



2013 Handyman Matters Franchise Disclosure Document

FRANCHISE DISCLOSURE DOCUMENT



Accept Nothing Less.™



Handyman Matters Franchise Corporation
a Colorado corporation
12567 West Cedar Drive
Lakewood, Colorado 80228
303-984-0177 or 1-866-808-8401
www.handymanmatters.com

HANDYMAN MATTERS FRANCHISE CORPORATION (“Handyman Matters”) offers franchises to conduct businesses providing small to medium residential and commercial repairs, maintenance and remodeling (including design and build projects) during normal business hours using the trade name HANDYMAN MATTERS.

The total investment necessary to begin operation of a Handyman Matters Franchise is estimated at \$58,080 to \$116,575. This includes \$42,650 to \$55,150 that must be paid to the franchisor or an affiliate.

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 our corporate headquarters at 12567 West Cedar Drive, Lakewood, Colorado 80228 and (303) 984-0177.

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’s 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 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: March 29, 2013

For use in: AL, AK, AZ, AR, CO, CT, DE, DC, GA, FL, HI, ID, IL, IA, IN, KS, KY, LA, ME, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WV, WA, WI, WY, and U.S. TERRITORIES (see following pages for varying effective dates in certain states.)

Not for use in: CA or MD

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 Attachment K 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 OR LITIGATION ONLY IN COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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.**
- 3. FAILURE TO MAINTAIN MINIMUM MONTHLY GROSS REVENUES IS A DEFAULT UNDER THE FRANCHISE AGREEMENT AND GROUNDS FOR TERMINATION OF THE FRANCHISE.**
- 4. YOUR OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, FRANCHISE MANAGERS OR OTHER AUTHORIZED REPRESENTATIVES, AS WELL MEMBERS OF YOUR OR THEIR IMMEDIATE FAMILIES, MAY BE REQUIRED TO SIGN OUR NONDISCLOSURE AND NONCOMPETITION AGREEMENT AND AGREE TO BE BOUND BY THE CONFIDENTIALITY PROVISIONS AND COVENANTS NOT TO COMPETE EVEN IF SUCH PERSONS ARE NOT INVOLVED IN THE OPERATION OF THE FRANCHISE.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. (SEE THE STATE ADDENDUM TO DISCLOSURE DOCUMENT ATTACHED AS ATTACHMENT L.)**

NOTE: THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTORS MAY BE VOID UNDER SOME STATE FRANCHISE LAWS. SEE THE STATE ADDENDUM TO DISCLOSURE DOCUMENT, WHICH IS ATTACHED TO THIS DISCLOSURE DOCUMENT AS ATTACHMENT L.

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.

Effective Date: See the next page for state effective dates.

The Effective Dates of this Disclosure Document for the following states are:

HI: April 5, 2013
IL: March 29, 2013
IN: April 13, 2013
MN: April 3, 2013
NY: May 1, 2013
ND: April 23, 2013

RI: April 3, 2013
SD: March 29, 2013
VA: May 15, 2013
WA: April 15, 2013
WI: March 29, 2013

INFORMATION FOR PROSPECTIVE FRANCHISEES IN 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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (A) A prohibition on 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 provisions 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 such 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, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, 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 advance 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. The above language has been included in this Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree that the Franchisee may choose to conduct arbitration outside of Michigan and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.
- (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 franchisee to meet the franchisor's then current reasonable qualifications 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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 the notice should be directed to:

State of Michigan
Department of Attorney General
Franchise Section - Consumer Protection Division
G. Mennen Williams Building, 6th Floor
525 W. Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “we,” “us,” or “our” means Handyman Matters Franchise Corporation, the Franchisor. “You” means the person, corporation, partnership or other entity that buys the franchise. If a corporation, partnership or other entity is the Franchisee, “you” also includes the Franchisee’s owners in certain situations.

The Franchisor.

We are a Colorado corporation that was incorporated in August 22, 2000. We do not do business under any other name. Our principal business address is 12567 West Cedar Drive, Lakewood, Colorado 80228. Our agents for service of process are disclosed in [Attachment K](#).

We are a franchising company that sells and grants franchises for the operation of businesses (a “HANDYMAN MATTERS Business”) using the name “HANDYMAN MATTERS.” We are not engaged in any other type of business activity.

Our parent company, Handyman Matters, Inc. (“HMI”) is a Colorado corporation incorporated on March 3, 2000. It has another subsidiary, Handyman Matters Operating Company, Inc. (“HMOC”), a Colorado corporation that was originally formed as Handyman Express LLC (“HE”) on January 23, 1998 and then converted to a corporation and renamed on July 24, 2000. HMOC is not currently active. Our principals also operated another company named Handyman Express Boulder, LLC (“HE-Boulder”), a limited liability company formed on September 11, 1998. HE-Boulder was merged into HMOC on August 3, 2000. HMOC, HE and HE-Boulder may be deemed predecessors of ours. The principal address for HMI and HMOC is the same as ours. We have no affiliates.

The Business.

We franchise to you or authorize you to operate a HANDYMAN MATTERS Business under the mark Handyman Matters[®] and related service marks, trademarks and trade names (“Marks”). A HANDYMAN MATTERS Business provides handyman and remodeling (including design and build projects) services and sales to residential and commercial customers by operating under a uniform system consisting of high standards of service, use of quality products, and the business format created and developed by us and our predecessors (the “Handyman Matters System”). These handyman services include carpentry, plumbing, electrical, drywall, painting, roofing, flooring and any other miscellaneous repairs, remodels and services to residential and commercial clients.

When you obtain a franchise from us, we license to you the right to use our Marks and the Handyman Matters System within an exclusive territory that will be assigned to you (“Territory”). A HANDYMAN MATTERS Business franchise grants you a Territory of at least 62,500 households generally delineated by zip codes. All Territories include the businesses in the Territories. You are required to pay us the initial fees discussed in ITEM 5 of this Disclosure Document, and sign our standard franchise agreement (“Franchise Agreement”) prior to operating your HANDYMAN MATTERS Business. A copy of our Franchise Agreement is attached to this Disclosure Document as [Attachment A](#).

Regulations.

There are specific regulations pertaining to this industry. You will need to become knowledgeable of, and comply with, all applicable local, state, and national uniform building codes,

including plumbing, structural and electric codes, and licensing regulations and requirements. You may be required by local and state authorities to obtain certain permits, registration or licenses to operate a HANDYMAN MATTERS Business. The National Association of Remodeling Industry publishes a “Summary of State Contractor Licensing Laws,” which we strongly suggest you review. It is your sole responsibility to investigate the rules and regulations that apply within your Territory (as defined in ITEM 12 below) before purchasing your HANDYMAN MATTERS Business.

Market Competition.

The HANDYMAN MATTERS Business presently focuses on serving residential and commercial customers in urban and suburban areas. The market for handyman and remodeling services is well developed. You may have to compete with other businesses, including franchised operations, national chains and independently owned companies offering handyman and remodeling services to residential and commercial customers. The sales of the services are not seasonal.

Business History of Us and Our Predecessors and Affiliates.

Since 1998, HMOC (and before its operation, HE and HE-Boulder) owned and operated eight businesses which are similar to the franchised business being offered that operated in California and Colorado. HMOC sold those businesses in 2001 and 2002 to franchisees of ours. We have not and do not operate any businesses similar to the franchised business being offered.

We have been offering HANDYMAN MATTERS Businesses since February 2001. Neither we nor any of our predecessors or affiliates have conducted business or offered franchises in any other line of business.

ITEM 2 BUSINESS EXPERIENCE

Andy Bell – CEO and President.

Andy Bell has been our CEO since September 2008 and our President since January 2011. Mr. Bell previously served as our President and as the Chairman of our Board of Directors from our inception in August 2000 until September 2008. He is also the President and Chairman of the Board for our parent company, HMI, since its inception and was the founder and served in similar positions for HMOC, HE and HE-Boulder since their inception in 1997. From May 2006 to December 2008, Mr. Bell also served as President and Chairman of the Board of Directors of National Mold Institute, Inc. (“NMI”) and its wholly owned subsidiary National Mold Institute Franchise Corp. (“NMIFC”). NMI and NMIFC are businesses that provide mold survey, air sampling and treatment services and sales, and they are both located in Denver, Colorado. Mr. Bell has a B.S. degree in Economics from the University of Colorado.

Colette K. Bell – Chairman of the Board of Directors.

Colette Bell has been our Chairman of the Board of Directors since September 2008. From September 2008 until December 2009, she also served as our President. From 2003 until September 2008, Ms. Bell served as our CEO. Prior to becoming our CEO, Ms. Bell served as our Vice President of Finance, a position she held since our inception. She is also a Director of ours, a position she has held since our inception. Ms. Bell has also served as a Director for HMI since its inception and was the Chief Financial Officer of HMOC, HE and HE-Boulder since their inceptions. From May 2006 to December

2008, she also served as CEO of NMI and NMIFC. Ms. Bell has a B.A. degree in Communications and Education from Colorado State University.

Mark Douglass – Vice President of Operations, Treasurer and Director.

Mark Douglass has been our Vice President of Operations, Treasurer, and a Director since our inception. Mr. Douglass has also served as the Vice President of Operations and a Director for HMI since its inception, and as the Vice President of HMOC, HE and HE-Boulder since their inceptions. He previously served as Vice President of Operations and Director of NMI and NMIFC from the inception of those companies in May 2006 to December 2008. Mr. Douglass received his B.A. degree in Business Management from the School of Business at Ferris State University in Michigan.

**ITEM 3
LITIGATION**

Completed Actions:

Handyman Professionals, Inc. v. Handyman Matters Franchise Corporation and Andrew J. Bell v. Allie Mallad, (Case No. 77 114 00133 03 JRJ), before the American Arbitration Association (“AAA”) in Denver, Colorado. On March 25, 2003, a Notice of Intention to Arbitrate was filed with the AAA by Handyman Professionals, Inc. (“HPI”) against us and our then president and majority shareholder, Andrew J. Bell. HPI alleged that (i) it was an area representative of ours for a 34 state region; (ii) we breached an area representative agreement; and (iii) we are the alter ego of Mr. Bell, or in the alternative, Mr. Bell intentionally interfered with HPI’s rights under the area representative agreement. HPI sought damages of approximately \$1,136,000. On August 22, 2003, we filed our answer and asserted counterclaims against HPI, and third party claims against Allie Mallad (“Mallad”), the president and owner of HPI. We allege that the area representative agreement was not a valid agreement as HPI failed to simultaneously sign a franchise agreement as was required by the area representative agreement, or in the alternative, that HPI and Mallad (i) breached the terms of the area representative agreement, (ii) failed to accurately and completely disclose information during the initial review process that would have affected our decision to grant a license and area representative rights to them, (iii) violated their duty of good faith and fair dealing, and (iv) participated in a civil conspiracy, breached their fiduciary duty to us, received an unjust enrichment, misappropriated our trade secrets and interfered with the contractual relations between us and some of our other franchisees. We sought damages of approximately \$295,000. On March 15, 2004, HPI and Mallad dropped all claims against Mr. Bell. A hearing before one arbitrator occurred on March 29, 2004. Following the hearing, HPI was awarded damages \$147,639.38, plus its attorneys’ fees and costs based solely on the determination that we did not give proper notice of default.

Handyman Matters Franchise Corporation and Handyman Matters, Inc. v. Dorsey & Whitney LLP, Kevin Hein and Nancy Smith, (Case No. 2004CV2799), in the District Court for the City and County of Denver, Colorado. Based on the results and findings in the HPI matter discussed immediately above, on April 8, 2004, we filed a lawsuit against our former law firm, Dorsey and Whitney, LLP (“D&W”) and two of its attorneys, Kevin Hein (“Hein”) and Nancy Smith (“Smith”). Hein and Smith are the attorneys who drafted the area representative agreement between us and HPI, and the subsequent notice of default to HPI that was determined in the above discussed case to be defective. At the time D&W and its attorneys were drafting these documents, they were also representing Mallad and another entity owned by Mallad without disclosing this conflict to us. We alleged that D&W, Hein and Smith (i) were negligent in providing legal representation to us, (ii) breached their fiduciary duty to us, (iii) were in breach of contract with us and (iv) concealed and failed to disclose their relationship with Mallad and his other entity. We sought damages of an unspecified amount, attorneys’ fees and costs. On September

29, 2004, we settled this case whereby D&W, Hein and Smith agreed to pay us the sum of \$242,000 and each party released the other from all further claims and actions.

Casa Caprona Owners Association, Inc. v. Steve Fenton, Steve Fenton d/b/a Handyman Matters, Fenton Management Services, LLC d/b/a Handyman Matters of the Treasure Coast, Sylvia Cloud and Handyman Matters Franchise Corporation, (Case No. 56-2006-CA-001478), in the Circuit Court of the 19th Judicial Circuit in and for St. Lucie County, Florida. On August 9, 2006, Casa Caprona Owners Association, Inc. (“CCA”) commenced this action against a franchisee of ours, Steve Fenton, and his company, Fenton Management Services, LLC d/b/a Handyman Matters of the Treasure Coast (jointly, the “Franchisee Defendants”). The Complaint alleged that the Franchisee Defendants breached a contract regarding a repair project by allegedly performing defective work that was not up to code and by not obtaining the requisite construction permits. In March 2008, CCA amended the Complaint, which added us, among others, to the action. The Amended Complaint included claims for (i) breach of contract, (ii) violation of a Florida statute related to the building code, and (iii) breach of warranty. We filed an answer in May 2008 denying liability based on the Franchisee Defendants being independent contractors for whom we are not responsible. Neither of the Complaints filed by CCA specified an amount of damages. In March 2010, following mediation, the parties settled this case by entering into a Mutual Release of All Claims under which a total of \$100,000 was paid to CCA and the parties released each other from any claims that were or could have been asserted in the Complaint and the Amended Complaint. Our portion of the settlement amount was \$25,000, with the remaining \$75,000 paid by the Franchisee Defendants.

Other than these three actions, no litigation is required to be disclosed in this ITEM.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this ITEM.

ITEM 5 INITIAL FEES

The Initial Franchise Fee for a HANDYMAN MATTERS Business franchise is \$30,000.

In addition to your Initial Franchise Fee, you will also pay us a Territory Fee in the minimum amount of \$12,500. The minimum Territory Fee grants you a Territory containing approximately 62,500 households. If you acquire a Territory in excess of 62,500 households, the Territory Fee is increased \$0.20 for each additional household located in the Territory. All Territories include the businesses in the Territories.

The Initial Franchise Fee and the Territory Fee payable by you will be noted in the Exhibit I to the Franchise Agreement (the “Addendum”) and, except as is provided below, are due in full upon the signing of the Franchise Agreement. We are a member of the International Franchise Association’s VetFran and MinorityFran initiatives. If you have served as a veteran of any branch of the United States Armed Forces or if you are a minority, you may either receive a discount of \$2,500 off of the Initial Franchise Fee for the applicable type of franchise purchased or participate in our Veterans Loan Program described in Item 10.

The Initial Franchise Fee and the Territory Fee are fully earned by us on signing of the Franchise Agreement and are entirely non-refundable in all events.

