Guaranty.** During the Term of the Agreement and this Personal Guaranty, neither you, nor your principals, officers, directors, trustee, beneficiaries nor any member of their immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any other business offering services and/or products similar to those offered under the System; provided, however, that this Section does not apply to Franchisee's operation of any other Franchised Business;

(b) Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

(c) Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

**2. After the Term of the Franchise Agreement and this Guaranty.** For a period of three (3) years after the expiration and non-renewal, Transfer or termination of this Agreement, regardless of the cause, Franchisee agrees that neither Franchisee, its principals, partners, shareholders or members nor any member of the immediate family of Franchisee, its principals, partners, shareholders or members will not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person partnership, corporation or limited liability entity:

(a) enter into any business competing in whole or in part with Franchisor, Franchisor's granting of franchises or licenses; or

(b) own, maintain, engage in, be employed by, or have any interest in any other business which offers, sells or licenses products or services of the type offered under the System within a radius of twenty (20) miles of the perimeter of the Territory, or five (5) miles from the perimeter of any other Handyman Connection franchisee's territory in operation, or of any territory which is being considered or for which discussions are under way for a Handyman Connection franchise, as of the date of expiration and nonrenewal, Transfer or termination of this Agreement; provided, however, Franchisee may continue to operate any other System franchise for which Franchisee and Franchisor have a then-current franchise agreement; or

(c) solicit business from then existing or prospective National Account or customers with whom Franchisee's former Handyman Connection franchise did business in the preceding five (5) years for any related or competitive business purpose, nor solicit any employee or craftsman of Franchisor or any other System franchisee to discontinue his employment; or

(d) own, maintain, engage in, be employed by, or have any interest in any company which engages in any business competing in whole or in part with Franchisor, Handyman Connection franchisees, solicits work for Handyman Connection franchisees that otherwise would fall under the National Account Program, or which grants franchises or licenses for any business competing in whole or in part with Franchisor.

**3. Intent and Enforcement.** It is the intent of Franchisee and Franchisor that this Section 3 shall, to the fullest extent permissible under applicable law, be judicially enforced; accordingly, Franchisor and Franchisee agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section, Franchisee acknowledges and agrees that Franchisor shall be entitled to an injunction, without bond, restraining such person(s) from any such actual or threatened breach, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee further agrees that the time limitations of this Section shall be tolled during any default under this Section.

#### **ARTICLE IV DISPUTE RESOLUTION**

**1. Acknowledgment.** You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

**2. Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Ohio.

**3. Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party.

**4. Mediation.** You agree that all claims or disputes between you and the Franchisor arising out of, or in any way related to, this Personal Guaranty or the Agreement, or any of the parties' respective rights and obligations arising from such agreements, shall be submitted first to mediation before Franchisor's

President at Franchisor's headquarters. Prior to the mediation and before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies in detail the precise nature and grounds of such claim or dispute. Each party shall bear its own cost of mediation and the parties shall share the cost of the mediator.

You acknowledge and agree that Franchisor shall not be required to first attempt mediation for any controversy, dispute, or claim regarding Franchisor's allegation that you are violating or threatening to violate or poses an imminent threat to violate:

- (a) any of Franchisor's federally protected intellectual property rights in the Proprietary Marks, the System or Franchisor's Confidential Information; or
- (b) any claims pertaining to or arising out of any warranty issued; or
- (c) any of the restrictive covenants contained in this Personal Guaranty of the Agreement.

5. **Arbitration.** If not resolved by mediation, you acknowledge and agree that all disputes and claims relating to or arising out of this Personal Guaranty or the Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under such agreements between the parties shall be settled by arbitration in the city or county of Franchisor's Headquarters in accordance with the Federal Arbitration Act and Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The rights and duties of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in event of a conflict, shall govern any arbitration: If the claim is for less than \$50,000 then the matter shall be heard before a single arbitrator. If the claim or a counterclaim, is for \$50,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint an arbitrator, and the appointed arbitrators shall appoint a neutral arbitrator from the AAA's list of arbitrators. Each party must bear its own costs of arbitration including the fee for the arbitrator they appointed; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Franchisor and you.

Whether the matter is heard by a single arbitrator or three, the arbitrator's award shall be rendered within seven (7) days of the close of the hearing and shall include all fees, costs and attorney's fees for Franchisor if it is the prevailing party. The arbitrators shall have no authority to determine class action claims and shall have no authority to amend or modify the terms of this Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for the District where Franchisor's headquarters is located, and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

Notwithstanding anything to the contrary in this Agreement, Franchisor shall not be required to arbitrate the following disputes or claims against you:

- (a) non-payment in any amount not in excess of \$20,000;
- (b) injunctive claims; and
- (c) claims that may be asserted by Franchisor against you in any action to which a third party, not a party or guarantor under this Agreement, is a party litigant.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, parents, affiliates, agents and/or employees are express third party beneficiaries of the Agreement and this Guaranty, and the mediation and arbitration provisions contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

7. **Injunctive Relief.** Nothing contained in this Guaranty shall prevent either party from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect its interest prior to the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration proceeding conducted hereunder.

8. **Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration, the parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in the city or county of Franchisor's headquarters, and the jurisdiction and venue of the United States District Court presiding for the city or county of Franchisor's headquarters.

9. **Jury Trial Waiver.** With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Personal Guaranty or the Agreement, the performance of either party, and/or your purchase from Franchisor of the franchise, option and/or any goods or services.

10. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages, including, without limitation, lost profits which you may have against Franchisor, its officers, directors, shareholders, parents, affiliates, agents and/or employees, arising out of any cause whatsoever, (whether such cause be based in contract, negligence, strict liability, other tort or otherwise, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Attorneys' Fees.** If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligation or interpret the terms of this Guaranty or the Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Personal Guaranty or the Agreement shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **Severability.** The Parties agree that if any provision of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the



other which would render it valid and enforceable, such provision shall have the meaning that renders it valid and enforceable. The provisions of this Guaranty are severable, and, if for any reason whatsoever, any term or condition of this Guaranty or the application of any such term or condition shall be held to be invalid or unenforceable, then all other terms and conditions of this Guaranty or the application of such terms and conditions shall not be affected thereby, and each term and condition of this Guaranty shall be separately valid and enforceable to the fullest extent permitted by law.

**14. Construction of Language.** Any term defined in the Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

**15. Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' successors, assigns or transferees.

**16. No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in this Guaranty or in the Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

IN WITNESS WHEREOF, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, Guarantor has hereunto signed, sealed and acknowledged this Guaranty.

**GUARANTOR**

**SPOUSE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT E**  
**to the**  
**HANDYMAN CONNECTION**  
**FRANCHISE AGREEMENT**

**SOFTWARE USER LICENSE AGREEMENT**

THIS SOFTWARE LICENSE AGREEMENT (the "Agreement") is entered into as of the Effective Date (as set forth on the signature page below) by and between Trident Investment Partners, Inc. d/b/a Handyman Connection ("Franchisor"), and \_\_\_\_\_ ("Franchisee" or "User").

Territory/Location: \_\_\_\_\_

WHEREAS, Franchisee desires delivery of Franchisor's proprietary software system ("System") consisting of computer programs and processes recorded and available on various media. The System is designed for, among other things, the operation of and communication within the Handyman Connection System.

NOW, THEREFORE, for valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. Term.** The term of this Agreement shall commence upon the Effective Date and shall continue for so long as the Franchise Agreement between Franchisor and Franchisee remains in full force and effect, unless terminated in accordance with this Agreement; provided, however, termination of this Agreement shall not terminate Franchisee's obligations under the provisions of this Agreement.
- 2. License.** Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a nonexclusive and nontransferable license to access the Handyman Connection database assigned to Franchisee and to use the System. Franchisor shall retain title at all times to the System and all data therein, and Franchisee shall have no rights therein except to use the System as set forth herein. The System may be used solely (a) by Franchisee, (b) for the operation of its Handyman Connection Franchised Business ("Franchised Business") and (c) at and on behalf of the location listed above.
- 3. Sole User.** Franchisee may not sell, market or in any other manner distribute the System to any third party, or to any location, except in connection with a Franchisor approved Resale of the Franchised Business ("Resale"). Additionally, Franchisee may: (a) use the System on any single computer; (b) use the System on a second computer so long as only Franchisee obtains the necessary licenses; and (c) copy the System for archival purposes, provided any copy must contain all of the original System's proprietary notices. Franchisee may not: (i) permit other individuals to use the System except under the terms listed above; (ii) modify, translate, reverse engineer, decompile, disassemble, or create derivative works based on the System; (iii) copy the System other than as specified above; (iv) rent, lease, grant a security interest in, or otherwise transfer rights to the System; or (v) remove any proprietary notices or labels on the System.
- 4. Updates.** Franchisor may update the System ("Updates") from time to time and may also release major enhancements. Franchisee acknowledges and agrees that there may be separate fees charged for such Updates and/or enhancements and agrees to pay any such fees as and when due.
- 5. Software License.** Franchisee acknowledges and agrees that it is required to have a software user license ("Software License") for every user that has access to the System and that Franchisor will

charge a Software License fee to Franchisee ("Software License Fee"). Franchisor will also charge the Franchisee the Software License Fee for any of Franchisee's employees or subcontractors who have access to the System. Franchisee further acknowledges and agrees that Franchisee is responsible for paying any annual maintenance fees and that Franchisor, for purposes of consistency and accuracy, will procure such Software and assess for such Software on an annual basis.

**6. Price and Payment Terms.** In consideration of the license granted herein, Franchisee shall pay Franchisor the License Fees and the current monthly fees for support and development ("Monthly Fees") as set forth on the User Price Schedule below. The prices do not include shipping, sales, use, excise, or other similar taxes, all of which are the obligation of Franchisee. The Monthly Fees may be changed from time to time upon 120 days advance notice; provided, however, Franchisor agrees not to implement more than two such price increases in any calendar year.

| USER PRICE SCHEDULE                 |  |
|-------------------------------------|--|
| Proprietary Software License Fee    | \$5,000  |
| Annual Software License Renewal     | \$150 - \$250 per Client   |
| Monthly Support and Maintenance Fee | \$5-\$100 per Client (Franchisees & License Users will pay \$100 a month). |

The Handyman Connection Software License Fee and Microsoft License Fees are due and payable before access is granted to the System. The Annual Software Renewal fee is due once per year as invoiced. Monthly Support and Maintenance Fees are due and payable at the close of each calendar month on the same schedule as payment of royalty fees pursuant to the Franchise Agreement. Any fees listed above shall be assessed per Client.

**7. Data/Access.** Franchisee acknowledges and agrees that Franchisee has no expectation of privacy in or to communications, information, or data transmitted, held or stored by or on the System. Franchisor may gain access to the information contained in Franchisee's database at any time without notice or consent. Communication may be monitored by Franchisor, at its sole discretion. All information including communications, information, or data transmitted by, received from or stored in the System are the sole and exclusive property of the Franchisor. Franchisee will make available and/or grant access to Franchisor to any such information, communications, or data in, on, or related to the System in a form as Franchisor may request from time to time.

Franchisee acknowledges and agrees that Franchisor may host some or all data, on one or more remote servers and that Franchisee's means of access to such data may change from time to time. Franchisee further acknowledges and agrees that Franchisor cannot and does not guarantee uninterrupted access to such data and further that Franchisor may deny Franchisee access to such data if Franchisee is in default of this Agreement or the Franchise Agreement.