**ITEM 6
OTHER FEES**

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾	6% of the greater of your actual Gross Revenues of the previous month, or the Minimum Monthly Gross Revenues for the previous month	Payable monthly by the 20th of each month for the preceding month, beginning with the month following the first month of service.	Beginning on the date set forth in the Addendum of your Franchise Agreement, you must meet certain Minimum Monthly Gross Revenues obligations. <u>See</u> Note 3 below and ITEM 12.
Minimum Individual Advertising Expenditure ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	10% of the greater of your actual Gross Revenues of the previous month, or the Minimum Monthly Gross Revenues for previous month	As incurred.	Beginning in the third month of operations, you must spend this amount monthly on local advertising. Beginning in the fourth full month after the date of your Franchise Agreement, you must meet certain Minimum Monthly Gross Revenues obligations. <u>See</u> Note 3 below and ITEM 12.
National Advertising Fee ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾	2% of the greater of your actual Gross Revenues of the previous month, or the Minimum Monthly Gross Revenues of the previous month	Payable with the Royalty Fee.	Beginning on the date set forth in the Addendum of your Franchise Agreement, certain Minimum Monthly Gross Revenues obligations begin. <u>See</u> Note 3 below and ITEM 12.
Software Fees ⁽¹⁾⁽⁸⁾	Currently \$50 per month, but may be changed by us upon 30 days notice	Payable once a month with one of the Royalty Fee payments, as specified by us.	For use of proprietary WebScheduler scheduling software, and also for our maintenance of our Internet and Intranet sites

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Call Center Fee ⁽¹⁾⁽⁶⁾⁽⁸⁾	Currently \$575 per month, but may be modified by us on 30 days notice.	Payable by the 20 th of the month commencing on the month following your first month of operations.	Our centralized call center receives calls and book jobs for you.
Additional training ⁽¹⁾⁽⁸⁾	Our then current rate. The current rate as of the date of this Disclosure Document is \$55 per hour per person plus out-of-pocket expenses.	Payable within 30 days of date of invoice.	We provide opening training free. <u>See</u> ITEM 11.
Interest and late fees on late payments and/or reports ⁽¹⁾⁽⁸⁾	Not to exceed 18% per annum on all amounts owed. Also, \$75 per occurrence per late report or fee and \$35 for denied or rejected request for ACH payment.	Due upon payment of late fee or submittal of late report.	No amounts charged will exceed any legal limits or restrictions.
Meeting and Convention No Show Fees ⁽¹⁾⁽⁸⁾	\$1,500 per meeting if you do not attend; \$750 if you attend but do not stay at the designated hotel or do not stay for the entire meeting or convention	As incurred.	See Item 11.
Transfer Fee ⁽¹⁾⁽⁸⁾	\$8,000; \$3,500 if to an existing franchisee, an entity owned by you, or a family member of yours	Before acceptance of transfer.	Payable before you transfer your franchise.
Audit Fee ⁽¹⁾⁽⁷⁾⁽⁸⁾	Cost of audit	Upon completion of audit and determination of amounts due.	You also pay the cost of the audit if audit shows an under-statement of at least 2% of Gross Revenues during the audit period. Any amounts unpaid, unreported, or underreported must be paid in full, with a late fee of 18% interest per annum.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Returned Electronic Funds Transfer Fee ⁽¹⁾⁽⁸⁾	\$35	Upon notice.	This fee is imposed when an Electronic Funds Transfer transaction is not honored, in addition to any late fees and interest that may apply.
Fee for lost manuals ⁽¹⁾⁽⁸⁾	\$500	Upon delivery.	Payable upon request for a replacement Operations Manual, or failure by you to return the Operations Manual upon expiration or termination.
Successor franchise fee ⁽¹⁾⁽⁸⁾	\$5,500	Upon renewal.	Payable upon your execution of your successor Franchise Agreement with us.
Supplier Approval ⁽¹⁾	Currently none. However, we reserve the right to charge a fee in the future.	As incurred.	If we require you to obtain goods, services, or any other materials from only approved suppliers, and you request approval of a new supplier, we may charge this fee. <u>See</u> ITEM 8.
Costs and Attorneys' Fees ⁽¹⁾	Will vary under circumstances	As incurred	May be payable if you do not prevail in an action based on the Franchise Agreement.
Indemnification ⁽¹⁾	Will vary under circumstances	As incurred	You will have to reimburse us if we are held liable for claims arising from your HANDYMAN MATTERS Business.

Notes:

- (1) Fees that are payable to us. All fees are non-refundable. You must maintain in a bank account from which funds can be transferred to us a minimum balance of \$1,500 against which we will withdraw funds due to us. All fees are generally imposed uniformly on all franchisees who sign our current Franchise Agreement, but we may in unique situations modify certain fees. Certain fees set forth in the current Franchise Agreement have changed from the amounts charged in the past and may change in the future. Franchisees are only responsible for those fees contained in the Franchise Agreement that they execute.

Therefore, existing and future franchisees may have fees imposed on them that are different from those represented in this table.

- (2) Gross Revenues include all revenues you receive from your customers. Gross Revenues do not include sales or use tax.

If you render services to a customer or otherwise recognize a sale (whether or not you have received payment from the customer), the Royalty Fee is due in the period the service was performed and completed. If a job is partially complete at the end of the week calculating period, and it represents less than 16 hours of labor, it can be included in the next week's calculations. However, a larger job that will continue beyond this time period will need to be settled and the Gross Revenues will be recognized in the very next period.

You will participate in our Electronic Royalty Payment program, which authorizes us to use a pre-authorized bank transfer system. You will also participate in an electronic reporting system covering sales, operating reports and other items. All Royalty Fees, advertising contributions, Software Fees or other amounts become due from you for each two-week period, before 5:00 p.m. on the 3rd business day following the 15th and last day of each month.

- (3) Beginning on the date set forth in the Addendum of your Franchise Agreement, you will be required to achieve the Minimum Monthly Gross Revenues defined in ITEM 12. Once the Minimum Monthly Gross Revenues requirement starts, you will be required to pay us your Royalty Fee and National Advertising Fee, and calculate your required Minimum Individual Advertising Expenditure, based on the greater of your actual Gross Revenues or the Minimum Monthly Gross Revenues for that month. See ITEM 12.
- (4) You will spend \$3,500 to \$5,000 as a required start-up advertising expense in the period starting 30 days before, and continuing through the end of the second full month after, the opening of your franchise.
- (5) We may require you to join a Local Advertising Group that includes franchisees in your market area. If so, you will be directed to pay all or a portion of your Minimum Individual Advertising Expenditures to the Local Advertising Group. See ITEM 11.
- (6) Our centralized call center receives calls and book jobs for you. Upon becoming a franchisee of ours, you will automatically become a member of the call center.
- (7) We estimate that the cost of an audit will range from \$2,500 to \$5,000.
- (8) These payments will be made to us electronically.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$30,000	Lump sum or Finance (See ITEM 10)	At signing of Franchise Agreement	Us
Territory Fee ⁽¹⁾	\$12,500 - \$25,000	Lump sum or Finance (See ITEM 10)	At signing of Franchise Agreement	Us
Travel and living expense while training ⁽²⁾	\$1,500 - \$2,500	As incurred	As incurred during training	Airlines, hotels, restaurants, auto rental
Lease Deposit ⁽³⁾	\$0 - \$1,850	Lump sum	At signing of lease and for term	Lessor
Rent for first 3 months ⁽³⁾	\$0 - \$2,500	As incurred	Monthly	Lessor
Leasehold Improvements and Signage ⁽³⁾	\$0 - \$5,000	Will vary	As incurred	Contractor or Suppliers
Furnishings	\$800 - \$5,000	Will vary	As incurred	Suppliers
Tools and equipment ⁽⁴⁾	\$0 - \$2,800	Lump sum	At delivery	Suppliers
Computer Hardware, Software and Office Equipment ⁽⁵⁾	\$2,250 - \$5,025	As needed	Before training and as incurred	Third Party
Software Fees ⁽⁶⁾	\$150	As incurred, monthly	Monthly	Us
Start-up advertising (from 30 days before opening through end of 2nd full month after opening) ⁽⁷⁾	\$3,500 - \$5,000	As incurred	Varied times from pre-opening to post-opening	Suppliers
Utility deposits and fees	\$0 - \$450	As incurred	Monthly	Utility companies

Column 1	Column 2	Column 3	Column 4	Column 5
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Licenses and permits ⁽⁸⁾	\$180 - \$1,000	Lump sum	At time of application	Governmental agencies
Insurance ⁽⁹⁾	\$1,500 - \$2,800	As incurred	Monthly	Insurance companies
Professional fees	\$500 - \$3,000	As incurred	As agreed	Attorneys, accountants and other consultants
Miscellaneous opening costs	\$200 - \$4,500	As incurred	Varied times	Suppliers, vendors
Additional Funds (3 months) ⁽¹⁰⁾	\$5,000 - \$20,000	As incurred	Varied times	Suppliers, utilities, vendors
TOTAL ⁽¹¹⁾⁽¹²⁾⁽¹³⁾	\$58,080 - \$116,575			

Notes:

- (1) See ITEM 5 for discussion on the Initial Franchise Fee and the Territory Fee. The Territory Fee is \$12,500 for a territory of 62,500 households. It increases by \$0.20 for each additional household in your territory. Other discounts may also be available. (See ITEM 5.)
- (2) The initial training program is tuition-free for up to three people. However, you will pay for the expenses of attendance, including lodging, meals, transportation, and wages of trainees.
- (3) Your HANDYMAN MATTERS Business may be operated out of your home. We have included estimates for the cost of opening an office outside of your home if you elect to open an outside office. Assuming you elect to lease space outside your home during the first three months of operating your HANDYMAN MATTERS Business, a commercial lease normally requires payment of the first month's rent, a security deposit and a rent deposit equal to one month's rent. A lease deposit may or may not be refundable and lease deposits vary widely from location to location. (See ITEM 11.)
- (4) You can rent tools or you may find it cost effective to purchase various tools with a high use rate, including ladders of 22 feet in length or longer, a tub saw for tile, and a jackhammer. A detailed list of tools we recommend you should rent or purchase is included in our Operations Manual (defined in ITEM 8). We suggest that you not purchase a truck or other vehicle for use by your employees or contractors in their businesses. Instead, you should hire employees or contractors who already own vehicles for transporting their tools and equipment to the job site.

- (5) Includes a computer and software meeting our minimum specifications that you purchase from suppliers selected by you. You will need a workstation, laser printer, facsimile machine, hub-router, network, and wiring. A high-speed Internet connection is also required where available. If you do not already own one, you will need an iPhone, BlackBerry, smart phone, or other device meeting our standards and specifications. We will provide you with an e-mail account. The e-mail account is currently provided without an additional charge, but we reserve the right to charge a fee for providing the e-mail account or to discontinue providing the e-mail account. The standards and specifications we are currently utilizing are set forth in the Operations Manual. (See ITEM 11.)
- (6) In exchange for the Software Fee of \$50 per month, we give you access to our proprietary WebScheduler Software, and we maintain an Internet site for prospective customers and an Intranet site for you and other franchisees. (See ITEM 6.)
- (7) You must spend a minimum of \$3,500 and a maximum of \$5,000 as a required Start-up Advertising expense in the period starting 30 days before opening, and continuing through the end of the second full month after opening of your franchise. This amount includes items that will last for a period of time, but are purchased in quantity based on price considerations.
- (8) Licensing laws and permit requirements, including fees, may vary from state to state and from city to city, depending on state and local laws. You must comply with these laws. (See ITEM 1.)
- (9) You must obtain the following types of insurance: a) workers compensation, b) general liability of \$500,000 per occurrence and \$1,000,000 aggregate with a non-owned automobile rider, c) fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood, and sprinkler leakage for your Business Location and on all fixtures, equipment, supplies and other property used in the operation of your HANDYMAN MATTERS Business, for at least 80 percent of the cash value of the property, and d) “dishonesty” bond of \$20,000.
- (10) This is an estimate of start-up expenses for an initial three-month period. These expenses do not include your living expenses or expenses if you decide to employ assistants. You have the option of appointing a customer service representative (“CSR”) for your HANDYMAN MATTERS Business. (See ITEM 15.) The high end in this estimate includes the estimated cost of employing a CSR, who we estimate that you will pay an hourly rate of \$12 to \$16 per hour, for 30 hours per week, for each of the first 12 weeks of operation of your HANDYMAN MATTERS Business.
- (11) The high/low total amounts are based on one franchise and will vary based on the Territory you purchase. The chart contains estimates only and we cannot guarantee that you will not have additional expenses starting your business. Your actual expenses may exceed our estimates. The information in the chart is not intended to imply that your HANDYMAN MATTERS Business will reach the breakeven point or any other financial goal by that time. We recommend that you have (or have access to) additional startup capital beyond the amounts shown in the table above.

- (12) We relied on over 15 years of experience of certain officers of the company in the handyman service business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.
- (13) No payments to us are refundable. Payments to third parties may or may not be refundable depending on your agreement with such third parties; however, usually such payments are nonrefundable.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Operations.

You will establish and operate your HANDYMAN MATTERS Business in compliance with your Franchise Agreement, and with the standards and specifications contained in an operations manual that we loan or make available to you (“Operations Manual”).

You will use our proprietary WebScheduler computer software, which we grant you access to in exchange for your payment of the Software Fee. (See ITEM 6.) We are the exclusive supplier of this software.

If you do not already have it, you will need to obtain computer hardware and software that meets our minimum specifications. (See ITEM 11.) You will also need an iPhone, BlackBerry, smart phone or other device that meets our minimum specifications for receiving and sending e-mails remotely, unless you already own one you will use in the HANDYMAN MATTERS Business. (See ITEM 11.) You are required to answer your HANDYMAN MATTERS Business’ phone during regular business hours within three rings by a live person hire.

Approved Suppliers.

We currently have approved suppliers from whom you will purchase or otherwise acquire certain items of equipment that you will use in or sell and install in customer locations through your HANDYMAN MATTERS Business, including in particular handicap ramps, walk-in bathtubs, bathtub step cuts, and grab bars. We will provide you with information on these suppliers after you sign the Franchise Agreement. You may purchase any other products, services, supplies, fixtures, equipment, and inventory from any supplier. We may, however, require you to purchase other goods, services, supplies, fixtures, equipment, and inventory used in your HANDYMAN MATTERS Business from approved suppliers in the future. If we do require you to purchase any other goods and services from only approved suppliers, we will advise you of the approved suppliers.

If you want to utilize any materials or services in your HANDYMAN MATTERS Business that require our approval, or use any suppliers that have not previously been approved by us, you will need to first obtain our approval. We may, in our discretion, withhold our approval.

We do not have written criteria for supplier approval, and therefore written criteria are not provided to our franchisees. However, we may require that you submit specifications, information or samples of the items for our review to determine if they meet our specifications and standards set forth in the Operations Manual as to quality, content, composition and service. We will advise you within 30 days after we receive the required information whether the items or proposed suppliers meet our specifications. We do not currently require that a fee be paid to us to secure supplier approval; however,

we may require a fee in the future, and in our discretion, we may require the supplier to reimburse us for any expenses we incur in determining if the supplier meets our specifications and standards. We may revoke our approval of any supplier previously approved by written notice to the supplier and each licensee using that supplier.

Neither we nor any affiliate of ours is currently an approved supplier for any goods or services for your HANDYMAN MATTERS Business, although we reserve the right to designate ourselves or an affiliate as an approved supplier for certain goods or services in the future. No officer of ours owns any interest in any approved suppliers.

Additional Information.

We may derive revenue from purchases or leases of inventory and equipment from any approved supplier of ours on account of their dealings with you and other franchisees. During our last fiscal year (ending December 31, 2012), we did not derive any revenues from materials sold to our franchisees. We do not derive revenues from real estate leases. No affiliated or parent company of ours derived any revenues from the sale of any products or services to our franchisees. Except for ownership in us, no officer of ours owns any interest in any of our approved suppliers.

We estimate that the cost of your purchases of materials meeting our specifications will represent approximately 2 to 12 percent of your total purchases in establishing your franchise. We estimate that purchases in accordance with our standards and specifications will comprise 80 to 90 percent of the product purchase requirements for the ongoing operations of a HANDYMAN MATTERS Business.

We currently do not privately label any products, but we reserve the right to do so in the future.

We do not currently, but reserve the right in the future to, negotiate purchase arrangements with suppliers, including preferred pricing arrangements, for the benefit of our franchisees. Further, we do not currently, but reserve the right in the future to, receive payments from approved suppliers with respect to your purchases.

Except as is described in this Item 8, you do not receive a material benefit from us based on your use of any particular designated or approved sources or your purchase of particular products or services.