**8. Maintenance of Equipment and Software.** Franchisee, and not Franchisor, shall bear sole responsibility to obtain, maintain and operate, or cause to be obtained, maintained and operated at its own expense, all equipment and non-Franchisor software that may be used in conjunction with the System. Franchisee acknowledges and agrees that Franchisor may change the specifications for computer hardware, software and internet access and/or may expand the number and types of hardware, software and user devices that work in conjunction with the System. Franchisee further acknowledges and agrees that the expense to maintain compliance with current specifications for access to the System shall be borne solely by Franchisee.

**9. Confidentiality.** Franchisee acknowledges that the System comprises information which constitutes a trade secret of Franchisor in which Franchisor has a proprietary interest. Franchisee therefore agrees that no portion of the information constituting the System may be disclosed to others,

copied, reproduced, compiled, deconstructed, decompiled, reverse engineered or used for any purpose or purposes other than as specifically contemplated by this Agreement in paragraph 2 above. Franchisee shall exercise its best efforts to protect the System and to prevent its dissemination to unauthorized persons or any unauthorized use or access. Furthermore, Franchisee shall not assign, pledge, sublicense or permit any other use of the System except in connection with an approved Resale.

**10. System Modification.** Franchisor reserves the right to make changes in rules of operation, security measures, accessibility, procedures, types of terminal equipment, types of System equipment, System programming languages and any other matters relating to the System and its use, without prior notice.

**11. Warranty.** THE SYSTEM IS DELIVERED "AS IS" AND FRANCHISOR MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SYSTEM OR THE UPDATES, THE COMPUTER PROGRAM ALLOWING USE OF THE SYSTEM, OR ANY SERVICES PERFORMED BY ANY THIRD PARTY. Franchisor is not responsible for obsolescence of the System and Updates, and further is not responsible for suspended, outdated or incorrect versions of the System and Updates.

**12. Limitation of Liability.** Under no circumstances and under no legal theory, tort, contract, or otherwise, shall Franchisor or its suppliers or resellers be liable to Franchisee or any other person for any indirect, special, incidental, or consequential damages of any character including, without limitation, damages for loss of goodwill, work stoppage, computer failure or malfunction, or any and all other commercial damages or losses. In no event will Franchisor be liable for any damages in excess of the amount Franchisor received from Franchisee for a license to the System, even if Franchisor shall have been informed of the possibility of such damages, or for any claim by any other party. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so this limitation and exclusion may not apply. Franchisee's sole remedy upon breach of this Agreement by Franchisor shall be termination of the Agreement and refund of unearned portions of the License Fee. Franchisee agrees to indemnify Franchisor and hold it harmless against all claims and damages, including without limitation, reasonable attorney's fees arising out of Franchisee's use of the System and the Updates.

**13. Termination.** Immediately upon the termination of this Agreement or the Franchise Agreement, Franchisee shall cease using the System, shall return the System, Updates, and all Franchisor documents and information pertaining thereto, and shall certify to Franchisor in writing that the System and all Franchisor documents and information pertaining thereto have been returned. The following actions shall constitute a breach of the Agreement and shall allow Franchisor to terminate the Agreement: any use or dissemination of the System or Updates that is not expressly permitted herein; dissolution or discontinuance of business operations of Franchisee; or failure to make timely payment to Franchisor of the required fees. Upon termination of this Agreement by Franchisor for any such cause, Franchisee shall not be entitled to any refund of the License Fee or any other fees or amounts paid pursuant to this Agreement.

**14. General Provisions.**

**14.1 Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and supersedes all prior discussions between them.

**14.2 Attorneys' Fees.** If any action or proceeding is brought in connection with this Agreement, the prevailing party shall be entitled to its attorneys' fees and other costs and expenses incurred in such action or proceeding, including any appeals or petitions therefor.

**14.3 Assignment.** Except in connection with an approved Resale, Franchisee may not assign its rights or delegate its duties hereunder. In the event of such Resale, so long as the selling Franchisee is current in his monthly Support Fees, the incoming Franchisee shall merely execute a new license agreement; he shall not be required to pay any new License Fee; provided, however, that any sums owed by the selling Franchisee must be paid in full prior to any such Resale. Any other attempted conveyance shall be void and shall constitute a default entitling Franchisor to terminate this Agreement and/or the Franchise Agreement. Franchisor may freely assign its rights without securing Franchisee's permission to do so.

**14.4 Arbitration.** All disputes, controversies or claims arising out of or relating to this Agreement shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, or its successor. Arbitration shall be conducted in the city where Franchisor's corporate office is located, unless otherwise agreed to by the parties. A judgment upon the award may be entered in any Court having jurisdiction thereof.

**14.5 Choice of Law and Forum.** This Agreement has been entered into under the laws of the State of Ohio, the parties hereto agree that it shall be interpreted, and all disputes arising hereunder shall be resolved, in accordance with its laws, and consent to jurisdiction in its courts.

**14.6 Waiver.** Failure of either party hereto to enforce at any time any term of this Agreement shall not be a waiver of that party's right thereafter to enforce each and every term of this Agreement.

**THE UNDERSIGNED AGREE TO THE TERMS AND CONDITIONS SET FORTH ABOVE.**

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates indicated below.**

Date: \_\_\_\_\_

Franchisee Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Territory / Location: \_\_\_\_\_

Accepted by: Trident Investment Partners, Inc. d/b/a Handyman Connection

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT B**  
**TO HANDYMAN CONNECTION'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES AND FORMER FRANCHISEES**

**Arizona****Phoenix**

Randy Hopkins  
11435 N. Cave Creek Rd #202  
Phoenix, AZ 85020  
480.585.6946

**California****Newport Beach**

Rich Panitz  
1740 West Katella Suite G  
Orange, CA 92867  
714.288.0077

**California****Santa Ana**

Rich Panitz  
1740 West Katella Suite G  
Orange, CA 92867  
714.288.0077

**Colorado****Denver**

Claudean Champagne  
7000 North Broadway Suite 2-203  
Denver, CO 80221  
303.426.9777

**Connecticut****Litchfield**

Ray Sass  
141 Mount Pleasant Road  
Newtown, CT 06470  
203.730.2444

**Idaho****Boise**

Brian Roek  
913 S. Latah St. #E  
Boise, ID 83705  
208.884.0074

**Arkansas****Northwest Arkansas**

David Hatfield  
411 N. 40th Street  
Springdale, AR 72762  
479.756.8250

**California****Orange County**

Rich Panitz  
1740 West Katella Suite G  
Orange, CA 92867  
714.288.0077

**Colorado****Colorado Springs**

Steve McCoy  
305 S. Cascade Ave  
Colorado Springs, CO 80903  
719.570.0985

**Connecticut****New Haven**

Ray Sass  
141 Mount Pleasant Road  
Newtown, CT 06470  
203.730.2444

**Florida****Palm Beach County**

Dave Harrop  
1809 S. Powerline Rd.  
Deerfield Beach, FL 33442  
954.428.8181

**Illinois****Chicago - Central**

Chris Rutledge  
851 W. Grand Ave  
Chicago, IL 60642  
773.433.0249

**California****Temecula**

Rich Panitz  
1740 West Katella, Suite G  
Orange, CA 92867  
714.288.0077

**California****Pasadena**

Jason Goshtasb  
11740 Wilshire Blvd  
Los Angeles, CA 90025  
323.841.4872

**Colorado****Ft. Collins/Greeley**

Claudean Champagne  
4630 Royal Vista Circle #6  
Windsor, CO 80528  
970.530.9777

**Connecticut****Fairfield**

Ray Sass  
141 Mount Pleasant Road  
Newtown, CT 06470  
203.730.2444

**Florida****South Jacksonville**

Adrienne Lord  
5308 Rising Sun Court  
Jacksonville, FL 32259  
904.631.7978

**Illinois****Chicago - NE**

Rich Rasley  
1815-C Hicks Road  
Rolling Meadows, IL 60008  
847.202.3232

**Illinois****Chicago (Rolling Meadows)**

Rich Rasley  
1815-C Hicks Road  
Rolling Meadows, IL 60008  
847.202.3232

**Indiana****Indianapolis**

Craig Aspin  
5610 Crawfordsville Rd #1902  
Indianapolis, IN 46224  
317.487.1312

**Louisiana****New Orleans**

Ray Calvo  
547 Cross Gate Blvd  
Slidell, LA 70461  
985.875.7611

**Missouri****St. Louis**

Andy Hough  
1736 W Park Ctr Dr. Ste 200  
Fenton, MO 63026  
636.305.7300

**New Jersey****Bergen County**

Steve White  
3 Mountainside Ave. Suite A  
Mahwah, NJ 08031  
201.794.3993

**New York****Southern Westchester, NY**

Steve White  
41 North Lawn Ave  
Elmsford, NY 10523  
914.345.1155

**Illinois****Chicago - NW**

Rich Rasley  
1815-C Hicks Road  
Rolling Meadows, IL 60008  
847.202.3232

**Kansas****Kansas City**

Alice Lund  
10000 West 75th St #220A  
Merriam, KS 66204  
913.383.8171

**Maryland****Rockville**

David Klein  
19520 Clubhouse Road  
Montgomery Village, MD 20886  
301.740.8865

**Missouri****St. Charles County**

Andy Hough  
1736 W Park Center Dr #200  
Fenton, MO 63026  
636.305.7300

**New Mexico****Albuquerque**

Robert Cleveland  
1427 Eubank Blvd NE  
Albuquerque, NM 87112  
505.831.5810

**Ohio****Akron-Canton**

David McNair  
2858 S. Arlington Rd #201  
Akron, OH 44312  
330.724.9300

**Illinois****Chicago - West**

Alan Carotta  
29 W. 002 Main St.  
Warrenville, IL 60555  
630.393.6633

**Kentucky****Lexington**

Steve Singleton  
1101 Ridgeland Court  
Lexington, KY 40515  
859.552.0326

**Minnesota****Minnetonka**

Ryan Goetz  
7600 W. 27th St.  
St. Louis Park, MN 55426  
763.746.2500

**Nevada****Reno**

Cameron Gallaway  
9080 Double Diamond Pky # E  
Reno, NV 89521  
775.324.6611

**New York****North Westchester, NY**

Richard Smith  
250 Old Mamaroneck Rd.  
White Plains, NY 10605  
914.319.9909

**Ohio****Blue Ash**

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5232 S. Dixie Hwy  
Franklin, OH 45005  
513.444.7697



**Ohio*****Butler Warren***

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Cincinnati, OH 45242  
513.733.3005

**Ohio*****Cleveland-West***

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17138 Lorain Ave Suite 210  
Cleveland, OH 44111  
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**Pennsylvania*****West Chester, PA***

Charlie Weber  
919 Hunt Dr  
West Chester, PA 19382  
610.399.9449

**South Carolina*****Charleston***

Scott Webb  
4365 Dorchester Rd #306  
North Charleston, SC 29405  
843.529.9400

**Tennessee*****Chattanooga***

Jim Nelson  
5932 Pine Grove Trail #108  
Chattanooga, TN 37421  
423.954.3002

**Tennessee*****Nashville***

Andy Neuman  
2515 Nolensville Pike  
Nashville, TN 37211  
615.255.8666

**Texas*****Austin***

Rene Salazar  
7801 North Lamar #B-161  
Austin, TX 78752  
512.418.0800

**Texas*****Austin (South)***

Rene Salazar  
7801 North Lamar #B-161  
Austin, TX 78752  
512.418.0800

**Texas*****Round Rock***

Rene Salazar  
7801 North Lamar #B-161  
Austin, TX 78752  
512.418.0800

**Texas*****San Antonio (East)***

Alex Bernardo  
17595 Blanco Rd #201  
San Antonio, TX 78232  
210.492.0777

**Texas*****San Marcos***

Rene Salazar  
7801 North Lamar #B-161  
Austin, TX 78752  
512.418.0800

**Virginia*****Fairfax City***

Dave Minor  
5801 Brandon Hill Loop  
Haymarket, VA 20169  
571.239.5159

**Virginia*****Virginia Beach***

Ray Wiggins  
5045 Admiral Wright Rd #103  
Virginia Beach, VA 23462  
757.248.0612

**Virginia*****Winchester***

Bryan Peters  
112 Creekside Lane  
Winchester, VA 22602  
540.450.0671

**Washington*****South King County***

Harry Smith  
1305 Central Ave S Unit C  
Kent, WA 98032  
757.248.0612

**Washington*****Spokane***

Scott Specht  
8123 E. Sprague Ave.  
Spokane, WA 99212  
509.922.7374

**Canada**

**Alberta**

**Calgary**

Alex & Christina Campbell  
#40-2333 18 Avenue NE  
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**British Columbia**

**Kelowna**

Quentin Cyre  
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250.717.5500

**British Columbia**

**Victoria**

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250.384.4969

**Ontario**

**Belleville**

Jeff Kaluski  
  
1550 B Chatelain Ave.  
  
Ottawa, ON K1Z 8B5  
(613) 276-5333

**Ontario**

**Kitchener**

Bob Donnelle  
6 Hoffman Street  
Kitchener, ON N2M 3M4  
519.579.9523

**Ontario**

**Ottawa**

Jeff Kaluski  
1550 B Chatelain Ave.