You do not receive a material benefit from us on your use of any particular designated or approved source.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you to find more detailed information about your obligations in the these agreements and in the other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 4.1	ITEM 7 and 11
b. Pre-opening purchases/leases	Sections 7.1 and 11.1	ITEMS 7, 8 and 11

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Article 7	ITEMS 6, 7 and 11
d. Initial and ongoing training	Article 6	ITEM 11
e. Opening	Section 7.3	ITEM 11
f. Fees	Articles 5 and 12, Section 13.4	ITEMS 5 and 6
g. Compliance with standards and policies/Operations Manual	Article 9 and Section 11.1	ITEM 1 and 11
h. Trademarks and proprietary information	Article 15 and Sections 18.4 and 20.4	ITEMS 13 and 14
i. Restrictions on products/services offered	Sections 11.1, 14.2, 18.2 and 20.1	ITEMS 8 and 16
j. Warranty and customer service requirements	Section 11.1	ITEM 11
k. Territorial development and sales quotas	Sections 4.2, 4.3, and 12.4	ITEMS 11 and 12
l. Ongoing product/service purchases	Section 11.1	ITEMS 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 11.1	ITEM 7
n. Insurance	Article 21	ITEM 7
o. Advertising	Article 13 and Section 12.2	ITEM 11
p. Indemnification	Section 19.3	Not applicable
q. Owners participation/management/staffing	Section 11.1	ITEM 15
r. Records and reports	Article 16 and Section 18.1	ITEMS 6 and 17
s. Inspection and audits	Section 16.3	ITEM 6
t. Transfer	Article 17	ITEM 17
u. Renewal	Sections 3.3 and 3.4	ITEM 17
v. Post-termination obligations	Sections 18.4, 18.7, 20.2, 20.3 and 20.4	ITEM 17
w. Non-competition covenants	Article 20	ITEM 17
x. Dispute resolution	Article 22	ITEM 17
y. Guaranty by Owners and Other Individuals	Section 11.1 and <u>Exhibit II</u>	ITEM 15

**ITEM 10
FINANCING**

Except as described below for military veterans, neither we nor any affiliate or parent of ours offers direct or indirect financing to franchisees. Neither we nor any affiliate or parent of ours guarantees any notes, leases or other obligations of our franchisees. Furthermore, we cannot predict if you will be able to obtain financing for any part of your investment in your franchise and, if so, the terms of the financing.

If you are a military veteran who has served in a branch of the United States Armed Forces and either retired or been honorably discharged from that branch, and if you have not been introduced to us by

a franchise broker or other intermediary, we may provide financing for your Initial Franchise Fee and Territory Fee (jointly, the “Financed Fees”). We refer to this financing program as our “Veteran Loan Program.” If you qualify for our Veteran Loan Program, when you sign your Franchise Agreement you will pay us a down payment of \$1,150 and execute a Promissory Note substantially in the form attached to the Loan Rider, defined below, as Exhibit D-1 (the “Note”) for the remaining amount of the Financed Fees. The Note must be signed by you and other persons acceptable to us, which may include your officers, directors, partners, shareholders, and other authorized representatives, and any member of your or their immediate families. The Note will be secured by personal guaranties of persons acceptable to us or with collateral acceptable to us, including your franchise and the assets of your HANDYMAN MATTERS Business, in accordance with a Security Agreement, substantially in the form attached to the Loan Rider as Exhibit D-2.

You will also execute a Veteran Loan Program Rider to Franchise Agreement (the “Loan Rider”) substantially in the form attached to this Disclosure Document as Attachment D.

The Note will be payable in equal monthly installments over a term of 36 months. It will not bear any interest during the term of the Note as long as you are not in default. The amount of the monthly payments under the Note will vary based on the size of the Territory, which affects the amount of the Territory Fee. Assuming that your Territory is not in excess of 62,500 households, the amount that will be financed will be \$41,350, and the amount of the equal monthly payments will be \$1,148.61. The Note may be prepaid in whole or in part without penalty.

The Note for the Veteran Loan Program provides that if you fail to make any payment when due, we may accelerate the entire unpaid balance, which will become due at once. If the default is not cured within 10 days after notice of default to you, the entire principal balance will accrue default interest at the lesser of 18 percent per annum or the highest rate permitted by applicable law. On default, we may pursue the following remedies: (i) sue you and all of the other makers of the Note for the default amount; (ii) proceed against any collateral pledged to secure the Note under the Security Agreement, which may involve you losing your franchise; (iii) sue any guarantor of the Note; or (iv) pursue any combination of these remedies. Pursuant to the cross-default provision in the Franchise Agreement, a default under the Note will also be deemed a default under the Franchise Agreement, and we will have the right to terminate your Franchise Agreement if the default is not cured. If there is a default under the Note, in addition to the amount due on the Note, you will be liable for our costs and expenses of collection, including reasonable attorneys’ fees. We do not offer financing that requires you to confess judgment, but you will have to waive presentment, notice of protest, and protest. Legal actions by us related to the Note will be litigated in the courts in the City and County of Denver, Colorado. Pursuant to the Note, you agree to submit to the personal jurisdiction of these courts and waive your rights to a jury trial.

We do not place financing with anyone, and therefore, we do not receive any payment for the placement of financing. In the past, we have not sold, assigned or discounted to a third party any note, contract or other instrument executed by a franchisee, although we reserve the right to do so in the future.

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

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance.

Before you open your business, we will:
(Section 8.1 of Franchise Agreement (“FA”) unless otherwise noted)

1. Designate your exclusive Territory.
2. Provide you access to our proprietary WebScheduler software, an Internet site for prospective customers, and an Intranet site for you and other franchisees.
3. Provide you with the specifications of all initial and replacement equipment, inventory and supplies required for the operation of your HANDYMAN MATTERS Business, all as specified in the Operations Manual, and a list of all approved suppliers of any services, equipment, inventory or supplies that we require you use.
4. Provide you with pre-opening and opening activities, including during the first several weeks of operation of your HANDYMAN MATTERS Business. These activities will include providing you with a list of information about tasks you need to complete to establish your business, assisting you in completing those tasks and assigning a Field Consultant to begin assisting you with completion of the startup list.
5. Provide you with a copy of our proprietary start-up package.
6. Loan you during the term of your Franchise Agreement one copy of our confidential Operations Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules, arts and graphics for advertising, and required product and service warranties. (Section 9.3 of FA.)
7. Within 120 days of you signing the Franchise Agreement, train you and up to two other people during a required five business day initial training program. We may waive or modify the required initial training program in our sole discretion.

Continuing Assistance.

During the operation of your HANDYMAN MATTERS Business, we will:
(Section 10.1 of FA unless otherwise noted)

1. Within the first 90 days of operation of your HANDYMAN MATTERS Business, provide to you approximately 35 to 38 hours (over four or five business days) of on-site training at your Business Location (as defined in ITEM 11 below).
2. Research new products, services and methods of doing business and provide you with information concerning developments of this research.

3. Make ourselves available to you on a reasonable basis via telephone, facsimile and e-mail during our regular business hours to discuss your operational questions and experiences.
4. Provide regular communications on current best practices through telephone calls, webinars, e-mail and other electronic communications, internal blogs, and other means.
5. Hold annual conferences to discuss sales techniques, bookkeeping, new product developments, new service suggestions, accounting, inventory control, performance standards, advertising programs, merchandising procedures and other topics deemed relevant by us. We may require you to attend these conferences. (Section 6.4 of FA.)
6. Send to you and your customers periodic online newsletters that we produce from time to time.
7. Upon our recommendation or at your request, we conduct additional training programs at a location agreed upon by you and us. (Section 6.4 of FA.)
8. Make available to you all marketing manuals, advertising designs, advertising campaigns, camera-ready artwork, our tactical marketing planner, and budgeting templates for your advertising and promotional programs. We may charge you for these materials. (Sections 10.1 and 13.1 of FA.)
9. Assist in local market research and provide guidance and assistance to you in recommending the prices to be charged by you for the services and products provided by you. Any prices that we recommend to you are merely recommendations and you may establish your own prices, which may be higher or lower than our recommended prices.
10. Provide you with access to our proprietary WebScheduler software and all upgrades, an Internet site for prospective customers, and an Intranet site for you and other franchisees.
11. Provide you (i) a membership to our centralized call center to receive calls and book jobs for HANDYMAN MATTERS Businesses, (ii) guidance on how to utilize the call center related to your HANDYMAN MATTERS Business, and (iii) answer calls and schedule appointments for your HANDYMAN MATTERS Business through the call center.

Advertising Programs.

Local Advertising.

At your initial training, we will provide you with a marketing plan, marketing manuals, advertising designs, advertising campaigns, camera-ready artwork, our tactical marketing planner, and budgeting templates and discuss the budgeting, execution, and maintenance of your marketing program.

Each month you must spend an amount equal to at least 10 percent of the greater of your Gross Revenues or the Minimum Monthly Gross Revenues from the preceding month, as discussed in Item 12 below, as your Minimum Individual Advertising Expenditure.

Before using any promotional and advertising materials, you are required to submit to us or to our designated agency, for our prior written approval, all information pertaining to promotional materials and advertising initiated by you, including written advertisements, radio and television scripts, Internet sites,

social media advertising, or any promotional creative materials. If we do not give you our written approval or disapproval of any advertising and promotional material submitted to us by you within seven days from the date the information is received by us, the materials will be deemed approved as submitted. You may only use gift certificates that have been approved by us.

You will submit to us a local advertising and marketing expenditure report accurately reflecting expenditures, in a form and by methods as required by us in the Operations Manual or otherwise.

Local Advertising Groups.

We may require you to join a Local Advertising Group that includes other franchisees in your market area. If so, we may direct you to pay all or part of your Minimum Individual Advertising Expenditure to the Local Advertising Group. The membership, rules and regulations of a Local Advertising Group, including how advertising fees are to be spent, will be determined by the Local Advertising Group's member franchisees, but must be approved in advance by us. The Local Advertising Group must operate based on written governing documents, and those documents will be available for review by franchisees. A Local Advertising Group must provide quarterly financial reports to us, and those reports will be available for review by franchisees at our headquarters. We can require Local Advertising Groups to be changed, dissolved or merged. If a Local Advertising Group is established in a market area, all company-owned Handyman Matters Businesses operating in that market area, if any, will contribute to the Local Advertising Group on the same basis as franchisees.

National Fund.

We have established the Handyman Matters National Advertising Fund (the "National Fund"). You must pay 2 percent of the greater of your Gross Revenues or the Minimum Monthly Gross Revenues to the National Fund with your Royalty Fee payment. Payments into the National Fund are in addition to your Minimum Individual Advertising Expenditure requirements.

Advertising materials and services will be provided to you through the National Fund. We may occasionally place advertising for the entire Handyman Matters System through the National Fund. We reserve the right to use advertising fees from the National Fund to place advertising in regional or national media (including broadcast, print, Internet or other media). The National Fund will be used to promote the services and products sold by franchisees and company-owned operations, and will not be used to sell additional franchises, except as stated below. (See Section 13.4 of FA.)

We may use outside advertising and marketing agencies to create advertising material.

We may charge you for any marketing materials we produce for our franchisees. In that event, you must pay us upon receipt for all marketing materials purchased from us unless we agree to different terms.

We may require that you include a brief statement in your advertising that HANDYMAN MATTERS Business franchise locations are available and the contact information for acquiring HANDYMAN MATTERS Businesses, and we may include this type of statement in any advertising developed by the National Fund.

All company-owned Handyman Matters locations, if any, will contribute to the National Fund on the same basis as franchisees. All payments to the National Fund will be maintained in one or more separate bank accounts and will be required to be spent on advertising, promotion and marketing of goods

and services provided by us. We cannot ensure that you or any franchisee will benefit directly or on a prorata basis from placement of advertising through the National Fund. An accounting of advertising expenditures will be available for review by you at our headquarters, and an annual unaudited financial statement of the National Fund will be available to you upon request. The National Fund will not be required to operate under written governing documents. Our accounting and marketing personnel will administer the National Fund, and a portion of the salaries of our employees will be paid by the National Fund.

The National Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any salaries, administrative costs, overhead and other expenses we may reasonably incur in activities related to the National Fund and its programs (including conducting marketing research, preparing advertising and marketing materials, insurance, legal costs and collecting and accounting for the National Fund). In any event, we may charge the National Fund for attorney's fees and other costs related in any way to our defense of any claims against us regarding the National Fund (including our management of the National Fund) or regarding collecting amounts due and/or expenditures by or from the National Fund. We may, in our sole discretion, spend in any fiscal year an amount greater or less than the aggregate contributions to the National Fund in that year and the National Fund may borrow from us or other lenders to cover deficits of the National Fund or cause the National Fund to invest any surplus for future use by the National Fund. We will have the right, but not the obligation, to cause the National Fund to be incorporated or operated through an entity separate from us as we deem appropriate, and any successor entity will have all rights and duties of ours relating to the National Fund.

We may remit a portion of National Fund contributions back to one or more franchisees on any terms and conditions we determine in our sole discretion, including reimbursement of local advertising expenditures made by a franchisee. We may waive and/or compromise claims for contributions to, and/or claims against or with respect to, the National Fund in our sole discretion, using the National Fund to pay any of these claims. We will have sole discretion as to whether or not we take legal or other action against any franchisee who is in default of his, her or its obligations concerning the National Fund (including obligations to make contributions) and whether a franchisee may be allowed to make direct advertising expenditures in place of contributions to the National Fund.

During the 2012 fiscal year of the National Fund, 60 percent of the National Fund was spent on production of advertising, including website development, 16 percent was spent on media placement, 12 percent was spent on administrative expenses for the National Fund, and 12 percent of the National Fund was carried over to fiscal year 2013. No portion of the National Fund was spent to principally solicit new franchisees. Other than the portion of the National Fund carried over to fiscal year 2013, no portion of the National Fund was retained by our affiliates or us. Reports regarding advertising activities conducted pursuant to the National Fund are made available to our franchisees on a quarterly basis for download on our Intranet site.

Franchisee Advisory Council.

We may establish a Franchisee Advisory Council, which, once formed, will serve to assist us in determining how to operate the National Fund and other advertising matters. The Franchisee Advisory Council will consist of selected franchisees of ours. Once formed, we reserve the right to terminate the Franchisee Advisory Council or to modify its purposes, in our sole discretion.

Computer System.

We provide you access to our proprietary WebScheduler computer software upon payment of your Initial Franchise Fee and Territory Fee. Our WebScheduler computer software will track your customers, schedule service calls, dispatch handymen, track customer service, and generate financial, marketing and sales reports that conform to our standards to maintain consistent business applications in accordance with the Handyman Matters System.

We maintain an Internet site for prospective customers, which will also include information for prospective franchisees regarding purchasing a HANDYMAN MATTERS Business franchise. We also maintain an Intranet site for you and other franchisees. We will grant you access to that Intranet site, which you must use in accordance with our specifications and the Handyman Matters System. We reserve the right to discontinue providing the Internet and Intranet sites at any time in our sole discretion.

We will provide an e-mail account to you. You are required to use only the e-mail account provided by us in the operation of your HANDYMAN MATTERS Business. You may not use the e-mail account for any purpose not related to the operation of your HANDYMAN MATTERS Business. You are required to check this e-mail account throughout the business day and to respond to any e-mail messages promptly. We reserve the right to discontinue providing this e-mail account in the future, in which event you will be required to maintain an e-mail account to be used in the operation of your HANDYMAN MATTERS Business. We also reserve the right to charge a fee for providing the e-mail account.

If you do not already have it, you will need to acquire computer hardware and software that meets our minimum specifications, as stated in the Operations Manual. As of the date of this Disclosure Document, our minimum specifications are as follows: **Computer:** Intel Core i3 processor (or equivalent), 250 GB hard drive, 2 GB RAM, 2 USB ports, CD-RW drive, 18" color monitor, keyboard, mouse, and wireless and network adapter(s). **Software:** Microsoft Windows 7 operating system, Microsoft Office XP Standard, QuickBooks Pro 2012, and CostEstimator. The computer will be used to operate the required software programs (including our proprietary WebScheduler software) and store the data used in that software. Apple Mac computers (or equivalent) are not permitted as they do not support our software.

You will need an iPhone, BlackBerry, smart phone or another device approved in writing by us, that meets our minimum specifications, for receiving and sending e-mails remotely. As of the date of this Disclosure Document, our minimum specifications are that the mobile device be (i) able to remain on throughout the working day, (ii) portable so that it may be taken to job sites and throughout the Territory, and (iii) capable of accessing, sending and receiving e-mail. We may change those specifications on notice to you.

The estimated cost of purchasing the required computer hardware, software and office equipment including the mobile device for receiving and sending e-mails, ranges from \$2,250 to \$5,025. See ITEM 7.

You must keep your computer hardware and software up to date and purchase platform and/or operating software upgrades as we direct and which meet our specifications as they evolve over time. In some cases, these systems and software may only be available through us, our affiliates and/or designated suppliers. We reserve the right to charge service and development fees to cover the costs of meeting the evolving technology needs of the Handyman Matters System. We also may require you to purchase new or additional computer hardware or software from us or from third parties as may be necessary to support the technology utilized now or in the future by the Handyman Matters System. The annual cost of any

optional or required maintenance, updating, upgrading or support for the computer hardware and software will vary. We, our affiliates and our designated suppliers have no obligation under the Franchise Agreement to provide ongoing maintenance, repairs, upgrades or updates to your computer hardware and software. As of the date of this Disclosure Document, we do not have independent access to your computer system; however, no contractual restrictions exist concerning our ability to require you to give us independent access in the future.