**Alberta**

**Edmonton**

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780.414.6152

**British Columbia**

**Vancouver North**

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**Manitoba**

**Winnipeg**

KenVann, Bruce & Scott  
McKenzie (Mastor Franchisors)  
  
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**Ontario**

**Brantford**

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**Ontario**

**London**

Rein Koor  
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519.652.3730

**Ontario**

**St. Catharines**

Norma Nichols  
335 Welland Ave #2B

**Alberta**

**Red Deer**

Alex & Christina Campbell  
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403.735.3257

**British Columbia**

**Vancouver South**

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**Nova Scotia**

**Halifax**

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**Ontario**

**Hamilton**

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1093 Fennell Ave. East  
  
Hamilton, ON L8T 1S1  
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**Ontario**

**Mississauga**

Lawrence Le Roux  
154 Queen St S. #212  
Streetsville, ON L5M 2P4  
905.826.0655

**Ontario**

**Sudbury**

Carolyn Smith  
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Ottawa, ON K1Z 8B5  
(613) 276-5333

**Ontario**

***Toronto (Durham)***

Chris Collelo  
4599 Kingston Rd Suite 202  
Scarborough, ON M1E 2P3  
416.261.4496

**Ontario**

***Toronto York***

Alex Lloy  
561 Edward Ave. Unit 3  
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905.884.7678

St. Catharines, ON L2R 2R2  
905.704.0286

**Ontario**

***Toronto East (Scarborough)***

Chris Collelo  
4599 Kingston Rd Suite 202  
Scarborough, ON M1E 2P3  
416.261.4496

**Saskatchewan**

***Regina***

Lindsay Brooks  
1440 Fleury Street  
Regina, SK S4N 5B1  
306.352.9900

Sudbury, ON P3A 1Z6  
705.566.2909

**Ontario**

***Toronto West (Etobicoke)***

Alex Lloy  
168 A Oakdale Rd Unit 11  
Toronto, ON M3N 2S5  
416.240.8757

**Saskatchewan**

***Saskatoon***

Marlene Paul  
501 45th Street West #3  
Saskatoon, SK S7L 5Z9  
306.668.4444

**EXHIBIT C**  
**TO HANDYMAN CONNECTION'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**

**Trident Investment Partners Inc.**  
**(A Development Stage Company)**

**Financial Statement and  
Independent Auditors' Report**

**December 31, 2013**

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| Notes to the Financial Statement | 6 - 7 |

# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

President  
Trident Investment Partners Inc. (A Development Stage Company)  
Chicago, Illinois

### **Report on the Financial Statement**

We have audited the accompanying financial statement of Trident Investment Partners Inc. (A Development Stage Company) (the "Company"), which comprises the balance sheet as of December 31, 2013, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

President

Trident Investment Partners Inc. (A Development Stage Company)

Chicago, Illinois

(Continued)

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**Opinion**

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

MILLER, COOPER & CO., LTD.

*Miller, Cooper & Co., Ltd.*

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Certified Public Accountants

Deerfield, Illinois

January 2, 2014



## **FINANCIAL STATEMENT**

**Trident Investment Partners Inc.**

(A Development Stage Company)

**BALANCE SHEET**

December 31, 2013

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| <u>ASSETS</u>   |                   |
|---|-------------------|
| Cash  | \$ <u>100,000</u> |
| <u>EQUITY</u>   |                   |
| Common stock, \$1 par value - authorized 1,000 shares; issued and outstanding<br>100 shares | \$ 100            |
| Additional paid-in capital  | <u>99,900</u>     |
|   | \$ <u>100,000</u> |

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The accompanying notes are an integral part of this statement.

**Trident Investment Partners Inc.**  
(A Development Stage Company)  
**NOTES TO THE FINANCIAL STATEMENT**  
December 31, 2013

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**NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Nature of Operations**

Trident Investment Partners Inc. (A Development Stage Company) (the "Company"), was incorporated in December 2013. The Company was established to offer franchises in the United States and abroad. The headquarters for the Company is located in Chicago, Illinois.

**2. Use of Estimates**

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. Income Taxes**

The Company evaluates tax positions under the two-step approach for recognition and measurement of uncertain tax positions. The Company recognizes tax liabilities when the Company believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. Management believes that the Company has no significant unrecognized income tax benefits or liabilities. The Company would account for any potential interest or penalties as part of income tax expense. As the Company is in its development stage, all tax years remain open.

**4. Fair Value of Financial Instruments**

The carrying amounts of financial instruments, including cash, approximate fair value due to the short maturity of these instruments.

**5. Going Concern**

The accompanying financial statement has been prepared assuming the Company will continue as a going concern. The Company believes it has the ability to fund its operations using revenues generated from operations beginning in 2014.

**Trident Investment Partners Inc.**  
(A Development Stage Company)  
NOTES TO THE FINANCIAL STATEMENT  
December 31, 2013

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NOTE B - STOCKHOLDER'S EQUITY

In December 2013, the Company issued 100 shares of common stock at \$100 per share to its sole stockholder in exchange for \$100,000. There were a total of 1,000 shares of common stock authorized at December 31, 2013.

NOTE C - CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances at various banking institutions. These cash balances are fully guaranteed by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2013, the Company had no uninsured cash.

NOTE D - CASH FLOWS INFORMATION

The Company's financing activities included \$100,000 for issuance of new stock, resulting in a net cash increase of \$100,000.

NOTE E - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 2, 2014, the date that this financial statement was available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that requires disclosure in the financial statement.

**EXHIBIT D  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

Listed here 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. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed. Additionally, we have included the contact information for Trident Investment Partners, Inc. d/b/a Handyman Connection below:

Trident Investment Partners, Inc. d/b/a Handyman Connection  
11115 Kenwood Road  
Blue Ash, Ohio 45242

| State       | State Administrator  | Agent for Service of Process   |
|-------------|--|--|
| CALIFORNIA  | California Corporations Commissioner<br>Department of Corporations:<br>320 West 4th Street, Suite 750<br>Los Angeles, CA 90013<br>(213) 576-7500<br>Toll Free (866) 275-2677<br><br>1515 K Street, Suite 200<br>Sacramento, CA 95814<br>(916) 445-7205<br><br>1350 Front Street<br>San Diego, CA 92101<br>(619) 525-4233<br><br>One Sansome St., #600<br>San Francisco, California 94104<br>(415) 972-8559 | California Corporations<br>Commissioner  |
| CONNECTICUT | State of Connecticut<br>Department of Banking<br>Securities & Business Investments<br>Division<br>260 Constitution Plaza<br>Hartford, CT 06103-1800<br>(860) 240-8230  | Banking Commissioner   |
| HAWAII      | Business Registration Division<br>Department of Commerce and Consumer<br>Affairs<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722  | Commissioner of Securities<br>State of Hawaii<br>335 Merchant Street<br>Honolulu, Hawaii 96813<br>(808) 586-2722             |
| ILLINOIS    | Franchise Bureau<br>Office of the Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465   | Illinois Attorney General  |
| INDIANA     | Indiana Secretary of State<br>Securities Division, E-111<br>302 Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6681   | Indiana Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6531 |

|              |   |   |
|--------------|---|---|
| MARYLAND     | Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2021<br>(410) 576-6360   | Maryland Securities Commissioner  |
| MICHIGAN     | Consumer Protection Division<br>Michigan Department of Attorney General<br>525 W. Ottawa Street,<br>G. Mennen Williams Building, 1st Floor<br>Lansing, Michigan 48933<br>(517) 373-7117 | Corporations Division<br>Bureau of Commercial Services<br>Department of Labor and Economic<br>Growth<br>P.O. Box 30054<br>Lansing, Michigan 48909 |
| MINNESOTA    | Minnesota Department of Commerce<br>85 7th Place East, Suite 500<br>St. Paul, Minnesota 55101-2198<br>(651) 296-6328  | Minnesota Commissioner of<br>Commerce   |
| NEW YORK     | New York State Department of Law<br>Bureau of Investor Protection and<br>Securities<br>120 Broadway, 23rd Floor<br>New York, New York 10271<br>(212) 416-8211                           | Secretary of State of New York<br>41 State Street<br>Albany, New York 12231<br>(518) 474-4750   |
| NORTH DAKOTA | North Dakota Securities Department<br>State Capitol, Fifth Floor, Dept. 414<br>600 East Boulevard Avenue<br>Bismarck, North Dakota 58505<br>(701) 328-4712                              | North Dakota Securities<br>Commissioner   |
| RHODE ISLAND | Securities Division<br>Department of Business Regulation,<br>Bldg 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9582    | Director of Rhode Island Department<br>of Business Regulation   |
| SOUTH DAKOTA | Division of Securities<br>Department of Labor & Regulation<br>445 East Capitol Avenue<br>Pierre, South Dakota 57501<br>(605) 773-4823   | Director of South Dakota Division of<br>Securities  |
| VIRGINIA     | State Corporation Commission<br>Division of Securities and Retail<br>Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051                      | Clerk of the State Corporation<br>Commission<br>1300 East Main Street, 1st Floor<br>Richmond, Virginia 23219<br>(804) 371-9733                    |
| WASHINGTON   | Department of Financial Institutions<br>Securities Division<br>P.O. Box 9033<br>Olympia, Washington 98507-9033<br>(360) 902-8760  | Director, Department of Financial<br>Institutions<br>Securities Division<br>150 Israel Road S.W.<br>Tumwater, Washington 98501                    |
| WISCONSIN    | Division of Securities<br>Department of Financial Institutions<br>201 W. Washington Ave., 3rd Floor<br>Madison, Wisconsin 53703<br>(608) 266-1064                                       | Administrator, Division of Securities<br>Department of Financial Institutions<br>345 W. Washington Ave., 4th Floor<br>Madison, Wisconsin 53703    |

**EXHIBIT E  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT**

**STATE ADDENDA**



**CALIFORNIA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

1. 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

2. Neither Franchisor nor any person identified in Item 2 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. 78 a et seq.), suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Codes sections 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

4. 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.).

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The franchise agreement requires application of the laws of the state of Ohio. This provision may not be enforceable under California law.

7. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages are unenforceable.

8. The mediation and arbitration described in the franchise agreement will take place at a facility within 50 miles of our current place of business. You and we will generally bear each of our own costs in any dispute, but the arbitrator can assess costs (but not attorney's fees) against a losing party. 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.

9. The financial performance representations figures **referenced in Item 19 and Exhibit K of this Disclosure Document** do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Handyman Connection Business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [WWW.CORP.CA.GOV](http://WWW.CORP.CA.GOV) ([HTTP://WWW.CORP.CA.GOV](http://WWW.CORP.CA.GOV)).

**CALIFORNIA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE  
STATE OF CALIFORNIA ARE HEREBY AMENDED AS FOLLOWS:**

1. Section 31125 of the California Corporation Code requires the Franchisor to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

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

3. 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.).

4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This may not be enforceable under California law.

5. The Franchise Agreement requires binding arbitration. This provision may not be enforceable under California law.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**HAWAII ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF HAWAII**

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E et. seq., the Disclosure Document for Trident Investment Partners, Inc. d/b/a Handyman Connection in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

The following list reflects the status of our franchise registrations in states which have franchise registration and/or disclosure laws:

1. The states in which a registration is effective, in which we are relying on an exemption or where an offering has been filed: California, Hawaii, Illinois, Indiana, Minnesota, Maryland, New York, Rhode Island, Virginia, Washington, and Wisconsin.

A. The states in which a proposed registration or filing is or will be shortly on file: None.

B. The states, if any, which have refused, by order or otherwise, to register these franchises: None.

C. The states, if any, which have revoked or suspended the right to offer these franchises: None.

D. The states, if any, in which proposed registration of these franchises has been withdrawn: None

2. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E, et. seq., are met independently without reference to this Addendum to the Disclosure Document.

3. The Franchise Investment law makes it unlawful to offer or sell any franchise in the state without first providing to the prospective franchisee, or subfranchisor, at least seven (7) days prior to the execution by the prospective franchisee, of any binding franchise or other agreement, or at least seven (7) days prior to the payment of any consideration by the franchisee or subfranchisor, whichever occurs first, a copy of the offering circular, together with a copy of all proposed agreements relating to the sale of the franchise.

4. This offering circular contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the franchisor and the franchisee.

**HAWAII ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE  
STATE OF HAWAII ARE HEREBY AMENDED AS FOLLOWS:**

No release language set forth in the Franchise Agreement shall relieve Trident Investment Partners, Inc. d/b/a Handyman Connection or any other party, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

Article 19 of the Franchise Agreement is hereby supplemented with the following provision::

Hawaii Law. Pursuant to Section 482E-6(3) of the Hawaii Revised Statutes, for so long as such statute remains in effect and so provides, upon termination or refusal to renew the franchise, Franchisee shall be compensated for the fair market value, at the time of termination or expiration of the franchise, of Franchisee's inventory, supplies, materials and furnishings purchased from the Franchisor or a supplier designated by the Franchisor, exclusive of personalized materials which have no value to the Franchisor. If the Franchisor refuses to renew a franchise for the purpose of converting the franchised business to one owned by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, materials and furnishings pursuant to this paragraph, and may offset from such compensation any moneys due to the Franchisor.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**ILLINOIS ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**NOTICE TO PROSPECTIVE FRANCHISEE IN THE STATE OF ILLINOIS**

The following are revisions to Item 17 of the Franchise Disclosure Document:

The Illinois Franchise Disclosure Act applies. The conditions under which the franchise can be terminated and the rights upon non-renewal may be affected are governed by Illinois Compiled Statutes 1992, Chapter 815, Section 705/18 through 705/20.

With respect to any agreement executed and operational in the State of Illinois, any governing law or choice of law clause granting authority to a state other than Illinois is hereby amended to grant authority of the Illinois Franchise Disclosure Act.

Jurisdiction and venue for any dispute arising out of the Franchise Agreement shall be in the State of Illinois except in the case of arbitration, which shall be conducted pursuant to terms of the Franchise Agreement.

**ILLINOIS ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

1. The Franchisor and Franchisee hereby acknowledge that this Agreement shall be governed by the Illinois Franchise Disclosure Act.

2. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."

3. The conditions under which the Franchise Agreement may be terminated and the Franchisee's rights upon non-renewal are governed by Illinois Compiled Statutes 1992, Chapter 815, Section 705/18 through 705/20.

4. With respect to any agreement executed and operational in the State of Illinois, any governing law or choice of law clause granting authority to a state other than Illinois is hereby amended to grant authority of the Illinois Franchise Disclosure Act.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**INDIANA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT AND  
FRANCHISE DISCLOSURE DOCUMENT**

Neither Trident Investment Partners, Inc. d/b/a Handyman Connection, nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the ten (10) year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

The Master Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Indiana law. In compliance with Indiana Code 12-2-2.7-1(9), any provisions in this Franchise Agreement relating to non-competition upon the termination or non-renewal of the Franchise Agreement shall be limited to a geographic area not greater than the Franchise Area granted in this Franchise Agreement and shall be construed in accordance with Indiana Code 23-2-2.7-1(9).

Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the Master Franchise Agreement and the termination is not done in bad faith.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Indiana Code section 23-2-2.7-1(10) prohibits the choice of an exclusive forum other than Indiana.

Indiana Code section 23-2.2.7-1(10) prohibits the limitation of litigation. The Indiana Secretary of State has interpreted this section to prohibit provisions in contracts regarding liquidated damages. Accordingly, any provisions in the Franchise Agreement regarding liquidated damages may not be enforceable.

Indiana Code section 23-2-2.5 and 23-2-2.7 supersedes the choice of law clauses of the Franchise Agreement. Any agreement executed in and operative within the State of Indiana shall be governed by applicable Indiana franchise laws and the right of any franchisee to institute a civil action or initiate arbitral proceedings within the State of Indiana shall not be deemed to have been abridged in any form or manner by any provisions contained in this Agreement.

Any reference contained in this Franchise Agreement to a prospective franchisee's exclusive Franchise Area or territory shall, in any Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted and replaced with the words "non-exclusive Franchise Area".

In compliance with Indiana Code 23-2-2.7-1(5), any requirement that the Franchisee must execute a release upon termination of this Agreement shall not be mandatory and is hereby made discretionary. However, Franchisee shall execute all other documents necessary to fully rescind all agreements between the parties under this Agreement.

In compliance with Indiana Code 23-2-2.7-1(10), any inference contained in this Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief shall, when applicable

to a Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted, understood to mean and replace the words "may seek".

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**MARYLAND ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT AND EXHIBITS,  
FEDERAL DISCLOSURE DOCUMENTS AND EXHIBITS AND OTHER AGREEMENTS**

The franchisee and franchisor ("Parties") agree as follows:

1. Items 5 and 17 of the Franchise Disclosure Document, Sections 18, 19.3.1, and 19.3.2 of the Franchise Agreement shall be amended to include that any general release required to obtain a refund of the Initial Franchise Fee upon termination of the agreement, or as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires a franchisor to file an irrevocable consent to be sued in the State of Maryland. Subject to the provisions of the Federal Arbitration Act, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The following sentence is added to Item 5 and Item 17 of the Disclosure Document and to the end of Section 21 of the Franchise Agreement.

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

No requirement for release executed in connection with the original purchase or transfer of a franchise will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, but the statements contained in the Statement of Prospective Franchisee may be used by the Franchisor to demonstrate the truth of the statements so made.

No requirement for a release executed on the sale, renewal or assignment of a franchise will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law in connection with such sale, renewal or assignment of such franchise.

5. Sections 18, 19.3.1, 19.3.2, 24 and other applicable sections of the Franchise Agreement are amended to include the following sentence:

Any acknowledgments or representations of the Franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law 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.

Representations and acknowledgments required to be made by franchisees are not intended to nor shall they act as a release, estoppel, or waiver of liability of the

franchisor incurred under the Maryland Franchise Registration and Disclosure Law.

No requirement for a release executed on the sale, renewal or assignment of a franchise will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law in connection with such sale, renewal or assignment of such franchise.

**FRANCHISEE**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRIDENT INVESTMENT PARTNERS, INC.  
d/b/a Handyman Connection**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MICHIGAN ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**STATEMENT REQUIRED BY THE STATE OF MICHIGAN**

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 OF 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 A 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 EACH 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, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, 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, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS 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 OF 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 QUALIFICATION 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 SERVICES.

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 DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

**MINNESOTA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

1. Minnesota Statutes §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement 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 jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Section 80C.14, Subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. Item 13 of the Franchise Disclosure Document and Section 11 of the Franchise Agreement are modified with respect to Minnesota Franchisees as follows: The Minnesota Department of Commerce requires that the Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Franchisor's trademarks or service marks infringes trademark rights of some third party. The Franchisor does not indemnify against the consequences of the Franchisee's use of the Franchisor's trademark except in accordance with the requirements of the franchise (and to the extent validly required as a condition to registration), and, as a condition to indemnification, the Franchisee must provide notice to the Franchisor of any such claim within 10 business days and tender the defense of claim to the Franchisor. If the Franchisor accepts the tender of defense, the Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minn. Rule 2860.4400J prohibits a franchisee from waiving its rights to a jury trial or waiving its rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent the Franchise Agreement is inconsistent with this Rule, to the extent applicable, the Rule will control.

5. Any releases required as a condition of renewal and/or assignment/transfer will not apply to claims that may arise under the Minnesota Franchises Law.

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

Franchisee

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**NEW YORK ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

1. The cover page of the Franchise Disclosure Document is amended to include to the following:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATOR LISTED IN EXHIBIT "D" 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, N.Y. 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

The name and address of the Franchisor's agent for service of process in New York is: Secretary of State of the State of New York, 41 State Street, Albany, New York 12231.

2. Item 3 of the Franchise Disclosure Document is amended to include the following:

Pending Action

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark has an administrative, criminal or civil action pending (or a significant number of civil actions irrespective of materiality) alleging a felony; a violation of any franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, unfair or deceptive practices, misappropriation of property or comparable civil or misdemeanor allegations, except as follows:

Completed Actions

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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 allegation, except as set forth below:

Restrictive Orders

Neither the franchisor, its predecessors, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark 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 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 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. Item 4 of the Franchise Disclosure Document is amended to include the following:

Neither the franchisor, nor any affiliate or predecessors, officers or general partner of the franchisor, during the 10-year period immediately before the date of the Disclosure Document: (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 partnership that either filed as 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 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 17 of the Franchise Disclosure Document is amended to read as follows:

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

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreement attached to this Disclosure Document.

5. The following is added to Item 17 in the Summary column opposite provision D: "You may terminate the Franchise Agreement on any grounds available to you by law."

6. The following is added to Item 17 in the Summary Column opposite provision J: "However, no assignment will be made except to an assignee who in the good faith judgment of the franchisor is willing and able to assume the franchisor's obligations."

7. The following is added to Item 17 in the Summary Column opposite provision W: "The foregoing choice of law should not be considered a waiver of any right conferred upon you by the GBL of the State of New York, Article 33."

**NEW YORK ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF  
NEW YORK ARE HEREBY AMENDED AS FOLLOWS:**

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

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_



**NORTH DAKOTA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF NORTH DAKOTA ARE HEREBY AMENDED AS FOLLOWS:**

1. Any provision of this Franchise Agreement which requires the Franchisee to consent to liquidated damages are hereby deleted.
2. Covenant not compete are generally considered unenforceable in the State of North Dakota.
3. The Franchise Agreement provides that franchisees must consent to the jurisdiction of the courts outside of the State of North Dakota. The North Dakota Securities Commission has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable under the North Dakota Investment Law.
4. The Franchise Agreement provides that the agreement shall be construed according to the laws of a state other than the State of North Dakota. In North Dakota the Franchise Agreement shall be governed according to the laws of the State of North Dakota.
5. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
6. Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
7. Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Law.
8. Any provision in the Franchise Agreement which requires that the franchisee to consent to a limitation of claims short than that provided for under Section 51-19-09 of the North Dakota Law has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Law.