You must also have a laser printer, facsimile machine and credit card processor. All purchases must comply with our standards and specifications.

Notification of Site Selection.

We have not established any standards for your Business Location (as defined in ITEM 12 below). You may locate your Business Location in your home as long as your home-based office meets the general guidelines of the Internal Revenue Service. If you choose to operate from an office outside of your home, you are responsible for selecting and acquiring the premises for your Business Location. You must provide us with written notice of your Business Location prior to your commencement of operations. We reserve the right to establish standards for your Business Location, and once those standards are established, you must comply with our standards no later than 30 days after written notice to you.

Time for Commencement of Operations.

The time that will elapse between the signing of a Franchise Agreement and the opening of your franchise business is typically 60 days. The actual time that elapses will vary depending upon individual circumstances and local conditions, such as your ability to obtain (1) any permits or licenses required by your state and local governments; (2) a lease for your office and financing or building permits for leasehold improvements (if applicable); and (3) equipment, fixtures and signs; and when you complete your initial training. The Franchise Agreement requires that you begin operations of your HANDYMAN MATTERS Business within 60 days after you or your designated Franchise Manager, as defined in Item 15 below, completes the initial training program. If extenuating circumstances exist, such as a delay in your ability to obtain a lease for your business or your serious illness, we may (in our sole discretion) agree to extend that time period for an additional amount of time we determine. Otherwise, we may terminate your Franchise Agreement for your failure to begin operations of your HANDYMAN MATTERS Business within that time period.

Additional Training Information.

We will provide an initial business training program to be conducted at our corporate headquarters in the Denver, Colorado metropolitan area, or another location designated by us. The initial business training program lasts approximately five business days. The actual length of your training program and your training schedule may be adjusted by us based on your prior experience or training. We conduct our initial training program on an as-needed basis, but typically not less than four times per year.

Training is supervised by Andy Bell and Mark Douglass. Andy Bell has over 15 years of experience with us and our predecessors, and 25 years of experience in the field. Mark Douglass has over 15 years of experience with us and in the field. Each of our instructors has demonstrated to us satisfactory knowledge of the topics they instruct, has at least 15 years experience with us and in the fields of their topics, and are overseen and reviewed by Mr. Douglass. The Operations Manual is the

main source of instructional material. The initial business training program will be conducted within 120 days after execution of the Franchise Agreement and prior to the commencement of operation of your HANDYMAN MATTERS Business.

Yourself, or, if applicable, your Franchise Manager, plus up to two other individuals designated by you, which may include your CSR (for a total of three individuals), are eligible to participate in our initial business training program without a tuition charge. You or your Franchise Manager must successfully complete our initial business training program prior to the commencement of operations of your HANDYMAN MATTERS Business.

You will be responsible for the transportation and living expenses of each person who you designate to attend the initial business training program.

TRAINING PROGRAM

Initial Training.

The subjects covered in the initial business training program and the general time devoted to each subject are described below. However, the program may be modified, in our discretion, to meet the special needs of any individual trainee.

INITIAL TRAINING PROGRAM AGENDA

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location*
Pre-Training Checklist	1	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Introduction and Orientation	1-2	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
History, Mission, and Brand	3-4	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Franchisor/Franchisee Relations	1-2	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Business Model Finances	1-2	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Start-up and Daily Operations	6-8	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Customer Service	3-4	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location*
Employees	3-4	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Technology and WebScheduler	5-8	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Accounting	3-4	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Advertising and Marketing	3-4	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Commercial Accounts	2-3	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Corporate Communications	1	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Week-in-Review, Testing	2-3	0	Denver, Colorado Metropolitan Area or Another Location Designated by Us
Totals	35-50	0	

* The initial training program is typically conducted at our corporate headquarters in the Denver, Colorado metropolitan area.

If, whether as a result of observations, test results or otherwise during or upon completion of initial training (including during operation of your HANDYMAN MATTERS Business) we determine that it is appropriate or necessary, we can require that you (or a managing partner or shareholder consented to by us) or your Franchise Manager re-attend and successfully complete the initial business training program, at your sole cost and expense.

On-Site Training.

Within the first 90 days of operations of your HANDYMAN MATTERS Business, we will conduct on-site training at your Business Location (as defined in ITEM 12 below). In our sole discretion, we may divide the on-site training program into two separate training programs to be held at two different times at your Business Location. We require you or your Franchise Manager, as applicable, to attend and successfully complete this on-site training program. Other employees of yours may attend this on-site training as well. The on-site training program lasts approximately four to five business days. There will be no fee for this on-site training program.

The subjects covered in the on-site training program and the general time devoted to each subject are described below. However, the program may be modified, in our discretion, to meet the special needs of any individual trainee.

ON-SITE TRAINING PROGRAM AGENDA

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
History, Mission, and Brand	0	2	Your Business Location
Employees and Craftsmen	0	8	Your Business Location
Daily Operations and Customer Service	0	9	Your Business Location
Financial Management	0	2-3	Your Business Location
Residential Sales and Marketing	0	3	Your Business Location
Commercial Business Opportunities	0	3	Your Business Location
WebScheduler	0	6-8	Your Business Location
Internal Bookkeeping	0	1	Your Business Location
Technology Tools	0	1	Your Business Location
Totals	0	35-38	

Other Training.

If we determine that you, your Franchise Manager, or other representatives require training in addition to the initial training program and on-site training, or if you request additional training, then we will provide notice to you of the additional training and conduct the additional training program at a location we designate. You will be responsible for paying the travel, lodging and other costs for you, your Franchise Manager, or your other representatives, and you will be required to pay us our standard fees for conducting additional training in accordance with our standard fee schedule. See ITEM 6.

We may present seminars, international or regional conventions, continuing development programs, other additional or refresher training programs, or other meetings. Some of these are voluntary and your attendance is not required. However, you (or a managing partner, member or shareholder consented to by us) or your Franchise Manager, as applicable, must attend any mandatory seminars, programs or meetings we conduct. The mandatory additional training will not last more than three days at a time. You or your Franchise Manager must attend one regional meeting for your region and our annual international convention each year. You or your Franchise Manager may also be required to attend up to one additional mandatory convention or meeting every 24 months, in addition to any mandatory regional meetings for your region and the annual international convention. We will give you at least 30 days prior written notice of any seminar, convention, program or meeting that is deemed mandatory, unless your attendance is waived by us. (See Section 6.4 of FA.)

We do not charge a fee or costs for attendance at any mandatory seminar, international or regional convention or other mandatory meetings. However, unless we agree otherwise, if you do not attend the applicable seminar, convention or other mandatory meeting, you will be required to pay us \$1,500 per missed event, and if you attend the applicable seminar, convention or other mandatory meeting but do not stay at the designated hotel or do not stay for the entire meeting or convention, you will pay us

\$750 per applicable event. You will be responsible for the cost of attending, including travel, meals and lodging expenses any seminars, international or regional conventions, continuing development programs, other additional or refresher training programs, or other meetings. If you or your Franchise Manager fail to attend a program at which attendance is deemed mandatory, we may, without waiving any other rights, require you or your Franchise Manager to attend and complete a make-up or alternative program at a location determined by us and you will be responsible the costs of the program. (See Section 6.4 of FA.)

**ITEM 12
TERRITORY**

You will receive a designated territory (the “Territory”) that will be delineated by zip codes as determined by the business map software that we utilize. Your Territory will contain at least 62,500 households, and include the businesses in the Territory. You will operate from one location that you select (the “Business Location”) and you must notify us prior to the commencement of operation of your Business Location and before relocating your Business Location. Subject to your compliance with our Commercial Quality Service Program and our requirements for responding to referrals, both discussed below, we will not operate, or permit another franchisee to operate, within your Territory.

Beginning on the date set forth in the Addendum, which will be the first day of the fourth full calendar month after the effective date of your Franchise Agreement, you will be required to achieve minimum gross revenues on a monthly basis (the “Minimum Monthly Gross Revenues”) as set forth below:

Full Month after Date of Franchise Agreement	Minimum Monthly Gross Revenues
4-12	\$6,250
13-24	\$10,500
25 and thereafter	\$14,500

The Minimum Monthly Gross Revenues increase \$70 per month for each 1,000 households located in the Territory in excess of 62,500. If you fail to achieve the Minimum Monthly Gross Revenues in any calendar month, you must pay us a Royalty Fee and National Advertising Fee, and calculate your required Minimum Individual Advertising Expenditure, based on the Minimum Monthly Gross Revenues instead of your actual Gross Revenues. Further, if your total Gross Revenues over any 12-month period does not equal or exceed the total of the Minimum Monthly Gross Revenues for the same 12-month period, we will have the right to terminate your Franchise Agreement. We have the right, in our sole discretion and on a case-by-case basis, to waive the obligation of you or any other franchisee to meet the Minimum Monthly Gross Revenues requirement or to pay any fees or make expenditures calculated based on the applicable Minimum Monthly Gross Revenues.

If you perform work or provide services to commercial customers in your Territory, you must participate in our Commercial Quality Service Program. Under this program, you agree to a review by us, our representative or the commercial client of the level of services you provided to a commercial customer. If we determine that you have not provided a satisfactory level and quality of service, then we may, in our sole discretion, appoint another franchisee of ours to perform any future services for that commercial customer, regardless of whether the commercial customer is located or operates in your Territory.

If we or another franchisee of ours operating outside of your Territory refer a prospective customer to you, you are required to contact that prospective customer within 48 hours of receiving the

prospective customer's contact information from us or the other franchisee. If you fail to contact the prospective customer within that time period, we, in our sole discretion, shall have the right to assign another franchisee the right to contact the prospective customer and perform the services initially requested and all services later requested by the same prospective customer in the future, regardless of the fact that the prospective customer is located within your Territory.

Except as provided in this ITEM 12, we will not operate or franchise a third party to operate, a HANDYMAN MATTERS Business in an existing Territory, but there are no other restrictions on us regarding operating company-owned operations or in granting franchised outlets for a different business within your Territory. You will maintain rights to your Territory (or Territories), even though the population may increase.

You do not receive the automatic right to acquire additional franchises adjacent to your Territory. You may be granted, in our sole discretion, permission to sell or service customers in an unsold Territory adjacent to your Territory (an "Adjacent Territory"). However, when an Adjacent Territory is granted to another franchisee, you must, upon receipt of written notice from us, cease all sales and service efforts within the Adjacent Territory, and deliver to us, within 10 days of notice, all customer and prospect information related to customers and prospects located in the Adjacent Territory.

The Franchise Agreement gives you no options, rights of first refusal, or similar options to acquire any additional franchises from us, although we may in our discretion offer you the right to acquire additional franchises in the future.

Except as expressly stated above, you may not operate your HANDYMAN MATTERS Business outside of your Territory without our prior written consent. If you market, provide or sell any of the products or services of the HANDYMAN MATTERS Business within the territory of any HANDYMAN MATTERS Business owned by us, any affiliate of ours or any other franchisee of ours, without our prior written consent, we will have the right to terminate your Franchise Agreement effective immediately upon notice. You are prohibited from using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory, without our prior written consent.

We have and retain the right under the Franchise Agreement to develop and establish other franchise systems for different products or services utilizing proprietary marks not now or in the future designated as part of the Handyman Matters System licensed under the Franchise Agreement, and to grant licenses for these other franchise or license systems without providing you any right in those systems. We retain the right to open, operate, sell, manage and/or franchise HANDYMAN MATTERS Businesses outside your Territory. We are not restricted from the pursuit of any other business concept, or the distribution of proprietary equipment and supplies, if any, to wholesalers or other distribution outlets (other than HANDYMAN MATTERS Businesses) or by Internet, catalog, mail order, telemarketing, other direct marketing sales or otherwise, whether inside or outside the Territory. We may use our Marks and Handyman Matters System in connection with the provision of other services and products or in alternative channels of distribution (including by Internet, catalog, mail order, telemarketing or other direct marketing sales), outside of the Territory. (See Section 4.4 of FA.)

We can acquire or be acquired by, or engage in any other transaction with, other businesses (competitive or not) with companies and/or units located anywhere, including arrangements where other units are (or are not) converted to the Handyman Matters System or other format, or in which company-owned, franchised or other businesses (including your HANDYMAN MATTERS Business) are (or are not) converted to another format (whether competitive or not), or both, and is maintained as the same

concept, as a new concept, or as a separate concept in your exclusive Territory. You must fully cooperate with any of these conversions, at your sole expense.

ITEM 13 TRADEMARKS

We grant you the right to operate a business under the Marks. Many of the Marks are owned by HMI. HMI has granted us, in a License Agreement dated January 1, 2002, an exclusive, royalty-free license to use and to permit our franchisees to use its Marks anywhere in the world. The license is for 20 years commencing August 2000, but it will automatically renew for successive 20-year periods if we do not materially breach the License Agreement by engaging in any activity that damages those Marks or the goodwill of those Marks. If the license is terminated, HMI has agreed to license the use of its Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated.

HMI has registered the following Marks on the Principal Register of the United States Patent and Trademark Office, as follows:

Mark	Registration Date	Registration Number
“Handyman Matters”*	February 19, 2002	2,541,677
“Handyman Matters”*	April 2, 2002	2,557,233
“Repair Remodel Restore and More”	November 2, 2004	2,899,112
“Accept Nothing Less”	September 25, 2007	3,296,158
“Handyman Matters” and Design	October 23, 2007	3,315,334
“hm” and Design	March 10, 2009	3,586,878

* These registrations have been renewed. As of the date of this Disclosure Document, all of the other registered Marks listed are still within their initial effectiveness term and have not required renewal. We intend to renew the registrations of these Marks at the appropriate time.

In addition to those Marks owned by HMI listed above, HMI and we also use a number of other unregistered trademarks and service marks, in which we claim common law trademark rights. The following statements apply solely to any unregistered trademarks and service marks: We do not have a federal registration for these principal trademarks. Therefore these trademarks do not have as many legal benefits and rights as federally registered trademarks. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses. The Marks owned by HMI and our other trademarks and service marks are collectively referred to as the “Marks” or individually as a “Mark.”

You must follow our rules when you use any of our Marks. You cannot use our Marks as part of a business entity name or with modifying words, designs or symbols except as we license to you. You may not use our Marks or any unregistered mark or any variation of them, with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

We reserve the rights to any Internet sites utilizing a domain name incorporating one or more of the words “Handyman Matters,” “Handyman Express,” or “Handyman Masters,” and the sole right to advertise the Handyman Matters System on the Internet. You cannot establish an Internet site without our

prior written consent, including any that uses any domain name containing one or more of the words “Handyman,” “Matters,” “Express,” or “Masters,” or any variation of these. We may withhold our consent in our sole discretion. We are the owner of all right, title and interest in and to any domain names designated in the Operations Manual.

No currently effective litigation affects our use or ownership rights in the Marks. There are no currently effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state or court pending infringement, opposition or cancellation, or pending material litigation involving our principal Marks.

No currently effective agreements limit our right to use or license the use of the Marks, except that we may not violate the terms of the existing service mark license agreement between HMI and us.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We will have the right to take any action we deem appropriate and have the exclusive right to control any litigation, arbitration or administrative proceeding arising out of any infringement of, or challenge or claim to, any of our Marks or in any way related to our Marks. Any damages or benefits arising out of any infringement, challenge or claim shall accrue exclusively to us. You must notify us immediately when you learn about the infringement or challenge and you must use our Marks only in accordance with the Franchise Agreement.

You must modify or discontinue the use of a Mark if we modify or discontinue it. If this happens, we will reimburse you for your reasonable out-of-pocket costs (if any) of changing your main identifying signage and other significant signage, but we will not be liable for any other costs, expenses or damages you incur as a result of our decision to modify or discontinue use of a Mark. You must not directly or indirectly contest our right to our Marks.

We do not know of any infringing uses that could materially affect the use of the Marks in any state.