**NORTH DAKOTA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Trident Investment Partners, Inc. d/b/a Handyman Connection Franchise Disclosure Document.

1. Item 17 is amended by the addition of the following language to the original language that appears therein;

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.

(b) 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.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(f) Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

(g) Any provision in the Franchise Agreement requiring that the Franchise Agreement 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.

(h) Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(i) Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**RHODE ISLAND ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Trident Investment Partners, Inc. d/b/a Handyman Connection Franchise Disclosure Document.

Even though our Franchise Agreement says the laws of Ohio apply, the Rhode Island Franchise Investment Law may supersede the Franchise Agreement with respect to certain claims because the Rhode Island Franchise Investment Law provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under the Act."

**RHODE ISLAND ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

This Amendment shall pertain to franchises sold in the State of Rhode Island and shall be for the purpose of complying with Rhode Island statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the agreements shall be amended as follows:

Pursuant to §19-28.1-14 of the Rhode Island Franchise Investment, any provision in the 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.

Pursuant to Section 19-28.1-15 of the Act, any condition, stipulation or provision in this Franchise Agreement requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by this Act or a rule or order under this Act is void. An acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in the Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

Dated: \_\_\_\_\_

FRANCHISOR:

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

By: \_\_\_\_\_  
Chief Executive Officer

FRANCHISEE:

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

**SOUTH DAKOTA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

Neither Trident Investment Partners, Inc. d/b/a Handyman Connection, nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

Although the Franchise Agreement requires all arbitration proceedings to be held in Blue Ash, Ohio, the site of any arbitration started pursuant to the Franchise Agreement will be at a site mutually agreed upon by you and us.

We may not terminate the Franchise Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty payments unless you receive thirty (30) days prior written notice from us and you are provided with an opportunity to cure the defaults.

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Ohio.

Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

Dated: \_\_\_\_\_

**FRANCHISOR:**

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

By: \_\_\_\_\_  
Chief Operating Officer

**FRANCHISEE:**

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

**VIRGINIA ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Trident Investment Partners, Inc. d/b/a Handyman Connection for use in the Commonwealth of Virginia shall be amended as follows:

**Additional Disclosures.** The following statements are added to Item 17.H.

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 does 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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**WASHINGTON ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180, which 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 involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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.



**WASHINGTON ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE AGREEMENT**

To the extent validly required as a condition to registration, the Franchisor and Franchisee agree as follows:

1. The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement with respect to the relationship between the Franchisor and the Franchisee, including in the areas of termination and renewal of the franchise. There may also be court decisions that supersede the Franchise Agreement with respect to the relationship between the Franchisor and the Franchisee, including in the areas of termination and renewal of the franchise.
2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
3. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The undersigned hereby acknowledge and agree that this addendum.
4. The state of Washington has a statute, RCW 19.100.220 (2), which may supersede the Franchise Agreement and which provides as follows:

Any agreement, condition, stipulation or provision, including a choice of law provision, purporting to bind any person to waive compliance with any provision of this chapter or any rule or order hereunder is void. A release or waiver executed by any person pursuant to a negotiated settlement in connection with a bona fide dispute between a franchisee and a franchisor, arising after their franchise agreement has taken effect, in which the person giving the release or waiver is represented by independent legal counsel, is not an agreement prohibited by this subsection.

The undersigned Franchisee does hereby acknowledge receipt of this addendum at least ten (10) business days before the earlier of signing any binding documents or paying any amounts to the Franchisor.

Dated: \_\_\_\_\_

FRANCHISOR:

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

By: \_\_\_\_\_  
Chief Operating Officer

FRANCHISEE:

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

\_\_\_\_\_  
Franchisee's Signature

\_\_\_\_\_  
Franchisee's Printed Name

**WISCONSIN ADDENDUM  
TO THE HANDYMAN CONNECTION  
FRANCHISE DISCLOSURE DOCUMENT**

**ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF WISCONSIN IN THE  
FRANCHISE DISCLOSURE DOCUMENT**

For franchises and Franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of Handyman Connection Franchise Disclosure Document.

Item 17

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes, 1981-82, Title XIV-A, Chapter 135.

**WISCONSIN ADDENDUM  
TO THE HANDYMAN CONNECTION  
TO THE FRANCHISE AGREEMENT**

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE  
STATE OF WISCONSIN ARE HEREBY AMENDED AS FOLLOWS:**

The Franchisor and Franchisee hereby acknowledge that the Franchise Agreement shall be governed by The Wisconsin Fair Dealership Law (Wisconsin Statutes, 1979-1980, Title XIV-A, Chapter 135, Sections 135.01 through 135.07) which makes it unlawful for a franchisor to terminate, cancel or fail to renew a franchise without good cause, as well as providing other protections and rights to the franchisee. To the extent anything in the Franchise Agreement is contrary to the laws in the State of Wisconsin, said laws shall prevail.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

**TRIDENT INVESTMENT PARTNERS, INC.**  
**d/b/a Handyman Connection**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**EXHIBIT F**  
**TO HANDYMAN CONNECTION'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**COMPLIANCE CERTIFICATION**

**TRIDENT INVESTMENT PARTNERS, INC. D/B/A HANDYMAN CONNECTION**  
**COMPLIANCE CERTIFICATION**

Before you sign the Franchise Agreement, we want to ensure that you understand your risks and responsibilities as a franchisee, as well as to determine whether any statements or promises were made to you that the franchisor has not authorized and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?

YES \_\_\_\_\_ NO \_\_\_\_\_

2. Are there any provisions of the Franchise Agreement and/or any exhibit which you do not understand? (If yes, please specify)

YES \_\_\_\_\_ NO \_\_\_\_\_

3. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("FDD")?

YES \_\_\_\_\_ NO \_\_\_\_\_

4. Did you sign a receipt or electronically send an acknowledgement of receipt for the FDD indicating the date you received it?

YES \_\_\_\_\_ NO \_\_\_\_\_

5. Have you had the FDD in your possession for at least 14 days prior to today?

YES \_\_\_\_\_ NO \_\_\_\_\_

6. Is there any information contained in the FDD which you do not understand? (If yes, please specify)

YES \_\_\_\_\_ NO \_\_\_\_\_

7. Have you reviewed the lists of franchisees contained in FDD Item 20 and contacted as many of them as you thought necessary?

YES \_\_\_\_\_ NO \_\_\_\_\_

8. Have you carefully reviewed the financial performance information contained in Item 19 of the FDD, including all of the explanatory notes?

YES \_\_\_\_\_ NO \_\_\_\_\_

9. Has any employee or other person speaking on behalf of the franchisor made any statement or promise concerning:

- a. the sales or earnings of prior years' franchisees that is different from or inconsistent with the information contained in Item 19 of the FDD?

YES \_\_\_\_\_ NO \_\_\_\_\_

- b. the amount of earnings that you personally may achieve as a franchisee?

YES \_\_\_\_\_ NO \_\_\_\_\_

- c. the costs you may incur in operating the franchised business or being a franchisee that is different from or inconsistent with the information contained in the FDD?

YES \_\_\_\_\_ NO \_\_\_\_\_

- d. the advertising, training, support services or assistance that we will furnish to you that is different from or inconsistent with the information contained in the FDD?

YES \_\_\_\_\_ NO \_\_\_\_\_

10. Do you understand that during the term of your Franchise Agreement, you will need to devote maximum personal efforts to properly operate your business?

YES \_\_\_\_\_ NO \_\_\_\_\_

11. Do you understand that your success or failure will depend on your skills, effort and commitment?

YES \_\_\_\_\_ NO \_\_\_\_\_

12. Have you discussed the benefits and risks of becoming a franchisee with an attorney, accountant, or other professional advisor?

YES \_\_\_\_\_ NO \_\_\_\_\_

If no, do you want more time to do so?

YES \_\_\_\_\_ NO \_\_\_\_\_

13. Do you understand that you have performance criteria in your franchise agreement and that, among other things, you will owe the royalty on the performance criteria regardless if you achieve the performance criteria or not?

YES \_\_\_\_\_ NO \_\_\_\_\_

14. Do you understand that the gross sales that you will be charged royalty & national marketing fund (NMF) fees on include the sale of any materials on the job?

YES \_\_\_\_\_ NO \_\_\_\_\_

15. Do you understand that Handyman Connection is in the process of developing a new IT system, and that you will be required to fully transition to this new platform?

YES \_\_\_\_\_ NO \_\_\_\_\_

16. Do you understand that the business model that Handyman Connection will be training and supporting is based on the franchisee or a service advisor conducting in home sales, and that if you spoke to current franchisees, that these franchisees may be operating a different business model than you will be trained?

YES \_\_\_\_\_ NO \_\_\_\_\_

17. If you have answered "Yes" to questions 2, 6 or 9 or "No" at questions 10-16, please provide a full explanation of each such answer. (Attach additional pages, if necessary, and refer to them below.)

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.

PROSPECTIVE FRANCHISEE

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

PROSPECTIVE FRANCHISEE

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name



**EXHIBIT G**  
**TO HANDYMAN CONNECTION'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**SUMMARY OF STATE CONTRACTOR LAWS**

## **STATE CONTRACTOR LAWS**

**ALABAMA** State license required for general contractors 334-272-5030.  
[www.genconbd.state.al.us](http://www.genconbd.state.al.us)

**ALASKA** State license required State License Board 907-465-2550.  
[www.dced.state.ak.us](http://www.dced.state.ak.us)

**ARIZONA** State license required State License Board 602-542-1525 [www.rc.state.az.us](http://www.rc.state.az.us)

**ARKANSAS** License required for some jobs; also, check with local government 501-372-4661. [www.arkansas.gov/clb](http://www.arkansas.gov/clb)

**CALIFORNIA** State license required State License Board 800-321-2752 <http://www.cslb.ca.gov>

**COLORADO** No state license required, check local county planning board 303-894-7800  
[www.colorado.gov](http://www.colorado.gov)

**CONNECTICUT** Contractors must register with State Consumer Protection Board, Home Improvement Division 800-392-2122. [www.ct.gov](http://www.ct.gov)

**DELAWARE** Businesses are required to obtain a license from the Delaware Division of Revenue 302-577-8778

**DISTRICT OF COLUMBIA** Occupational and Professional Licensing Administration: 202-727-7825 <http://www.dkra.org>

**FLORIDA** Contractors who wish to work statewide must pass a state exam. To work in a specific county, must possess a registered license State License Board State License Board 850-487-1395 Search for Florida Contractor License: <http://www.state.fl.us/dbpr>

**GEORGIA** Plumbing, Electrical, HVAC only requires licensing. State Board of Construction: 404-656-3939. [www.ga.gov](http://www.ga.gov)

**HAWAII** State license required State License Board 808-586-3000.  
[www.hawaii.gov/dcca/areas/pvl](http://www.hawaii.gov/dcca/areas/pvl)

**IDAHO** State license required only for HVAC and electrical contractors, check local government for others 208-327-7326. [www.idaho.gov](http://www.idaho.gov)

**ILLINOIS** State license required for some trades; check local government for other trades State License Board 217-782-0458

**INDIANA** No state license required; check local government

**IOWA** Contractors are licensed through the Labor Division. 800-532-1215. [www.iowa.gov](http://www.iowa.gov)

**KANSAS** No state license required; check local government. 800-578-8898. [www.sbeap.org](http://www.sbeap.org)

**KENTUCKY** Only HVAC contractors require a state license; check local government for others, HVAC License: Department of Housing, Building & Construction 502-564-8090