A possibility exists that there might be one or more businesses similar to a HANDYMAN MATTERS Business, which are operating in or near the area(s) where you may do business or otherwise, which have a name and/or marks similar to ours and with superior rights to these name and/or Marks. We strongly urge you to research this possibility, using telephone directories, local filings and other means, before you sign the Franchise Agreement or any other documents related to your business, or expending or paying any sums or making any commitments concerning your business. If you fail to do so, you may be at risk.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

No copyrights, other than common law copyrights in the Operations Manual, are material to the franchise. The Operations Manual contains our confidential and proprietary information and trade secrets regarding the operations of a HANDYMAN MATTERS Business. We may modify the Operations Manual in our sole discretion, but the modifications will not alter your status and rights under your Franchise Agreement. We have included a copy of the Table of Contents for our Operations Manual as Attachment G to this Disclosure Document.

You can use the proprietary information in the Operations Manual only as permitted by your Franchise Agreement. You must maintain the confidentiality of our Operations Manual and adopt reasonable procedures to prevent unauthorized disclosure of it. You are required to promptly tell us if you learn about unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to this information as we think appropriate. We will indemnify you against losses claimed by a third party concerning your use of this information. Our right to use or license this information is not materially limited by any agreement or known infringing use. There are no determinations of any administrative office or any court regarding these copyrighted materials or the proprietary information.

We own all records concerning the customers, craftspersons and other service professionals of, and/or related in any way to, your HANDYMAN MATTERS Business; including all databases (whether in print, electronic or other form), with customer and potential customer names, addresses, phone numbers and e-mail addresses, and customer purchase records. We may use or transfer these records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. (See Section 15.9 of FA.) We may contact any and/or all of your customers, craftspersons, suppliers and other service professionals for quality control, market research and any other purposes we deem appropriate, in our sole and absolute discretion.

We may require you to cause each of your officers, directors, partners or shareholders, and any member of your or their immediate families, your CSR, and your Franchise Manager, as applicable, to execute our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to this Disclosure Document as Attachment B. You must provide us a copy of each Nondisclosure and Noncompetition Agreement at the time it is signed and thereafter upon our request.

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

If you are an individual, either you individually or an individual who you designate and is approved by us to be an operating manager for your HANDYMAN MATTERS Business, who we refer to as the Franchise Manager, must directly supervise the operation of the HANDYMAN MATTERS Business at the Business Location. If we believe you lack sufficient business experience, you will be required to designate and hire a Franchise Manager whom we approve. If you are a corporation or other business entity, a Franchise Manager must perform the direct, on-site supervision.

The Franchise Manager will need to attend and successfully complete the initial business training program and abide by the obligations in the Franchise Agreement and the Operations Manual. The Franchise Manager must agree to assume and guarantee performance of all of your obligations, including, among others, confidentiality and non-competition. (See Exhibit II to FA.)

You may desire to hire an experienced customer service representative (“CSR”) to assist in the answering of your phones, booking of jobs with customers, assisting with employment applications, paperwork check-in, and other similar customer service and office duties.

You or the Franchise Manager are required to devote substantial full time and best efforts on a daily basis, in person, to the supervision and conduct of the HANDYMAN MATTERS Business, which must not be less than 40 hours per week. If you wish to operate another business, including any e-commerce business which operates over the Internet, our prior approval, which we may grant or deny in our sole discretion, will be required. If you wish to operate another business with your HANDYMAN

MATTERS Business, the other business must be a complimentary, non-competing enterprise; for example, a maid service.

Unless waived by us, each individual who owns, directly or indirectly, an interest in the franchisee entity will sign the Guaranty and Assumption of Franchisee’s Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement. (See Exhibit II to FA.)

**ITEM 16
RESTRICTIONS ON WHAT YOU MAY SELL**

You may offer and sell only those products and services that we have approved or that meet the standards and specifications set by us. (See ITEM 8.)

You are required to offer all goods and services that we designate as required for all franchisees within your market area. We may change the goods and services required in your area, with prior notice to you. (See Section 11.2 of FA.) It is your responsibility to promptly obtain all licenses and permits necessary to operate the HANDYMAN MATTERS Business in your jurisdiction. You cannot engage in any activities not covered by your liability insurance or workers compensation insurance.

You cannot engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law.

Supplies and equipment used in your HANDYMAN MATTERS Business must be purchased from us or a vendor approved by us, to the extent we have approved vendors for such supplies and equipment, or meet the standards and specifications set by us. (See ITEM 8.)

We may impose restrictions limiting your access to customers outside of your Territory and to commercial customers within your Territory, both as discussed in ITEM 12 above, but apart from these we do not impose any restrictions on your access to customers.

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement ⁽¹⁾	Summary ⁽³⁾
a. Length of the franchise term	Section 3.1	10 years.
b. Renewal or extension of the term	Sections 3.3 and 3.4	If you are in good standing you can renew for one additional term of 10 years.

Provision	Section in Franchise or Other Agreement ⁽¹⁾	Summary ⁽³⁾
c. Requirements for you to renew or extend	Sections 3.3 and 3.4	No less than 120 days notice, nor more than one year notice; sign the current form of the Franchise Agreement (which may contain terms and conditions materially different from your original Franchise Agreement); be in compliance with current Franchise Agreement; be current in payments; satisfy current standards for new franchisees; modify your HANDYMAN MATTERS Business and operations to conform with current Operations Manual; pay successor franchise fee; execute a Successor Franchise Rider (in a form substantially similar to that attached to this Disclosure Document as <u>Attachment E</u> which includes, except where prohibited by law, a release).
d. Termination by you	Section 18.3; Loan Rider Sections 3.1 and 3.2	You can terminate if we materially breach the agreement if you provide us with written notice within 30 days of the breach and an opportunity to cure of not less than 90 days.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Sections 18.1 and 18.2	We can terminate based on your inability or unwillingness to operate your HANDYMAN MATTERS Business, or upon certain violations of the Franchise Agreement or engaging in illegal or unethical practices.
g. “Cause” defined – curable defaults	Section 18.2	You have 10 days to cure: misuse of Marks, non-payment of fees, non-submission of reports, failure to meet minimums, and 30 days to cure any other default not listed in Section 18.2 (subject to modification by state law).
h. “Cause” defined – non-curable defaults	Section 18.1	Non-curable defaults: unauthorized disclosures, repeated defaults even if cured, abandonment, unapproved transfers, sales activity in the territory of another HANDYMAN MATTERS Business, breach of related agreement, a guaranty becomes unenforceable or inadequate; others. ⁽²⁾

Provision	Section in Franchise or Other Agreement ⁽¹⁾	Summary ⁽³⁾
i. Your obligations on termination/non-renewal	Section 18.4	Obligations include escrow of an amount equal to 1% of the greater of the Gross Revenues or Minimum Monthly Gross Revenues for the prior 12 months to cover warranty issues, complete de-identification, return of proprietary materials, payment of amounts due, plus Royalty Fees based on the Minimum Monthly Gross Revenues for the shorter of two years or the remaining term under the Franchise Agreement, if terminated due to your default, inspection of books, assign all pending and contract business to us, others. <u>See</u> also item “r” below.
j. Assignment of contract by us	Section 17.1	No restriction on our right to assign.
k. “Transfer” by you - defined	Section 17.2	Includes transfer of contract or assets or ownership change.
l. Our approval of transfer by you	Sections 17.2 and 17.3	We have the right to approve all transfers.
m. Conditions for our approval of transfer	Section 17.3	New franchisee qualified; transfer fee paid; purchase agreement approved; training completed by transferee; current agreement signed by transferee; escrow account established; and release signed by you (except where prohibited by law). Our current form of general release is attached to this Disclosure Document as <u>Attachment F</u> .
n. Our right of first refusal to acquire your business	Section 17.6	We can match any offer for your business within 30 days.
o. Our option to purchase your business	Not applicable.	Not applicable.
p. Your death or disability	Section 17.5	Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 days.
q. Non-competition covenants during the term of the franchise	Sections 20.1 and 20.3	Prohibited from owning, operating or performing service for a competing business.
r. Non-competition covenants after the franchise is terminated or expires	Sections 20.2 and 20.3	No competing business for 24 months within 100 miles of the former franchised location or any other HANDYMAN MATTERS Business (including after assignment).

Provision	Section in Franchise or Other Agreement ⁽¹⁾	Summary ⁽³⁾
s. Modification of the agreement	Section 23.1	Must be in writing and signed by both parties, but Operations Manual is subject to change.
t. Integration/merger clause	Section 23.2	Only the terms of the Franchise Agreement and the Operations Manual are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim any representations made by us in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 22	Except for certain claims, all disputes must be arbitrated in Denver, Colorado (subject to state law). If a claim can be brought in court, both you and we agree to waive our rights to a jury trial.
v. Choice of forum	Section 22.5	Colorado (subject to state law).
w. Choice of law	Section 22.5	Federal and Colorado law applies (subject to state law). The Colorado Consumer Protection Act does not apply.

(1) All references are to the Franchise Agreement, unless stated otherwise.

(2) The provisions in the Franchise Agreement that allow for termination upon bankruptcy may not be enforceable under Federal Bankruptcy Law (11 U.S.C. § 101 et seq.).

(3) Certain states have statutes that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. See the State Addendum to this Disclosure Document for certain states, which is attached to this Disclosure Document as Attachment L. Certain states may also have court decisions that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

ITEM 18 PUBLIC FIGURES

We do not currently use any public figure to promote the Handyman Matters System.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a Franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in this ITEM 19 may be given only if: (1) a

franchisor provides the actual records of an existing outlet the prospective franchisee is considering buying; or (2) a franchisor supplements the information provided by this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Below are our Financial Performance Representations. The Financial Performance Representations have not been prepared in accordance with the statement on Standards for Accountant's Services on Prospective Financial Information.

The tables and the chart on the following pages disclose certain Gross Revenues, Expenses and other financial information of our franchisees. As of December 31, 2012, there were 108 HANDYMAN MATTERS Business individual franchises operating in the United States and 10 HANDYMAN MATTERS Business individual franchises operating outside of the U.S.A., 3 of which operated in Canada and 7 of which operated in Ireland. The term "Units" as used in this ITEM 19, including throughout all of the tables and the chart below, includes the U.S. and Canada franchised businesses but excludes the Ireland franchised businesses. There were no franchisees that had signed franchise agreements but had not yet opened for business.

The 111 operating Units in the United States and Canada are owned and operated by 72 different franchise owners ("Operators"). The term "Operators" as used in this ITEM 19, including throughout all of the tables and the chart below, excludes the owners of the Ireland franchised businesses. Of the 72 U.S. and Canadian Operators as of December 31, 2012, 19 own and operate multiple HANDYMAN MATTERS Business franchises.

Of the 111 operating Units in the United States and Canada, 16 were in operation less than twelve months as of December 31, 2012. Additionally, 40 did not provide sufficient financial information for the entire year or that was otherwise not reliable enough to be used in this report. Therefore, the tables and the chart that refer to Units show the relevant financial information of 55 individual franchise Units.

The above introductory notes and any other notes accompanying or following the tables and the chart below are an integral part of these tables and the chart and should be read in their entirety for a full understanding of the information contained in these tables and chart.

TABLE 1 – AVERAGE GROSS REVENUES AND DISCRETIONARY INCOME

The following **Table 1** shows the annual AVERAGE Gross Revenues and Funds Available to Owner amounts for calendar year 2012 by Units that have been open between 1-4 years as of the end of calendar year 2012. There were 21 Units out of the total 55 Units as of that date, or approximately 38 percent of the total reporting units used in this Item 19, that were in this category. The following **Table 1** also shows the annual AVERAGE Gross Revenues and Funds Available to Owner amounts by those Units that have generated \$500,000 or more in Gross Revenues during calendar year 2012. There were 13 Units out of the total 55 Units, or approximately 24 percent of all Units in the reporting group for this Item 19, that met this requirement.

Units	Averages	Number of Units that Exceeded Averages	% of Units that Exceeded Averages
Open 1-4 Years			
Gross Revenue	\$214,174	9	43%
Funds Available to Owner	\$ 72,819		
\$500,000 or More in Gross Revenues			
Gross Revenue	\$601,600	4	31%
Funds Available to Owner	\$204,544		

CHART 1 – AVERAGE ANNUAL EXPENSE IN PERCENTAGES

The following **Chart 1** shows a breakdown of the annual average expenses by Units that have been open at least one year as of the end of calendar year 2012. All of the 55 reporting Units used in this Item 19 are included in this chart.

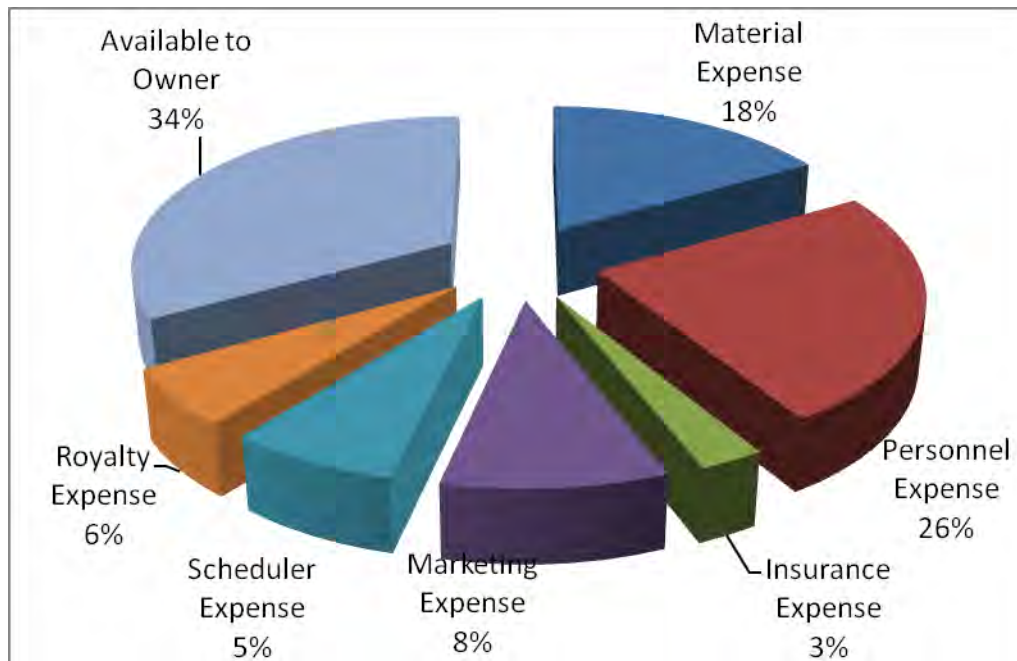


TABLE 2 – AVERAGE REPEAT CUSTOMER PERCENTAGES

The following **Table 2** shows the annual AVERAGE Repeat Customer Percentages by Units, broken down by those Units that have been open between 1-2 years, 3-4 years, 5-6 years and 7-10 years as of the end of calendar year 2012. All of the 55 reporting Units used in this Item 19 are included in this chart.

Averages:	Total No. of Units	Repeat Customer Percentage	Number of Units that Exceeded Percentage	% of Units that Exceeded Percentage
1-2 years	5	32%	2	40%
3-4 years	16	38%	8	50%
5-6 years	15	43%	6	40%
7-10 years	19	53%	10	53%

TABLE 3 - AVERAGE PROJECTED INCOME OVER A 10 YEAR CONTRACT TERM BASED ON ACTUAL PERFORMANCE

The following **Table 3** shows the Average Projected Gross Revenues of select Units projected out over the entire length of their Franchise Agreement term of 10 years. We used those Units that have been in business between 8-10 years as of the end of calendar year 2012 in computing these numbers. We limited the group to those Units so there are no more than two years of projections for any one Unit. We believe long projections would skew the numbers in this chart unfairly. Out of the 55 Units, there were five Units who were in business between 8-10 years as of December 31, 2012. Each of the five Units used in this table are owned by different Operators. Of those five Operators, two own multiple Units, but only one Unit of each of those two Operators are included in this table as their other Units have not been operating for a minimum of eight years.

In computing the Total Gross Revenue number, we took the combined yearly averages of the Gross Revenues of the five Units used in this **Table 3** over the terms of their respective Franchise Agreements (8, 9 or 10 years, as applicable), multiplied those numbers by 10 to get a 10-year combined average, and then divided that number by 5 to get a per Unit average of Gross Revenues over a projected 10-year period. The Funds Available to Owner number is computed by multiplying the Total Gross Revenue average by 34 percent, which is the percent shown as Funds Available to Owner in **Chart 1** above.