**LOUISIANA** Contractors Licensing Board 800-256-1392. State license required for commercial contractors and residential contractors 225-765-2301. [www.lslbc.state.la.us](http://www.lslbc.state.la.us)

**MAINE** None. Maine Public Protection Office 207-626-8849

**MARYLAND** Home improvement contractors must register with Home Improvement Commission Builders; check local government. Home Improvement Commission 410-230-6220 [www.dlir.state.md.us](http://www.dlir.state.md.us)

**MASSACHUSETTS** Home improvement contractors must register with Director of Home Improvement Registration 617-727-8598 Builders, require a Construction Supervisor's License, 617-727-3200

**MICHIGAN** Department of Consumer & Industry Services: Builders/Residential: 517-241-9288 Electrical Division: 517-241-9320 Plumbing Division: 517-241-9330 Mechanical Division: 517-241-9325 Verification Board: 900-555-8374. [www.michigan.gov](http://www.michigan.gov)

**MINNESOTA** State license required. State License Department 651-284-5005. [www.dli.mn.gov](http://www.dli.mn.gov)

**MISSISSIPPI** State license required 601-354-6161. [www.msdoc.state.ms.us](http://www.msdoc.state.ms.us)

**MISSOURI** No state license required; check local government

**MONTANA** State license required for government jobs only; check local government for others

**NEBRASKA** State license required for some trades; check local government for others. 402-595-3189. [www.dol.state.ne.us](http://www.dol.state.ne.us)

**NEVADA** State license required State Contractors Board 702-688-1141. [www.nvcontractorsboard.com](http://www.nvcontractorsboard.com)

**NEW HAMPSHIRE** No state license required; check local government

**NEW JERSEY** License required for home improvement contractors (those who engage in the business of making or selling home improvements including remodeling, altering, painting, renovating, repairing, restoring, modernizing, or demolishing residential or non-commercial property); register annually with Consumer Affairs. Check local government for home improvement contractors 609-292-5340. [www.njconsumeraffairs.gov](http://www.njconsumeraffairs.gov)

**NEW MEXICO** Contractors must register with Construction Industries Division 505-452-8311. [www.contractorsnm.com](http://www.contractorsnm.com)

**NEW YORK** No state license required; check local government

**NORTH CAROLINA** State license required for jobs over \$30,000. Others check Department of Revenue and local government

**NORTH DAKOTA** State license required; North Dakota Secretary of State 701-328-3665.  
[www.state.nd.us](http://www.state.nd.us)

**OHIO** No state license required; check local government

**OKLAHOMA** State license required only for termite extermination Check local government for others Department of Agriculture 405-521-3864

**OREGON** State license required Construction Contractors Board 503-986-2200.  
[www.sos.state.or.us](http://www.sos.state.or.us)

**PENNSYLVANIA** Effective July 1, 2009, registration with the Consumer Protection Bureau of the PA Attorney's General Office will be required; minimum insurance requirements instituted; check [www.attorneygeneral.gov](http://www.attorneygeneral.gov)

**RHODE ISLAND** State license required; Rhode Island Contractors Registration Board 401-277-1268 [www.crb.ri.us](http://www.crb.ri.us)

**SOUTH CAROLINA** Contractors must be licensed; South Carolina Residential Builders Commission 803-896-4696 [www.llr.state.sc.us](http://www.llr.state.sc.us)

**SOUTH DAKOTA** No state license required; check local government

**TENNESSEE** State license required for jobs over \$25,000; Home improvement license required for jobs \$3,000-\$24,999; Contractors Board 615-741-8307

**TEXAS** Plumbers, Heating & Air Conditioning Contractors must be state licensed. Home builders must be licensed; includes painters if single project exceeds \$20,000.  
[www.lccc.state.tx.us](http://www.lccc.state.tx.us)

**UTAH** State license required State License Board 804-367-8511.  
[www.dopl.utah.gov/licensing/contracting.html](http://www.dopl.utah.gov/licensing/contracting.html)

**VERMONT** No contractors licensing. Business license required; Secretary of State 802-828-2363

**VIRGINIA** State license required Board of Contractors 804-367-8511. [www.vdba.virginia.gov](http://www.vdba.virginia.gov)

**WASHINGTON** Must register with State Department of Labor and Industries, Contractor Registration Division 360-902-5226. [www.lni.wa.gov](http://www.lni.wa.gov)

**WEST VIRGINIA** State license required for jobs over \$1,000 West Virginia Division of Labor 304-558-7890. [www.wv.gov/licensing/pages/default.aspx](http://www.wv.gov/licensing/pages/default.aspx)

**WISCONSIN** No license requirements; building and dwelling contractors need to register.  
[www.wisconsin.gov](http://www.wisconsin.gov)

**WYOMING** None; check local requirements.

**EXHIBIT H  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT**

**SAMPLE RELEASE**

## **TERMINATION AND RELEASE AGREEMENT**

This Termination and Release Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 201\_, by and among Trident Investment Partners, Inc. d/b/a Handyman Connection, an Illinois corporation, with an address at 11115 Kenwood Rd., Blue Ash, Ohio 45242 ("Handyman Connection"), and \_\_\_\_\_, with an address of \_\_\_\_\_ ("Franchisee").

### **BACKGROUND**

A. Franchisee entered into a franchise agreement dated \_\_\_\_\_ with Handyman Connection (the "Franchise Agreement"), for the territory known as \_\_\_\_\_ (the "Territory"), as amended, for the right to operate a franchised Handyman Connection business (the "Franchised Business").

B. Franchisee desires to sell the Franchised Business to \_\_\_\_\_ ("Buyer").

C. Handyman Connection consents to the sale and, pursuant to and subject to the terms of this Agreement, releases Franchisee from his rights, duties, and obligations of the Franchise Agreement.

### **AGREEMENT**

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions of this Agreement, Handyman Connection releases Franchisee from all rights, duties, and obligations of Franchisee's Franchise Agreement which is hereby terminated pursuant to and subject to the terms of this Agreement.

2. This Agreement is contingent on the completion of the sale of the Franchised Business to the Buyer and the payment of the agreed upon listing/transfer fee.

3. Franchisee acknowledges that all outstanding obligations related to the operation of the Franchised Business, including but not limited to payroll, suppliers, subcontractors, and Handyman Connection, have been satisfied, or have otherwise disclosed to the Buyer any and all outstanding obligations relating to the operation of the Franchised Business. Franchisee also represents that all jobs have been properly, accurately and fully reported in the HandyNotes System and to Handyman Connection.

4. Notwithstanding anything contained in this Agreement to the contrary, the parties agree that Franchisee and Guarantors shall remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement and Guaranty, respectively, including without limitation, those post-term obligations related to: (i) confidentiality and non-disclosure; (ii) non-competition and other restrictive covenants; and (iii) indemnification.

5. Effective upon the date of execution of this Agreement and except as provided in this Agreement, Franchisee and all persons and entities claiming by, through or under him, including without limitation, \_\_\_\_\_, release, acquit and forever discharge Handyman Connection and its present and former officers, employees, shareholders, directors, agents, servants, representatives, parents, affiliates, successors and assigns ("Handyman Connection Releasees") of and from any and all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, whether arising under federal, state or common law, including any claim arising under any franchise registration, disclosure or franchise practices statute ("Claims"), which Franchisee, by himself, on behalf of, or in conjunction with any other person, persons, partnership, limited liability company, or corporation, has, has had or may in the future have or claim to have against the Handyman Connection Releasees, arising out of or relating to the Franchised Business, the Franchise Agreement, or in any way arising out of or relating to the franchise relationship. [IF APPLICABLE] Without limiting the scope of this paragraph, Franchisee acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected the settlement with the debtor."

Franchisee hereby waives and relinquishes every right or benefit which he has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that he may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims released above, Franchisee acknowledges that he may hereafter discover facts in addition to or different from those which he now knows or believes to be true with respect to the subject matter of this Agreement, but that it is the parties' intention, subject to the terms and conditions of this Agreement, fully, finally and forever to settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the release given above shall be and remain in effect as full and complete release, notwithstanding the discovery or existence of any such additional or different facts. This release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. Effective upon the date of execution of this Agreement and except for asserting any claim under any insurance policy providing coverage for Franchisee and/or Handyman Connection during the term of the Franchise Agreement, and except as provided in this Agreement and subject to Franchisee's compliance with the terms of this Agreement, Handyman Connection, for itself and all persons and entities claiming by, through, or under it, release, acquit and forever discharges Franchisee and their successors and assigns, of and from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or cause of action whatsoever, whether known or unknown, which Handyman Connection, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, has had or claims to have against Franchisee arising out of or relating to the operation of the Franchised Business, the parties' rights or obligations under the Franchise Agreement or in any way arising out of or relating to the franchise relationship. [IF APPLICABLE] Without limiting the scope of this paragraph, Handyman Connection acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

Handyman Connection hereby waives and relinquishes every right or benefit which it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the claims released above, Handyman Connection acknowledges that it may hereafter discover facts in addition to or different from those which it now knows or believes to be true with respect to the subject matter of this Agreement, but that it is the parties' intention, subject to the terms and conditions of this Agreement, fully, finally and forever to settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the release given above shall be and remain in effect as full and complete release, notwithstanding the discovery or existence of any such additional or different facts.

7. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without written consent of the parties.

8. Effective upon execution of this Agreement, Handyman Connection and Franchisee agree not to make any public statement, written or oral, in any type of medium that disparages or portrays the other in a negative light.

9. Franchisee agrees that there is no adequate remedy at law for any breach of this Agreement and Handyman Connection, in addition to the legal rights and remedies it may have, shall be entitled to an injunction restraining such breach.

10. This Agreement shall be construed under the laws of the State of Ohio, which laws shall control in the event of any conflict of law.

11. This Agreement shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns, but nothing herein shall permit Franchisee to assign any rights and obligations under this Agreement.

12. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having had a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

13. If any party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligations or interpret the terms of this Agreement, the prevailing party shall be entitled to recover all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.



14. [AS APPLICABLE] Franchisee agrees that they have had a relationship with Handyman Connection at Handyman Connection's offices in Ohio and that, with the exception of Handyman Connection's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Handyman Connection arising out of or relating to this Agreement shall be commenced and concluded in the state courts of Hamilton County, Ohio or the United States District Court of the Southern District of Ohio.

**WE HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. WE WOULD NOT SIGN THIS AGREEMENT IF WE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

By: \_\_\_\_\_  
Authorized Agent

\_\_\_\_\_ (Seal)  
Franchisee

**EXHIBIT I  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS OF OPERATIONS MANUAL**

## FRANCHISE OWNER TRAINING GUIDE

Handyman Connection's Tools for Success®

Craftsman Orientation

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Tools to Orient Craftsman to the Handyman Connection® System

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11115 Kenwood Rd.  
Cincinnati, OH 45242  
Phone (513) 771-3003  
Fax (513) 771-6439

[www.handymanconnection.com](http://www.handymanconnection.com)

The information contained in this manual is the sole property of Trident Investment Partners, Inc. d/b/a Handyman Connection. The distribution, copy or release of the information contained herein is restricted. You must receive written authorization to use this manual in any way other than conducting officially licensed business for Handyman Connection®.

Table of Contents (total of 79 pages)

**Chapter 1**

Defining Your Objective (7 pages)

- Welcome to Craftsman Orientation
- Orientation Components - Overview
- Orientation Components - Materials
- Craftsman Organizers
- Trainer Preparation and Materials

**Chapter 2**

Pre-Orientation Activity (6 pages)

- Getting Started on the Right Track
- Managing Software definition of Craftsman Levels

**Chapter 3**

Orientation Presentation (11 pages)

- Introduction and Initial Paperwork
- Contractor Referral Agreement
- Other Related Forms
- Mission Statement/Core Values, Teamwork

**Chapter 4**

Orientation Presentation (3 pages)

- The Work Process

**Chapter 5**

Orientation Presentation (21 pages)

- Success Skills to get the Job

**Chapter 6**

Orientation Presentation (3 pages)

- Proposal Discussion

**Chapter 7**

Orientation Presentation (3 pages)

- Notice of Cancellation; Emergency Waiver
- EPA Lead Law

**Chapter 8**

Orientation Presentation (2 pages)

- Conclusion

**Chapter 9**

Craftsman 2<sup>nd</sup> Orientation (9 pages)

- Rationale
- Set Up
- Objective
- In Home Evaluation Process
- Paperwork Review
- Proposal Discussion
- The Value of a Repeat Customer
- Warranties / Problem Customers
- Conclusion / Wrap Up

## **Chapter 10**

Craftsman Retention (14 pages)

Craftsman Seasonality

Craftsman Strata

Tools to Retain Craftsmen

Craftsman Certification

Ongoing Craftsman Interviews

Craftsman PR

**FRANCHISE OWNER TRAINING GUIDE**  
Handyman Connection's Tools for Success®

Craftsman Recruiting

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Tools for Recruiting,  
Interviewing and Performing Background Checks

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Table of Contents (total of 66 pages)

**Chapter 1**

Defining Your Needs (6 pages)

- The role of a Handyman Connection® Craftsman
- General Craftsman Staffing Guidelines
- Recruiting Frequency
- Qualities and Traits of a Skilled Craftsman
- Craftsman Traits/Attributes
- Craftsman Stages of Experience
- Recruiting Projections
- Seasonal Recruiting Needs

**Chapter 2**

Advertising for Craftsmen (6 pages)

- Sample Ads

**Chapter 3**

Screening Respondents (8 pages)

- Craftsman Basic Requirements
- Training the Office
- Pre-interview Screening
- Telephone Interview Basics
- Craftsman Recruiting Telephone Script

- Common Telephone Interview Problems

**Chapter 4**

The Craftsmen Selection Process (13 pages)

- Prepare Yourself and the Office
- Recruiting Presentation Script

**Chapter 5**

One on One Interviews (12 pages)

- Reading the Craftsman Application
- Specific Application Notes
- Craftsman Patterned Interview Guide

**Chapter 6**

Craftsman Background Checks (15 pages)

- Sample Documents

**Chapter 7**

Reference Checks (2 pages)

- Employment Reference Checks
- Personal Reference Checks
- Additional Reference Check Sources

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## FRANCHISE OWNER TRAINING GUIDE

Handyman Connection's Tools for Success®

Franchise Management

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Tools for Building Sales, Controlling Expenses, & Maximizing Profitability

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Table of Contents (total of 127 pages)

**Chapter 1**

**Defining Your Objective (5 pages)**

Welcome to Franchise Management  
System Components – Overview

Customer Procurement  
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Acquiring the Work  
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**Chapter 2**

**Marketing Effectiveness (9 pages)**

Branding the Handyman Connection® name  
Internal Brand Building  
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Lead Source Productivity Reports in Excel

**Chapter 3**

**Inventory Management (18 pages)**

Inventory Management Is:  
Inventory Management Is Not:  
Inventory Management Affects:  
Key Definitions  
Inventory Management Tasks  
Daily Inventory Management Tasks  
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Monthly Inventory Management Tasks  
Craftsman Productivity Reports

**Chapter 4**

**Warranty and Theft (11 pages)**

Warranty Avoidance  
Warranty Management (TQM)  
Warranty Procedure (TQM)  
Theft of Work Orders and/or Business System  
Theft Avoidance and Detection  
Red Flags  
Warranty and Theft Prevention Principles

**Chapter 5**

**Tracking and Controls (7 pages)**

Craftsman Utilization  
Expansion/Replacement Need  
Response Time  
Administrative Overhead  
New and Potential Business  
Progress vs. Objective  
Craftsman Earnings and Performance

## **Chapter 6**

### **Financial Management (15 pages)**

- Business Failure
- Fixed Cost or Variable cost?
- Breakeven Analysis
- Using Breakeven to Project Profits
- Chart of Accounts
- Cash Flow

## **Chapter 7**

### **Projections and Business Plans (8 pages)**

- The Planning Process
- History Projects the Future
- Set Goals; Make the Plan
- Execute; Analyze; Re-Aim

## **Chapter 8**

### **Self Assessment (15 pages)**

- Why Self Assess?
- Customer Procurement
- Craftsman Procurement
- Processing Incoming Calls
- Orientating Craftsman and Acquiring the Work Analysis

## **Chapter 9**

### **Coaching Craftsmen (14 pages)**

- Coaching Improved Performance
- Benefits of Coaching
- Barriers to Coaching
- When to Coach
- Formal Coaching Steps

- What to Coach

## **Chapter 10**

### **Service Measurement (13 pages)**

- Evolution to a Service Business
- Internal Methods
- NPS
- External Methods
- Service Measurement Issues
- Creating and Implementing a Secret Shopping Component in Your Business
- Customer Complaints

## **Chapter 11**

### **Independent Contractors vs. Employees (5 pages)**

- Independent Contractors
- Employee Contractors
- Employer Tax Management
- Worker's Compensation; Unemployment Insurance

## **Chapter 11**

### **Reporting (2 pages)**

Royalty / NMF Reporting

Invoicing and Payment of Royalty/NMF

Annual Reporting

## FRANCHISE OWNER TRAINING GUIDE

Handyman Connection's Tools for Success®

Customer Service Representative (CSR)

---

Tools for Recruiting,  
Training and Reviewing Performance

---



**Handyman**  
**CONNECTION®**

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Table of Contents (total of 28 pages)

**Chapter 1**

**Defining Your Needs (7 pages)**

- Role of the CSR position
- CSR Staffing Needs
- CSR Job Description
- Basic Skill Sets for the CSR Position
- Qualities and Traits of a Skilled CSR

**Chapter 2**

**Placing Advertising (4 pages)**

- Sample Ads
- CSR Compensation and Incentives

**Chapter 3**

**Interviews (10 pages)**

- Telephone Interview Script
- Personal Interviewing
- Decision, Job Offer

**Chapter 4**

**Orientation and Training (3 pages)**

- File Folder Set Up
- Office Orientation

**Chapter 5**

**Office Environment Issues (4 pages)**

- Customer Service Coordinator
- Craftsman Coordinator
- Scheduling Coordinator

**EXHIBIT J  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT  
PROMISSORY NOTE AND SECURITY AGREEMENT**

PROMISSORY NOTE  
(the "Note")

AMOUNT: \$ \_\_\_\_\_

Dated as of \_\_\_\_\_, 20\_\_\_\_

Executed at Cincinnati, OH

For value received, receipt of which is hereby acknowledged, the undersigned, \_\_\_\_\_, whose address is \_\_\_\_\_ ("Maker"), promises to pay to the order of Trident Investment Partners, Inc. d/b/a Handyman Connection, an Illinois corporation whose address is 11115 Kenwood Rd., Blue Ash, Ohio 45242 ("Lender"), or at such other place as Lender or any subsequent holder hereof may designate, in writing, from time to time, in lawful money of the United States of America, the principal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) or such lesser portion thereof as may have from time to time been disbursed to or for the benefit of Maker and remaining unpaid pursuant to the books or records of Lender, or any subsequent holder hereof, together with interest on the unpaid balance of principal advanced from the dates of disbursement until paid in full as set forth below, in lawful money of the United States of America.

All capitalized terms used in this Note, unless defined in this Note, shall have the same meaning in this Note as in the Franchise Agreement. This indebtedness evidenced by this Note and the obligations created by this Note are secured by a Security Agreement executed simultaneously with this Note.

The principal balance of this Note, as it may be outstanding from time to time, shall bear interest from the date of the Note, until paid, at a variable percentage rate per annum of eight (8) percentage points above the New York Prime Rate ("Prime Rate"), which Prime Rate is defined as that rate published daily in the *Wall Street Journal* ("WSJ") under "Money Rate;" provided, that if more than one rate is so published, the Prime Rate under this Note shall be the highest of the rates so published. In the event the WSJ ceases to publish such a Prime Rate, the Prime Rate for the purpose of this Note shall be the interest rate designated and announced from time to time by Wachovia Bank, N.A. (or any successor) as its "Prime Rate" in effect at its principal office, although such rate may not be the lowest rate available at that particular time for loans of similar nature. The interest rate under this Note shall be adjusted annually ("Variable Annual Percentage Rate"). Notwithstanding the above, the variable percentage interest rate of this Note shall not be adjusted more than two (2) percentage points in any one year.

Commencing on \_\_\_\_\_, the outstanding principal balance of this Note and the accrued interest on the Note shall be payable in monthly installments according to the attached schedule (which is calculated based upon an interest rate of \_\_\_\_\_% and which shall be adjusted annually in accordance with the provisions above) and incorporated herein by reference and with the monthly interest payment being equal to the accrued interest on the outstanding principal balance of this Note. Such monthly payments of principal plus accrued interest shall commence on \_\_\_\_\_, and continue on the 15th day of each and every month thereafter until and including \_\_\_\_\_. On \_\_\_\_\_, 20\_\_\_\_,

the entire unpaid principal balance of this Note and all accrued but unpaid interest on the Note shall be finally due and payable in full.

This Note shall be negotiable and Maker and all endorsers and parties to this Note, jointly and severally, hereby waive presentment and demand, notice of demand, protest and notice of protest and nonpayment and consent to the additions or release of any other party or persons liable on this Note or the release of any collateral or security for this Note.

The occurrence of any one of the following events shall constitute an Event of Default under this Note entitling the holder to declare the entire principal balance, together with all accrued interest, to be immediately due and payable, and to take all action allowed the holder by law, under the terms of this Note and under the terms of the Franchise Agreement and the Security Agreement, those conditions of default being as follows:

A default in the payment of any installment of principal and interest when due under this Note, provided that before the holder may declare the entire principal balance due and payable under this Note and take advantage of its remedies upon default as set forth in this Note and in the Franchise Agreement and the Security Agreement, Maker shall have a ten (10) day grace period after written notice within which to cure the default or defaults, except that if more than two (2) notices of payment default are required to be given in any twelve-month period, no written notice shall be required for any future late payment, and Maker shall only have a ten (10) day grace period within which to cure the default or defaults;

The failure to make any other payment of money when due called for under this Note, the Franchise Agreement, the Security Agreement, other agreement or note with respect to which Maker and Lender are parties; provided that before the holder may declare a default and take advantage of its remedies upon default as set forth herein and in the Franchise Agreement and the Security Agreement, Maker shall have a ten (10) day grace period after written notice within which to cure the default or defaults;

The appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Maker or any guarantor or surety for Maker;

Any default under the default provisions of the Franchise Agreement or any of the Security Agreement shall constitute a default under this Note, and the default provisions are expressly incorporated by reference, the same as if copied at length in this Note.

It is agreed that any sums that shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions of this Note or the provisions of the Franchise Agreement or the Security Agreement, and whether for the principal or interest of the Note, or money owing pursuant to the terms of the Franchise Agreement, shall bear interest at the Variable Annual Percentage Rate as defined in this Note.

Interest on this Note shall be computed on the basis of actual number of days elapsed over an assumed year of 360 days in accordance with the customary practice of Lender.