	Average	Number of Units that Exceeded Averages	Percent of Units that Exceeded Averages
Total Gross Revenue	\$6,165,385	2	40%
Funds Available to Owner over 10 Year Term	\$2,095,231		

ADDITIONAL NOTES:

All of the above tables and the chart were prepared from data obtained from the unaudited information submitted by the Operators to us from their QuickBooks software for the relevant periods. We have not audited these reports and cannot guarantee their accuracy.

The Gross Revenues reflect the actual amounts our Operators reported to us were paid to them by their customers. It does not include sales tax or discounts.

Chart 1 deducts certain expenses from an Operator's Gross Revenues and the Funds Available to Owner portions of **Table 1** and **Table 3** are based on that information. Otherwise, none of the tables show any expenses. While **Chart 1** shows those expenses that our Operators report to us, it may not reflect all possible expenses incurred and other costs that must be deducted from the Gross Revenues or gross sales figures to determine an Operator's net income or profit. Operating expenses vary substantially and are based on particular factors relevant to each franchisee. Your expenses may include wages and reimbursements for you and your employees, discounts you may offer, National Advertising Fees, Software Fees, rent for an office location, a variety of general and administrative expenses, and other fees and expenses. See ITEMS 5, 6, and 7 for fees and other expenses you may incur. Further, **Chart 1** does not show any taxes due by the Operators, including any sales taxes and income taxes that may be applicable. Taxes vary widely between territories and from franchisee to franchisee. You may incur operating expenses for items different than those stated, or from those incurred by the Operators included in **Chart 1**, as well as other isolated or recurring expenses. You should conduct an independent investigation of the costs and expenses you will incur in operating your HANDYMAN MATTERS Business. Franchisees or former franchisees listed in Attachment H and Attachment I to this Disclosure Document may be one source of this information.

The projections used in **Table 3** assume that those Units will continue to realize the same average of Gross Revenues over the remaining term of their Franchise Agreement as they realized during their first eight or nine years of operations. One Unit had completed its tenth year of operations as of the end of calendar year 2012. Only its actual results of operations were used in computing the numbers in **Table 3**.

In presenting this data, we do not estimate the length of time it will take for any particular franchisee to achieve any Gross Revenues levels, sales levels, or other results.

Your ability to promote your HANDYMAN MATTERS Business to customers is a major factor in determining your profitability and is dependent upon your marketing ability and efforts, competition within your market, economic conditions, the amount of time you devote to your business, your project management and leadership skills, your marketing skills, the time and money spent promoting your business, your profit motivation and other market factors. Achieving any Gross Revenues or sales levels is also dependent on having enough staff and technicians to adequately meet demand and how closely you follow the Operations Manual.

Your ability to achieve any certain level of Gross Revenues or sales will depend upon factors not within our control, including your expenses, your efforts, and your level of expertise.

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

Caution: Your actual financial results are likely to differ from the figures presented. Some of our franchisees have attained Gross Revenues, sales, and other results described in these tables and chart. There is no assurance that you will do as well. If you rely upon our figures, you must accept the risk of not doing as well. If possible, show these figures to someone who can advise you, like a lawyer or accountant.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing HANDYMAN MATTERS Business, however, we may provide you with the actual records of that HANDYMAN MATTERS Business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Andy Bell at 12567 West Cedar Drive, Lakewood, Colorado 80228, and (303) 984-0177, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2010 to 2012⁽¹⁾**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2010	124	119	-5
	2011	119	120	+1
	2012	120	118	-2
Company-Owned	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
Total Outlets	2010	124	119	-5
	2011	119	120	+1
	2012	120	118	-2

⁽¹⁾ Each year period begins on January 1 and ends on December 31.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2010 to 2012⁽¹⁾

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Illinois	2010	0
	2011	2
	2012	0
Minnesota	2010	0
	2011	0
	2012	0
North Carolina	2010	0
	2011	2
	2012	0
Texas	2010	0
	2011	0
	2012	1
Virginia	2010	1
	2011	0
	2012	0
TOTALS	2010	1
	2011	4
	2012	1

⁽¹⁾ Each year period begins on January 1 and ends on December 31.

Table No. 3
Status of Franchised Outlets
For Years 2010 to 2012⁽¹⁾

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2010	5	0	2	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Arkansas	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
California	2010	11	0	1	0	0	0	10
	2011	10	0	3	0	0	0	7
	2012	7	0	2	0	0	0	5

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Colorado	2010	5	1	0	0	0	0	6
	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	0	6
Connecticut	2010	1	0	0	0	0	0	1
	2011	1	0	1	0	0	0	0
	2012	0	0	0	0	0	0	0
Florida	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Georgia	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Idaho	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
Illinois	2010	6	1	0	0	0	0	7
	2011	7	5	1	0	0	0	11
	2012	11	0	1	0	0	0	10
Indiana	2010	2	0	1	0	0	0	1
	2011	1	0	1	0	0	0	0
	2012	0	0	0	0	0	0	0
Iowa	2010	1	0	1	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
Kansas	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Kentucky	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Maryland	2010	5	0	0	0	0	0	5
	2011	5	0	1	0	0	0	4
	2012	4	0	0	0	0	0	4
Massachusetts	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Michigan	2010	5	0	3	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Minnesota	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	2	0	0	0	3

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Missouri	2010	3	0	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Nebraska	2010	2	0	2	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
New Hampshire	2010	2	0	1	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
New Jersey	2010	3	0	0	0	0	0	3
	2011	3	0	1	0	0	0	2
	2012	2	0	0	0	0	0	2
New Mexico	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
New York	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
North Carolina	2010	5	1	1	0	0	0	5
	2011	5	5	1	0	0	0	9
	2012	9	0	1	0	0	0	8
Ohio	2010	5	0	2	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Oklahoma	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
Oregon	2010	2	1	2	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Pennsylvania	2010	6	1	0	0	0	0	7
	2011	7	0	1	0	0	0	6
	2012	6	1	1	0	0	0	6
Rhode Island	2010	1	5	1	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
South Dakota	2010	1	0	1	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
Tennessee	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Texas	2010	12	3	1	0	0	0	14
	2011	14	0	0	0	0	0	14
	2012	14	2	0	0	0	0	16
Virginia	2010	4	0	0	0	0	0	4
	2011	4	2	1	0	0	0	5
	2012	5	0	1	0	0	0	4
Washington	2010	5	1	1	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Wisconsin	2010	2	0	1	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Canada	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Ireland	2010	7	0	0	0	0	0	7
	2011	7	0	0	0	0	0	7
	2012	7	0	0	0	0	0	7
TOTALS	2010	124	16	21	0	0	0	119
	2011	119	12	11	0	0	0	120
	2012	120	6	8	0	0	0	118

(1) Each year period begins on January 1 and ends on December 31.

Table No. 4
Status of Company-Owned Outlets
For Years 2010 to 2012⁽¹⁾

Column 1 State	Column 2 Year	Column 3 Outlets at State of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Totals	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0

(1) Each year period begins on January 1 and ends on December 31.

Table No. 5
Projected Openings As of December 31, 2012

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
Arkansas	0	1	0
Florida	0	2	0
Georgia	0	3	0
North Carolina	0	1	0
Oregon	0	2	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	2	0
Wisconsin	0	1	0
Wyoming	0	1	0
TOTALS	0	15	0

A list of the names of all franchisees and the addresses and the telephone numbers of their franchised business are listed in Attachment H to this Disclosure Document. A list of the name and last known city, state and telephone number of every franchisee who has had a franchised business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed on Attachment I to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We currently have no trademark-specific franchisee association within the Handyman Matters System, but reserve the right to form them in the future.

ITEM 21 FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2010, 2011, and 2012 are attached to this Disclosure Document as Attachment J.

ITEM 22
CONTRACTS

These are the only contracts we enter into with any franchisee regarding the offering of franchises in this state:

- Attachment A - Franchise Agreement and Exhibits
- Attachment B - Nondisclosure and Noncompetition Agreement
- Attachment C - Statement of Prospective Franchisee
- Attachment D - Veteran Loan Program Rider to Franchise Agreement
Exhibit D-1 - Promissory Note
Exhibit D-2 - Security Agreement
- Attachment E - Form of Successor Franchise Rider to Franchise Agreement

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are receipt pages. Please sign and date each of them as of the date you received this Disclosure Document, detach the second receipt page, and promptly return it to us as specified on that page.

ATTACHMENT A
FRANCHISE AGREEMENT
WITH EXHIBITS

HANDYMAN MATTERS®
FRANCHISE AGREEMENT

Franchisee: _____
Date: _____
Territory: _____

**HANDYMAN MATTERS®
FRANCHISE AGREEMENT
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EXHIBITS

- I. ADDENDUM TO FRANCHISE AGREEMENT
- II. GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
- III. STATEMENT OF OWNERSHIP
- IV. COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS AND INTERNET ADDRESSES
- V. RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES OR PROVINCES

HANDYMAN MATTERS® FRANCHISE AGREEMENT

THIS AGREEMENT (“**Agreement**”) is made effective as of the date set forth on the signature page hereof, between **HANDYMAN MATTERS FRANCHISE CORPORATION**, a Colorado corporation (“**HMFC**”), and the franchisee named on the signature page of this Agreement (“**Franchisee**”), who, on the basis of the following understandings and in consideration of the following promises, agree as follows:

1. BACKGROUND AND PURPOSE

1.1. Background.

HMFC has developed and owns a unique system for establishing, operating and marketing businesses that provide a variety of approved handyman and remodeling services for customers’ homes and businesses (“**HANDYMAN MATTERS Businesses**”), which **HANDYMAN MATTERS Businesses** provide carpentry, masonry, plumbing, electrical, drywall, tile, roofing, painting, flooring, and other miscellaneous repairs, remodels and maintenance services (the “**Services**”), and sales of approved supplies, materials, equipment and other products (the “**Products**”) under the mark **HANDYMAN MATTERS®** and related service marks, trademarks, logos and trade names (collectively the “**Marks**”) and using HMFC’s unique system for operating the business and related licensed methods of doing business (“**Licensed Methods**”).

1.2. System.

HMFC grants the right and license to qualified individuals and entities to use the Marks and Licensed Methods to establish and operate **HANDYMAN MATTERS Businesses** under its franchise system (“**System**”).

1.3. Purpose.

Franchisee desires to establish a **HANDYMAN MATTERS Business** and HMFC desires to grant Franchisee the right and license to operate **HANDYMAN MATTERS Business** under the terms and conditions contained in this Agreement.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise.

HMFC grants to Franchisee, and Franchisee accepts from HMFC, (i) a non-exclusive right and license to open and operate a **HANDYMAN MATTERS Business**, and (ii) a non-exclusive license to use the Marks solely in connection with the establishment and operation of a **HANDYMAN MATTERS Business**. The grant hereunder is for the type of franchise set forth in the Addendum, as defined in **Section 2.2** below.

2.2. Scope of Franchise Operations.

Franchisee shall use its best efforts to promote the **HANDYMAN MATTERS Business**. Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved and further developed by HMFC from time to time, only in accordance with the terms and conditions of this Agreement, including the Addendum to Franchise Agreement (“**Addendum**”), which is attached as

Exhibit I, and the other Exhibits to this Agreement, which are attached to, and incorporated into, this Agreement.

3. TERM AND EXPIRATION

3.1. Term.

The term of this Agreement is for a period of 10 years from the date this Agreement is executed by HMFC, unless sooner terminated as provided herein.

3.2. Continuation.

If Franchisee continues to operate the HANDYMAN MATTERS Business with HMFC's express or implied consent following the expiration or termination of this Agreement, the continuation will be on a month-to-month extension of this Agreement. This Agreement will then be terminable by either party on 30 days written notice. Otherwise, all provisions of this Agreement will apply while Franchisee continues to operate the HANDYMAN MATTERS Business.

3.3. Successor Franchise.

Provided Franchisee is not in default at either the time of its notice of exercise of its successor franchise rights or at the time of the grant of the successor franchise rights, at the end of the term of this Agreement, Franchisee will have the option to renew its franchise rights for one additional term of 10 years by acquiring successor franchise rights, provided that Franchisee has met all of the following requirements:

a. Franchisee executes HMFC's then current form of Franchise Agreement, which may have terms substantially different than those set forth in this Agreement, within 30 days after Franchisee's receipt of such Franchise Agreement from HMFC.

b. Franchisee maintained compliance with all of the provisions of this Agreement during the term, including payment, on a timely basis, of all Royalty Fees, Advertising Fees, Software Fees, Call Center Fees and other payments due hereunder. "**Compliance**" means, at a minimum, that Franchisee has not (i) failed to timely cure any breach of this Agreement specified by HMFC in a written notice to Franchisee; or (ii) received any written notification from HMFC of breach hereunder more than three times during the 24 month period prior to the expiration of the term of this Agreement, regardless of whether such breaches were timely cured.

c. Franchisee satisfies the then current standards applicable to all new HMFC franchisees.

d. Franchisee maintains or modifies the HANDYMAN MATTERS Business and its operations at Franchisee's sole expense (the necessity of which will be in the sole discretion of HMFC) to conform to the then current Operations Manual (hereinafter defined).

e. Franchisee executes a successor franchise rider in the form then in use by HMFC, which, unless prohibited by law, includes a general release of any and all claims against HMFC and its affiliates, and their respective officers, directors, employees and agents.

f. Franchisee pays to HMFC a successor franchise fee in the amount of \$5,500, which is due and payable upon execution of HMFC's then current Franchise Agreement and will be nonrefundable under all circumstances once paid. Except for the successor franchise fee described in the preceding

sentence, an initial franchisee fee will not be charged upon execution of the successor Franchise Agreement and successor franchise rider.

3.4. Exercise of Option for Successor Franchise.

Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to HMFC not less than 120 days, but not more than one year, prior to the scheduled expiration of this Agreement. Franchisee's successor franchise rights will become effective upon Franchisee's compliance with **Section 3.3** above. HMFC will provide Franchisee with copies of the then current Franchise Agreement and successor franchise rider within 30 days of Franchisee's notice of exercise of its option for a successor franchise. If Franchisee fails to execute and deliver the successor Franchise Agreement and successor franchise rider to HMFC within 30 days after Franchisee's receipt thereof from HMFC, then Franchisee shall be deemed to have irrevocably declined to exercise its option for a successor franchise and the Franchisee's option for a successor franchise shall terminate as of such date.

4. TERRITORY

4.1. Business Location.

Franchisee's HANDYMAN MATTERS Business will be operated from a location selected by Franchisee ("**Business Location**"), which may be Franchisee's residence. If Franchisee's residence is used as the Business Location, then Franchisee's home office must meet all Internal Revenue Service rules and regulations to qualify as a home office for Federal tax purposes, or, if Franchisee is located outside of the U.S., all applicable tax and planning rules and regulations to qualify as a home office. The Business Location is designated in the Addendum. The Business Location may not be relocated without the prior written consent of HMFC. Franchisee agrees to comply with any standards established by HMFC from time to time regarding Franchisee's Business Location within 30 days of receipt of written notice from HMFC of such standards.

4.2. Territory.

a. HMFC has designated a protected territory as set forth in the Addendum (the "**Territory**") in which HMFC agrees it will not operate or franchise a third party to operate a HANDYMAN MATTERS Business, except as set forth in **Section 4.3** below. The Territory consists of one or more counties, cities, zip or postal code areas, street boundaries or other designated geographical boundaries as described in the Addendum, and shall contain approximately the number of households set forth in the Addendum. The Territory may not be changed or relocated without the prior written consent of HMFC.

b. Franchisee shall limit the operation of its HANDYMAN MATTERS Business to providing Products and Services to customers' homes and businesses located within the Territory. Notwithstanding the foregoing sentence to the contrary, Franchisee may be granted, at HMFC's sole discretion, express written permission to sell Products or provide Services to customers located in an unsold territory adjacent to Franchisee's Territory (an "**Adjacent Territory**"), provided, that Franchisee agrees that when the Adjacent Territory is granted to another franchisee by HMFC, Franchisee will, upon receipt of written notice from HMFC, cease all of its sales and service efforts within the Adjacent Territory and deliver all customer and prospect lists relating to the Adjacent Territory to HMFC within 10 business days of such notice. Franchisee is prohibited from using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Territory, without HMFC's prior written consent.