The failure of any party to insist upon strict performance of any of the terms of this Note, or to exercise any rights in this Note or the Security Agreement, shall not be construed as a



waiver or relinquishment to any extent of such party's right to assert or rely upon such terms or rights in any other instance. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occurrence. This Note cannot be modified, altered or amended except by an agreement, in writing, duly signed by authorized representatives of the parties.

The validity, enforceability, construction and interpretation of any of the clauses of this Note shall be governed and determined by the laws of the State of Ohio. If any provision of this Note is deemed illegal under any state or federal law, then such provision shall not be considered a part of this Note, and the remainder of this Note shall not be affected by such illegality.

The Undersigned consents to the jurisdiction of the State of Ohio and waives any objection they may have to either the jurisdiction or venue of such court, and further waives any argument that such venue is inconvenient.

The Undersigned agrees that any action arising out of or relating to this Note shall be commenced and concluded in the State of Ohio before the Court of Common Pleas of Hamilton County or the United States District Court of the Southern District of Ohio.

In the event that it becomes necessary for Holder to retain the services of legal counsel to enforce the terms of this Note, Holder shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Note.

All payments received by the holder shall be allocated between principal, interest and fees, if any, in the discretion of the holder and, when applicable, any prepayments will be applied to principal in the inverse order of scheduled maturity. No partial prepayment of principal shall postpone the due date of any subsequent payment due hereunder. All or any part of the principal balance hereof may be prepaid at any time without penalty or premium.

All rights, privileges and immunities herein granted to Lender shall extend to its successors and assigns and any other legal holder of this Note.

Maker acknowledges that his Note evidences a loan made primarily for business, commercial or agricultural purposes and not primarily for personal, family or household purposes.

**CONFESSION OF JUDGMENT:** THE UNDERSIGNED HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS THE PROTHONOTARY, ANY ATTORNEY OR ANY CLERK OF ANY COURT OF RECORD AT ANY TIME AFTER THE UNDERSIGNED FAILS TO TENDER PAYMENT, TO **CONFESS JUDGMENT** AGAINST THE UNDERSIGNED, WITHOUT PROCESS IN FAVOR OF HOLDER, FOR SUCH AMOUNT AS MAY APPEAR TO BE UNPAID, TOGETHER WITH COSTS AND REASONABLE ATTORNEY'S FEES OF THE GREATER OF TWO THOUSAND DOLLARS (\$2,000) OR TEN PERCENT (10%) OF THE UNPAID BALANCE THEN DUE UNDER THIS NOTE. THE UNDERSIGNED WAIVES AND RELEASES HOLDER FROM ALL ERRORS WHICH MAY INTERVENE IN SUCH PROCEEDINGS, AND CONSENTS TO THE IMMEDIATE EXECUTION UPON ANY SUCH JUDGMENT, RATIFYING AND CONFIRMING ALL THAT THE ATTORNEY MAY DO BY VIRTUE OF SUCH JUDGMENT. THE UNDERSIGNED WAIVES AND RELEASES, TO

THE FULL EXTENT PERMITTED BY LAW, ALL BENEFIT AND RELIEF FROM ANY AND ALL APPRAISEMENT STAY, OR EXEMPTION LAWS OF ANY STATE, NOW AND FOR HEREAFTER ENACTED. HOLDER'S RIGHT TO ENTER **JUDGMENT BY CONFESSION** SHALL NOT BE EXHAUSTED BY THE ENTRY OF SUCH JUDGMENT AND HOLDER SHALL HAVE THE RIGHT TO ENTER SUCCESSIVE JUDGMENTS PURSUANT TO THIS NOTE.

***WARNING – By signing this paper you give up your right to notice and court trial. If you do not pay on time a court judgment may be taken against you without your prior knowledge and the powers of a court can be used to collect from you regardless of any claims you may have against the creditor whether for returned goods, faulty goods, failure on his part to comply with the agreement, or any other cause.***

Franchisee/Maker: \_\_\_\_\_ (date) \_\_\_\_\_

Franchisee/Maker: \_\_\_\_\_ (date) \_\_\_\_\_

## SECURITY AGREEMENT

\_\_\_\_\_ (hereinafter referred to as the Debtor), hereby grants to Trident Investment Partners, Inc. d/b/a Handyman Connection, a corporation, duly organized and existing under the laws of the State of Ohio and whose address is 11115 Kenwood Rd., Blue Ash, Ohio 45242 ("Handyman Connection" or "Secured Party"), to secure the payment and performance of all obligations of the Debtor to the Secured Party, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (collectively "Obligations"), a security interest in all of the Debtor's properties, assets and rights of every kind and nature, whether tangible or intangible, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limiting the generality of the foregoing, all goods, accounts, contract rights, rights for payment of money including tax refund claims, chattel paper, documents, instruments, general intangibles, debts, obligations and liabilities, in whatever form owing to Debtor from any person, firm, or association, or any other legal entity, whether now existing or hereafter arising, now or hereafter received by or belonging or owing to Debtor, for goods sold by it or for services rendered by it or however otherwise same may have been established, or created, all guarantees and securities therefor, all right, title and interest of Debtor in the merchandise or services which gave rise thereto, including the rights of reclamation and stoppage in transit, all rights of an unpaid seller of merchandise and services and in the proceeds thereof, including without limitation, all proceeds of credit, fire or other insurance, securities, patents, trademarks, trade names, copyrights, engineering drawings, service marks, motor vehicles, furniture, fixtures, equipment, tools, machinery, inventory, supplies, raw materials, work in progress, books and records, real property and interests in and right in, on or over real property (all of the same being hereinafter called the Collateral).

The Debtor represents warrants and agrees with the Secured Party as follows:

1. The Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance.
2. The Collateral will be kept at the Debtor's address first stated above, and the Debtor will not remove the Collateral from such address (except in connection with the sales of inventory in the ordinary course of business) without the written consent of the Secured Party.
3. Except for the security interest herein granted, and any encumbrances of record filed prior hereto, the Debtor shall be the owner of the Collateral free from any lien, security interest or encumbrance, and the Debtor shall defend the same against all claims and demands or all persons at any time claiming the same or any interests therein adverse to the Secured Party. The Debtor shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than the Secured Party.
4. The Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein except for sales of inventory and manufactured products in the ordinary courses of business.

5. The Debtor shall have and maintain at all times with respect to the Collateral, insurance against risks of fire, so-called extended coverage, sprinkler leakage and other risks customarily insured against by companies engaged in similar business to that of the Debtor, in amounts, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to the Secured Party. All policies of insurance shall name the Secured Party as having an insurable interest as secured parties and shall provide for ten (10) days written minimum cancellation notice to the Secured Party. In the event of failure to provide and maintain insurance as herein provided, the Secured Party may, at its option, provide such insurance and the Debtor hereby promises to pay the Secured Party on demand the amount of any disbursements made by the Secured Party for such purposes. The Debtor shall furnish to the Secured Party certificates or other evidence satisfactory to the Secured Party of compliance with the foregoing insurance provisions. The Secured Party may act as attorney for the Debtor in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts; and any amounts collected or received under any such policies may be applied by the Secured Party to any indebtedness secured hereby in such order or preference as the Secured Party in its discretion may determine, or at the option of the Secured Party, the same may be released to the Debtor, but such application or release shall not cure or waive any default hereunder and no amount so released shall be deemed a payment on any indebtedness secured hereby.

6. The Debtor will keep the Collateral in good order and repair, and will not use the same in violation of law or any policy of insurance thereon. The Secured Party or its agents or nominees may inspect the Collateral at any reasonable time, wherever located. The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation under this agreement.

7. In its discretion, the Secured Party may discharge taxes and other encumbrances at any time levied or placed on the Collateral, make repairs thereof and pay any necessary filing fees. The Debtor agrees to reimburse the Secured Party on demand for any and all expenditures so made, and until paid the amount thereof shall be a debt secured by the Collateral. The Secured Party shall have no obligation to the Debtor to make any such expenditures nor shall the making thereof relieve the Debtor of any default.

8. The Debtor shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Secured Party may require more completely to vest in and assure to the Secured Party its rights hereunder or in any of the Collateral, such as the execution and filing of financing or continuation statements in form and substance satisfactory to the Secured Party.

9. Upon default by the Debtor, in the payment or performance of any of the Obligations or upon the dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property, assignment for the benefit of creditors, calling of a meeting of creditors, appointment of a committee of creditors or offering of a composition or extension to creditors by, for or of the Debtor, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Debtor, the Secured Party may without notice or demand declare this agreement to be in default and the Secured Party shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and

remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to take possession of the Collateral, and for that purpose the Secured Party may, so far as the Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give the Debtor at least five (5) days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other indeed disposition is to be made.

10. The Debtor waives demand, notice, protest, notice of acceptance of this agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect both to the Obligations and the Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof. The Secured Party may exercise its rights with respect to the Collateral without resorting or regard to other collateral or sources of reimbursement for liability. The Secured Party shall not be deemed to have waived any of its rights upon or under the Obligations or the Collateral unless such waiver be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any rights shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of such right on any future occasion. All rights and remedies of the Secured Party on the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

11. The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable counsel fees, incurred or paid by the Secured Party in protecting or enforcing its rights upon or under the Obligations or the Collateral. After deducting all of said expenses the residue of any proceeds of collection or sale of the Obligations or Collateral shall be applied to the payment of principal or interest on the Obligations in such order or preference as the Secured Party may determine, proper allowance for interest on the Obligations not then due being made, and any excess shall be returned to the Debtor and the Debtor shall remain liable for any deficiency, together with interest thereon.

12. The Secured Party may from time to time agree to the release of certain of the Collateral from the security interest created hereby.

13. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Ohio. This agreement is intended to take effect as a sealed instrument.

IN WITNESS WHEREOF, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the Debtor, as aforesaid, has hereunto signed, sealed and acknowledged this Security Agreement.

ACCEPTED:

Trident Investment Partners, Inc.  
d/b/a Handyman Connection

By: \_\_\_\_\_

Debtor:

By: \_\_\_\_\_  
Authorized Agent

**EXHIBIT K  
TO HANDYMAN CONNECTION'S  
FRANCHISE DISCLOSURE DOCUMENT  
  
RECEIPTS**

## Receipts

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 Trident Investment Partners, Inc. d/b/a Handyman Connection offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If Trident Investment Partners, Inc. d/b/a Handyman Connection does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of the federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Trident Investment Partners, Inc. d/b/a Handyman Connection, located at 11115 Kenwood Rd., Blue Ash, Ohio 45242. Its telephone number is (800) 466-5530.

Issuance Date: January 31, 2014

The franchise seller for this offering is (circular one) ; Chris Igou, National Franchise Recruiter,; David Brand, National Franchise Recruiter, Dan Sage, National Franchise Recruiter, Jeff Wall, President, 11115 Kenwood Rd., Blue Ash, Ohio 45242.

Trident Investment Partners, Inc. d/b/a Handyman Connection authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document with an issuance date of January 31, 2014 that included the following exhibits:

- A. Franchise Agreement and Attachments
- B. List of Franchises and Former Franchisees
- C. Financial Statements
- D. List of State Administrators and Agents for Service of Process
- E. State Addenda
- F. Compliance Certification
- G. Summary of State Contractor Laws
- H. Sample Release
- I. Table of Contents of Operations Manual
- J. Promissory Note and Security Agreement
- K. Receipts

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

You may return the signed receipt by signing, dating and mailing it to Trident Investment Partners, Inc. d/b/a Handyman Connection 11115 Kenwood Rd., Blue Ash, Ohio 45242.



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