4.3. Failure to Respond to Referrals.

If HMFC or another HMFC franchisee operating outside of the Territory refers a prospective customer to Franchisee, Franchisee is required to contact that prospective customer within two business days of receiving the prospective customer's contact information from HMFC or the other franchisee, as applicable. If Franchisee fails to contact the prospective customer within that time period, HMFC, in its sole discretion, shall have the right to assign another franchisee the right to contact the prospective customer and perform the services initially requested and all services later requested by the same prospective customer in the future, regardless of the fact that the prospective customer is located within Franchisee's Territory.

4.4. HMFC's Reservation of Rights.

Franchisee understands and agrees that HMFC has and retains the rights under this Agreement to: (a) develop and establish other franchise systems for different products or services utilizing proprietary marks not now or hereafter designated as part of the System licensed by this Agreement, and to grant licenses thereto, without providing Franchisee with any rights therein (different products and services includes non-competing, interchangeable or substitute products or services, but not products or services which are part of the System's Products or Services); (b) open, operate, sell and/or manage HANDYMAN MATTERS Businesses outside the Territory; (c) use, and to license others to use, the Marks and Licensed Methods for the operation of HANDYMAN MATTERS Businesses at any location other than in the Territory; (d) use the Marks and the Licensed Methods in connection with the provision of other services and products or in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing or other direct marketing sales), without regard to location; (e) use and license the use of other proprietary marks or methods of doing business which are not the same as, or confusingly similar to, the Marks or Licensed Methods, whether in alternative channels of distribution (including, but not limited to, Internet, catalog, mail order, telemarketing or other direct marketing sales) or in the operation of a handyman repair and remodel service, at any location (including within the Territory), which may be similar to or different from HANDYMAN MATTERS Businesses; and (f) operate any Internet sites utilizing a domain name incorporating one or more of the words "Handyman Matters" or "Handyman Express" or "Handyman Masters" or "Handyman Professionals," all without granting Franchisee any rights thereto. HMFC can acquire or be acquired by, or engage in any other transaction with, other businesses (competitive or not), companies, or units located anywhere, including arrangements where other units are (or are not) converted to the System or other format, or in which company-owned, franchised or other businesses (including HANDYMAN MATTERS Businesses) are (or are not) converted to another format (whether competitive or not), or both, and is maintained as the same concept, as a new concept, or as a separate concept in the Territory. Franchisee must fully cooperate with any of these conversions, at Franchisee's sole expense.

5. INITIAL FRANCHISE FEE AND TERRITORY FEE

5.1. Initial Franchise Fee.

Franchisee will pay HMFC an initial franchise fee in the amount set forth in the Addendum (the "**Initial Franchise Fee**"), which shall be due and payable as set forth in the Addendum. Franchisee acknowledges and agrees that the Initial Franchise Fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that HMFC has earned the Initial Franchise Fee upon receipt thereof, and that the Initial Franchise Fee is not refundable to Franchisee once paid.

5.2. Territory Fee.

Franchisee will pay HMFC a territory fee in the amount set forth in the Addendum (the “**Territory Fee**”), which shall be due and payable as set forth in the Addendum. Franchisee acknowledges that the Territory Fee represents payment for the rights to the Territory, that HMFC has earned the Territory Fee upon receipt thereof, and that the Territory Fee is not refundable to Franchisee once paid.

6. TRAINING

6.1. Initial Training Program.

Franchisee (or if Franchisee is an entity, a managing partner, member or shareholder consented to by HMFC (a “**Principal Representative**”), or a fully trained and qualified operating manager (the “**Franchise Manager**”), if applicable, shall attend and satisfactorily complete the initial business training program (the “**Initial Training Program**”) prior to opening Franchisee’s HANDYMAN MATTERS Business. Franchisee shall be responsible for all wages, travel and living expenses incurred by itself, its Principal Representative, the Franchise Manager, and for any other employee attending the Initial Training Program. HMFC will allow two employees of Franchisee, in addition to Franchisee or its Principal Representative, which may include the Franchise Manager, if applicable, to attend the Initial Training Program without tuition charged. HMFC may charge for any additional employees of Franchisee who attend the Initial Training Program. If, under the terms of this Agreement or otherwise, Franchisee needs or desires to have persons attend the Initial Training Program after Franchisee’s attendance of the Initial Training Program, then Franchisee must pay the then current tuition charged by HMFC for those persons, in addition to all wages, travel and living expenses incurred in connection with their attendance at the Initial Training Program.

6.2. Length of Training.

The Initial Training Program shall be conducted within 120 days after the full execution of this Agreement, and approximately 30 days prior to the opening of Franchisee’s HANDYMAN MATTERS Business. The Initial Training Program will consist of approximately 35 to 50 hours of instruction to be conducted over five business days at HMFC’s facilities in the Denver, Colorado metropolitan area, or another location designated by HMFC. HMFC reserves the right to waive all or a portion of the Initial Training Program or to alter the training schedule, if in HMFC’s sole discretion, Franchisee, its Principal Representative, or its Franchise Manager, as applicable, has sufficient prior experience.

6.3. On-Site Training.

Franchisee, Franchisee’s Principal Representative, or the Franchise Manager, as applicable, shall also complete approximately 35 to 38 hours of on-the-job training at the Business Location within the first 90 days of Franchisee’s operation of its HANDYMAN MATTERS Business, to be conducted over four to five business days (“**On-Site Training**”). In HMFC’s sole discretion, the On-Site Training may be divided into two separate training programs held at two different times. Attendance at the On-Site Training is mandatory for Franchisee, its Principal Representative, or the Franchise Manager, as applicable. Other employees as Franchisee desires may also attend such training.

6.4. Additional Training.

a. If HMFC determines at any time during the term of this Agreement that Franchisee or its Principal Representative or Franchise Manager requires training in addition to the Initial Training

Program and On-Site Training, or if Franchisee requests such additional training, then HMFC will provide notice to Franchisee of such necessary additional training, and HMFC will conduct such additional training program(s) at a location designated by HMFC. Franchisee will be responsible for paying the travel, lodging and other costs for Franchisee or its Principal Representative, Franchise Manager, or other representatives, and shall pay HMFC its standard fees for conducting additional training in accordance with HMFC's standard fee schedule, which fees may be changed from time to time upon 30 days notice to Franchisee.

b. From time to time, HMFC may conduct additional meetings, seminars, conventions, and training programs. Franchisee or its representatives may attend such programs at their own expense and shall attend such programs for which HMFC has determined that Franchisee's attendance is required. HMFC will not require Franchisee to attend national training programs more often than once every 24 months; provided, however, that this limitation shall not include annual conventions or regional training programs or meetings. HMFC will give Franchisee at least 30 days prior written notice of any ongoing seminar, convention, program or meeting being held at which Franchisee's attendance is required. Franchisee or its representative will be required to attend HMFC's annual convention, which may be held at HMFC's Denver, Colorado metropolitan area headquarters or at another location selected by HMFC. Franchisee will be required to stay at the hotel where the primary functions are held, unless HMFC, in its sole discretion, otherwise agrees.

c. HMFC will not charge a fee or its costs for any additional mandatory meeting, training program, seminar or convention. However, unless HMFC agrees otherwise, if Franchisee or its Personal Representative fails to attend the applicable mandatory training meeting, training program, seminar or convention, Franchisee will be required to pay a no show fee of \$1,500 per missed event. If Franchisee does not stay for the entire function or does not stay in the designated hotel, the no show fee shall be reduced by 50 percent. Any fees due to missing all or some of a training program, seminar, regional meeting or annual convention or for not staying at the hotel where the primary functions are held, shall be invoiced to Franchisee within 15 days of completion of the applicable program, seminar, meeting or convention and shall be due within 15 days thereafter. If Franchisee fails to attend a program at which attendance is deemed mandatory by HMFC, HMFC may, at its sole discretion, and without waiving any other rights HMFC may have hereunder, require Franchisee to attend and complete a make-up or alternative program at a location determined by HMFC. Franchisee will be responsible for paying all wages, travel, lodging and other costs, and for paying Franchisee's registration fee for the program.

d. Franchisee will also be responsible for all wages, travel and living expenses associated with the attendance of Franchisee, its Principal Representative (if applicable), its Franchise Manager (if applicable) and all other persons associated with Franchisee at each training program, seminar, regional meeting or annual convention.

6.5. Release.

Franchisee, for itself and its agents, heirs, legal representatives, successors and assigns, forever releases, waives, discharges and holds HMFC and any of its affiliated companies, directors, officers, employees and agents harmless from any and all claims, demands, causes of actions, loss, damage or injury, including attorneys' fees and costs, on account of, arising out of or attributable to Franchisee's attendance at or participation in any seminar, convention, program or meeting, or other company function or activity, including but not limited to the Initial Training Program, the On-Site Training, any regional meetings, other required or non-required training programs, or annual conventions, held or sponsored by or for HMFC or the travel to or from such programs.

7. FRANCHISEE'S DEVELOPMENT OBLIGATIONS

7.1. Computer Equipment and Telephones.

Franchisee is required to own and operate a computer with software meeting HMFC's minimum specifications (which includes, without limitation, licensed copies of Microsoft Windows 7 operating system, Microsoft Office XP Standard, QuickBooks Pro 2012, and CostEstimator software), a high-speed modem, laser printer, telephone, and facsimile machine in the operation of its HANDYMAN MATTERS Business in accordance with the standards and specifications set forth in the Operations Manual. Apple Mac or equivalent computers are not permitted. Franchisee is also required to own and use an iPhone, BlackBerry, smart phone or other device agreed to in writing by HMFC meeting HMFC's standards and specifications that can and will be kept on and used to receive and send e-mails throughout the day from any location within the Territory, including job sites. HMFC will provide an e-mail account to Franchisee. Franchisee is required to use only the e-mail account provided by HMFC in the operation of its HANDYMAN MATTERS Business, and Franchisee may not use the e-mail account for any purpose not related to the operation of its HANDYMAN MATTERS Business. Franchisee is required to check such e-mail account throughout the business day using the required mobile device for receiving and sending e-mail messages promptly. HMFC reserves the right to discontinue providing the e-mail account in the future, in which event Franchisee will be required to maintain an e-mail account to be used in the operation of the HANDYMAN MATTERS Business. HMFC also reserves the right to charge a fee for providing the e-mail account. Franchisee shall at all times utilize HMFC's proprietary software (including the WebScheduler software) in the operation of its HANDYMAN MATTERS Business. Franchisee shall purchase, at Franchisee's sole cost and expense, all required third-party software and hardware upgrades and shall immediately install the software upgrades on all computer equipment used by Franchisee in operating its HANDYMAN MATTERS Business. Franchisee shall add, eliminate, substitute or modify any computer equipment, software, telephones, facsimile machines and other similar equipment upon notice from HMFC of changes in HMFC's specifications and requirements.

7.2. Authorized Representatives.

Franchisee will be solely responsible for the appointing or hiring of any employees, including if it elects, a customer service representative ("CSR") to assist in the answering of its phones, booking of jobs with customers, assisting with employment applications, paperwork check-in, and other similar customer service and office duties, independent agents, Principal Representatives, the Franchise Manager, or other authorized representatives of the HANDYMAN MATTERS Business (collectively referred to as "**Authorized Representatives**"). Franchisee will keep HMFC informed of the names, addresses and telephone numbers of all Authorized Representatives. Franchisee shall cause each Authorized Representative to execute HMFC's standard Nondisclosure and Noncompetition Agreement.

7.3. Commencement of Operations.

Unless otherwise agreed to in writing by HMFC and Franchisee, Franchisee shall be deemed to have commenced operations on the date that Franchisee books its first job, but in no event later than 60 days after Franchisee, its Principal Representative, or the Franchise Manager, as applicable, have successfully completed the Initial Training Program.

7.4. Active Operations.

Unless otherwise agreed in writing by HMFC and Franchisee, once Franchisee has commenced operations as specified above, Franchisee must actively promote and continue to operate its HANDYMAN MATTERS Business in accordance with the Operations Manual (as defined below) and

this Agreement; unless HMFC gives its prior written consent to Franchisee to temporarily suspend its operations, which consent may be withheld by HMFC for any reason.

8. DEVELOPMENT ASSISTANCE

8.1. HMFC's Development Assistance.

Prior to or simultaneously with the opening of the Franchisee's HANDYMAN MATTERS Business, HMFC will provide Franchisee with the following assistance:

- a. Designate Franchisee's exclusive Territory.
- b. Provide Franchisee with access to HMFC's proprietary WebScheduler software, an Internet site for prospective customers, and an Intranet site for Franchisee and other franchisees of HMFC. Franchisee acknowledges that the Internet site will also include information for prospective franchisees regarding purchasing a HANDYMAN MATTERS Business franchise. Franchisee must purchase additional required software from a supplier selected by Franchisee.
- c. Provide Franchisee with the specifications of all initial and replacement equipment, inventory and supplies required for the operation of its HANDYMAN MATTERS Business, all as specified in the Operations Manual, and a list of all approved suppliers of any Services, Products, equipment, inventory, supplies and other materials that HMFC requires Franchisee to use.
- d. Provide Franchisee with pre-opening and opening activities, conducted as determined by HMFC and just before and including the first week of operation of Franchisee's HANDYMAN MATTERS Business. These activities may include providing Franchisee with a list of information about tasks Franchisee will need to complete to establish its business, assisting Franchisee in completing those tasks and assigning a HMFC Field Consultant to assist Franchisee with completion of the startup list.
- e. Provide Franchisee with a copy of HMFC's proprietary start-up package.
- f. Loan Franchisee one copy of HMFC's Operations Manual in accordance with **Article 9** below.
- g. Provide the initial business training in accordance with **Sections 6.1 and 6.2** of this Agreement.

9. OPERATIONS MANUAL

9.1. Operations Manual.

HMFC agrees to loan to Franchisee one or more books, manuals, technical bulletins, memoranda or other supplemental written materials, in whatever form (including electronic form), prepared by or on behalf of HMFC for use by franchisees generally or for Franchisee in particular (all referred to in this Agreement as the "**Operations Manual**") covering the proper operating and marketing techniques of Franchisee's HANDYMAN MATTERS Business. HMFC may modify the Operations Manual at HMFC's discretion. At HMFC's sole discretion, it may make the Operations Manual, or any updates or revisions thereto, available online. Franchisee agrees that it will comply with the Operations Manual as an essential aspect of its obligations under this Agreement. If all or part of the Operations Manual is lost by Franchisee, Franchisee shall pay a fee of \$500 upon receiving a replacement Operations Manual.

9.2. Confidentiality of Operations Manual Contents.

Franchisee agrees to use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of HMFC, and will be used by Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. Franchisee will not duplicate the Operations Manual or written materials considered by HMFC to be a component of the Operations Manual, nor disclose the contents thereof to persons other than its Authorized Representatives or officers who have signed a confidentiality and non-competition agreement in a form supplied by or approved by HMFC. Franchisee will return the Operations Manual to HMFC upon the expiration, termination or assignment of this Agreement, at Franchisee's sole expense.

9.3. Changes to Operations Manual.

HMFC reserves the right to revise the Operations Manual from time to time as it deems necessary. Franchisee, within five business days of receiving any updated information or electronic notifications of such updated information, will update its copy of the Operations Manual as instructed by HMFC and will conform its operations to the updated provisions. A master copy of the Operations Manual maintained by HMFC at its principal office, regardless if maintained electronically or otherwise, will be controlling in the event of a dispute regarding the content of any Operations Manual.

10. OPERATING ASSISTANCE

10.1. HMFC's Available Services.

HMFC agrees that, during Franchisee's operation of the HANDYMAN MATTERS Business, and provided Franchisee is in compliance with the terms of this Agreement, HMFC will provide to Franchisee the following assistance and services:

- a.** Conduct the On-Site Training in accordance with **Section 6.3** of this Agreement.
- b.** From time to time, research new products, services and methods of doing business and provide Franchisee with information concerning developments of this research.
- c.** Make a representative of HMFC available to Franchisee on a reasonable basis via telephone, facsimile and e-mail during HMFC's regular business hours to discuss Franchisee's operational questions and experiences.
- d.** Provide regular communications on current best practices through telephone calls, webinars, e-mail and other electronic communications, internal blogs, and other means.
- e.** Hold periodic regional meetings, and annual conferences to discuss sales techniques, bookkeeping, new product developments, new service suggestions, accounting, inventory control, performance standards, advertising programs, merchandising procedures and other topics deemed relevant by HMFC in accordance with **Section 6.4.b** of this Agreement.
- f.** Provide Franchisee and its customers a monthly or other interval online newsletter.
- g.** If HMFC determines that Franchisee requires additional training, or if Franchisee requests additional training, conduct the additional training programs in accordance with **Section 6.4.a** of this Agreement.

h. Make available to Franchisee all marketing manuals, advertising designs, advertising campaigns, camera-ready artwork, HMFC's tactical marketing planner, and budgeting templates for Franchisee's advertising and promotional programs. HMFC may charge a fee for these materials.

i. In providing standards, specifications, processes, procedures, requirements or instructions applicable to Franchisee, assist in local market research and provide guidance and assistance to Franchisee in recommending the prices to be charged by Franchisee for the Services and Products provided by Franchisee, provided that any prices that are recommended by HMFC are merely recommendations and Franchisee may establish its own prices, which may be higher or lower than HMFC's recommended prices. HMFC shall have no control over the day-to-day managerial operations of Franchisee's HANDYMAN MATTERS Business.

j. Provide Franchisee with access to HMFC's proprietary WebScheduler software and all upgrades, an Internet site for prospective customers, and an Intranet site for Franchisee and other franchisees of HMFC. HMFC will provide Franchisee access to the Intranet site. Franchisee acknowledges that the Internet site will also include information for prospective franchisees regarding purchasing a HANDYMAN MATTERS Business franchise.

k. Operate HMFC's centralized call center to receive calls and schedule appointments for Franchisee's HANDYMAN MATTERS Business.

10.2. Additional HMFC Services.

Although not obligated to do so, upon the reasonable request of Franchisee, HMFC may make its employees or designated agents available to Franchisee, either at HMFC's office or within Franchisee's Territory, for additional advice and assistance in connection with the ongoing operation of the HANDYMAN MATTERS Business governed by this Agreement. If Franchisee requests such additional assistance and HMFC agrees to provide it, HMFC reserves the right to charge Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of Franchisee. Any fee will be charged in accordance with the then current published fees being charged by HMFC for such assistance.

11. FRANCHISEE'S OPERATIONAL COVENANTS

11.1. Business Operations.

Franchisee acknowledges that it is solely responsible for the successful operation of its HANDYMAN MATTERS Business and that the continued successful operation thereof is, in part, dependent upon Franchisee's compliance with this Agreement and the Operations Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, Franchisee covenants that:

a. Franchisee shall, consistent with the terms of this Agreement, diligently develop its HANDYMAN MATTERS BUSINESS and use its best efforts to market and promote the required Products and Services in the Territory.

b. Franchisee shall strictly comply with all present and future provisions of the Operations Manual.

c. Franchisee, or the Franchise Manager, as applicable, shall devote full time and best efforts on a daily basis, in person, to the supervision and conduct of Franchisee's HANDYMAN

MATTERS Business, which supervision must not be less than 40 hours per week. Franchisee may only operate another business, including any e-commerce business which operates over the Internet, with HMFC's prior approval, which approval may be granted or denied in HMFC's sole and absolute discretion. If Franchisee wishes to operate another business with Franchisee's HANDYMAN MATTERS Business, the other business must be a complimentary, non-competing enterprise; for example, a maid service.

d. Franchisee, the Franchisee's Principal Representative, or the Franchise Manager, as applicable, shall attend and complete the Initial Training Program and the On-Site Training referred to in **Article 6** above. Franchisee, the Franchisee's Principal Representative or the Franchise Manager, as applicable, shall also attend subsequent mandatory training programs, demonstrations and seminars at locations as HMFC may require. Franchisee shall be bound by the terms of **Article 6** of this Agreement in regards to all training programs.

e. Franchisee shall not sell any service or product except the Services or Products, in conjunction with the operation of its HANDYMAN MATTERS Business, unless Franchisee receives the prior written consent of HMFC.

f. Franchisee shall only use in its HANDYMAN MATTERS Business advertising and promotional material, services, equipment, supplies, and logoed clothing that meet HMFC's standards and specifications. Advertising materials that are produced or approved by HMFC for use by Franchisee may be used only in the manner and during the period specified by HMFC.

g. Franchisee shall purchase and maintain in good operating condition a computer and software meeting HMFC's minimum specifications, and a laser printer and facsimile machine. Equipment, signs, Services, Products, supplies and other items must be added, eliminated, substituted and modified by Franchisee as soon as practicable in accordance with changes in HMFC's specifications and requirements.

h. All employees must be in logoed clothing, clean, and neat in appearance.

i. Franchisee shall not alter its HANDYMAN MATTERS Business in any manner that materially affects the image of its HANDYMAN MATTERS Business or the System, except at HMFC's request or with HMFC's written approval, and any alterations must strictly conform to the specifications and requirements established or approved by HMFC.

j. All Products and Services distributed and sold by Franchisee must comply with all applicable federal, state, provincial, or local electric, plumbing and building code laws, ordinances, rules, regulations and other requirements.

k. The number and type of employees and contractors, as well as the amount and type of equipment, supplies, inventory and other items on hand at Franchisee's HANDYMAN MATTERS Business must be at all times sufficient to efficiently meet the anticipated volume of business.

l. Franchisee shall at all times comply with all applicable laws, regulations, and ordinances, and shall promptly obtain all licenses and permits, including contractor's licenses, required by any state, provincial, or local licensing authority in all jurisdictions in which Franchisee operates its HANDYMAN MATTERS Business.

m. Franchisee shall pay when due all debts and taxes arising in connection with Franchisee's HANDYMAN MATTERS Business, except those duly contested in a bona fide dispute.

n. Franchisee shall provide to customers the one-year warranty required by HMFC and as set forth in the Operations Manual. All dealings and transactions with customers and suppliers must be fair and honest.

o. Franchisee shall at all times utilize HMFC's proprietary WebScheduler software in the operation of its HANDYMAN MATTERS Business. Franchisee shall purchase, at Franchisee's sole cost and expense, all required third-party software and hardware upgrades and shall immediately install the software upgrades on all computer equipment used by Franchisee in operating its HANDYMAN MATTERS Business.

p. Franchisee will use the HMFC Intranet site in accordance with HMFC's specifications and the requirements of the System.

q. Franchisee shall use only the e-mail account provided by HMFC in the operation of its HANDYMAN MATTERS Business, and Franchisee may not use the e-mail account for any purpose not related to the operation of its HANDYMAN MATTERS Business. Franchisee shall check such e-mail account at least once per business day and respond to e-mail messages (as appropriate) within one business day. HMFC reserves the right to discontinue providing this e-mail account or charge a fee for providing the e-mail account. Franchisee shall have a high-speed Internet connection, if available.

r. During the term of this Agreement and for three years after the expiration and termination of this Agreement, Franchisee shall notify HMFC of any change to Franchisee's (or its Principal Representative's) home and business addresses and telephone numbers.

s. If Franchisee is an individual, Franchisee or an individual designated by Franchisee and approved by HMFC to be the Franchise Manager shall directly supervise his or her HANDYMAN MATTERS Business. If Franchisee is a corporation or other business entity it shall appoint its Principal Representative to be the Franchise Manager to directly supervise Franchisee's HANDYMAN MATTERS Business. If, in HMFC's sole judgment, Franchisee has insufficient experience in a business similar to a HANDYMAN MATTERS Business or insufficient experience in business management in general to operate the HANDYMAN MATTERS Business, Franchisee shall hire a Franchise Manager who shall have direct responsibility for all operations of Franchisee's HANDYMAN MATTERS Business. Any change in the Franchise Manager shall be subject to the prior written approval of HMFC, which approval may be granted or denied in HMFC's sole and absolute discretion.

t. Franchisee shall become a member of such franchise, trade or other associations or organizations that, in the opinion of HMFC, are useful in the operation of a HANDYMAN MATTERS Business. Franchisee shall have the option to become a member of all benefit programs that are offered from time to time by HMFC to all of its franchisees, if any. The costs of participating in such franchise, trade or other associations and benefit programs shall be borne by Franchisee and its employees (if applicable to the employees).

u. Franchisee will comply with all agreements with third parties related to its HANDYMAN MATTERS Business.

v. Franchisee will at all times during the term of this Agreement own and control the HANDYMAN MATTERS Business authorized hereunder. Upon request of HMFC, Franchisee will promptly provide satisfactory proof of such ownership to HMFC. Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and incorporated by this reference, is true, complete, accurate and not misleading; and, in accordance with the information contained in the

Statement of Ownership, the controlling ownership of the HANDYMAN MATTERS Business is held by Franchisee. Franchisee will promptly provide HMFC with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and will comply with the applicable transfer provisions contained herein. If Franchisee is not an individual, an individual or individuals designated by HMFC will execute the Guaranty and Assumption of Franchisee's Obligations attached hereto as Exhibit II and incorporated by this reference.

w. Except as prohibited or limited by law, Franchisee shall fully participate in all promotional campaigns, prize contests, special offers, and other programs, whether national, regional, or local in nature (including the introduction of new Products or Services, or new franchises or other marketing programs directed or approved by HMFC), which are prescribed from time to time by HMFC. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of HMFC at Franchisee's sole cost unless otherwise specified in writing by HMFC. From time to time a promotion may not benefit all franchisees in the System; and if the promotion is not offered in the region, or another unknown hardship arises, HMFC may, at HMFC's option, exempt Franchisee and/or other franchisees on a case-by-case basis.

x. Franchisee will have its HANDYMAN MATTERS Business' phone answered during regular business hours within three rings by a live person. Franchisee may use a CSR that it hires, or it may enlist the services of an answering service. Franchisee shall participate and use the centralized call center established by HMFC and pay the Call Center Fee in accordance with **Section 12.6** below.

y. Franchisee and its Principal Representative, Franchise Manager, and employees shall at all times present themselves in a professional manner to all customers or clients, and shall refrain from the use of illegal drugs or the consumption of alcohol during normal business hours or during any time that the same are performing services for clients or customers.

z. Franchisee shall not engage in any activities not covered by Franchisee's liability insurance or workers compensation insurance.

aa. Franchisee shall not engage in any trade, practice or other activity that is harmful to HMFC's goodwill or reflects unfavorably on HMFC's reputation, or that constitutes deceptive or unfair competition.

bb. Franchisee shall comply with all requirements of HMFC related to the centralized call center, which may include linking Franchisee's local telephone number to automatically ring into the call center.

cc. Franchisee will comply with all laws prohibiting, or otherwise related to, bribery of or other illegal payments to any government, government agency, public international organization, or political party, or any of their officials, employees, candidates, or other representatives.

11.2. Requirements for Entity Franchisees.

If Franchisee is a corporation, partnership, limited liability company or other business entity, the following additional conditions must be met, along with any other conditions as may be established by HMFC for entity franchisees:

a. Contemporaneously with the business entity acquiring the franchise rights, thereafter upon the issuance or transfer of any ownership interests in the business entity and the appointment or election of any person as director, officer, member or manager of the business entity, and at any other

time requested by HMFC, the shareholders, members, partners, other owners, directors, officers, or managers (as applicable), and any other individuals designated by HMFC will execute the Guaranty and Assumption of Franchisee's Obligations attached hereto as Exhibit II and incorporated herein by reference, personally guaranteeing full payment and performance of Franchisee's obligations to HMFC and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement.

b. No shares in the capital of such corporation or other interest in the business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or offer or attempt to do so or permit the same to be done without HMFC's prior written consent. Such actions shall be deemed a Transfer, as defined in **Section 17.2**, and subject to the requirements of **Article 17** below.

c. The business entity shall maintain stop transfer instructions against the Transfer of ownership on its records subject to the restrictions of this Agreement and shall have all outstanding certificates of ownership endorsed with the following legend printed conspicuously upon the face of each certificate:

The transfer of the shares represented by this certificate is subject to the terms and conditions of a certain Franchise Agreement with Handyman Matters Franchise Corporation.

d. The articles of incorporation or organization and by-laws, operating agreement or other governing documents of the business entity shall provide that its objectives or business is confined exclusively to the operation of the HANDYMAN MATTERS Business as provided for in this Agreement, and recite that the issuance and Transfer of any ownership interest in the business entity is restricted by the terms of this Agreement. Copies thereof shall be furnished to HMFC upon request.

11.3. New Products or Services.

On at least three months prior written notice, HMFC may specify a new Service or Product as a required Service or Product in Franchisee's market area. The new Service or Product will not be deemed a required Service or Product if Franchisee demonstrates to HMFC's satisfaction either of the following situations will exist:

a. Franchisee will incur a substantial capital improvement not contemplated by this Agreement or in the Operations Manual, thereby resulting in a material hardship to Franchisee. For the purposes of this Subsection, the parties agree that a capital improvement in excess of 10 percent of the Franchisee's Gross Revenue for the prior year will be considered a substantial capital improvement; or

b. Franchisee will incur a material reduction in sales or profitability therefrom. For the purposes of this Subsection, the parties agree that an expected 20 percent decrease in sales from the average sales in the prior 12 months will be considered a material reduction in sales, and a 10 percent reduction in profitability from the average profitability during the previous 12 months will be considered a material reduction in profitability.

Subject to the foregoing, any new or additional required Services or Products introduced into the System by HMFC must be offered for sale on a continuing basis as part of Franchisee's HANDYMAN MATTERS Business at the time and in the manner required by HMFC, and all equipment, products, supplies and other items necessary to add new required Services or Products must be acquired, installed, and utilized as required by HMFC.

12. CONTINUING FEES AND PAYMENTS

12.1. Royalty Fee.

Franchisee shall pay to HMFC a continuing royalty fee equal to 6 percent of the greater of Franchisee's Gross Revenues, as defined below, or the applicable Minimum Monthly Gross Revenues, as defined below (the "**Royalty Fee**"). Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder.

12.2. Advertising Fees.

Franchisee shall remit 2 percent of the greater of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to the Handyman Matters National Advertising Fund established by HMFC for Franchisee's country (the "**National Fund**").

12.3. Gross Revenues and Reporting Period Defined.

a. "**Gross Revenues**" means, except as set forth below, the total of all receipts derived from the operation of Franchisee's HANDYMAN MATTERS Business, including all repair and remodel work done by employees or sub-contractors, whether the receipts are evidenced by cash, credit, or checks, or exchanged for services, materials, service charges, property or other means of exchange. Gross Revenue does not include the amount of any tax imposed by any federal, state, provincial, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority. Gross Revenues shall be deemed received by Franchisee at the time the Services and Products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by Franchisee; provided, however, if a job is partially completed at the end of any Reporting Period (as defined below), and the job represents less than 16 hours of labor, the Gross Revenues generated by the job will not have to be reported, and the Royalty Fee, as defined above, will not have to be paid, until the following Reporting Period; provided further that any job which is scheduled to extend beyond the second Reporting Period will need to be settled with the customer once during each Reporting Period, the Gross Revenues will have to be reported, and the Royalty Fee paid during each Reporting Period. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect for the Products and Services at the time that they are received. Cash refunded and credit given to customers, and any receivable uncollected from customers more than 120 days after billing, may be deducted in computing Gross Revenues only to the extent that the receivable was previously included in Gross Revenues on which a Royalty Fee was paid.

b. "**Reporting Period**" means the period of the 1st of any month to the 15th of the same month, or the period of the 16th of any month to the last day of the same month.

12.4. Minimum Monthly Gross Revenues.

Beginning on the commencement date set forth in the Addendum, Franchisee must achieve the Gross Revenues requirements set forth in the Addendum on a monthly basis (the "**Minimum Monthly Gross Revenues**"). The amount of the Minimum Monthly Gross Revenues is determined based on the size of a territory and years of operations of Franchisee. If Franchisee fails to meet the Minimum Monthly Gross Revenues in any calendar month, Franchisee will be required to pay HMFC its Royalty Fee, its Advertising Fee, and calculate its Minimum Individual Advertising Expenditure, as defined in

Section 13.3.a, for that month based on the applicable Minimum Monthly Gross Revenues instead of Franchisee's actual Gross Revenues. If Franchisee's total Gross Revenues over any 12-month period during the term of this Agreement does not equal or exceed the total of the Minimum Monthly Gross Revenues over that same 12-month period, then HMFC may reduce the size of the Territory, grant another franchise to a third party to operate in some or all of the Territory, terminate this Agreement, or any of combination thereof, after providing notice to Franchisee in accordance with **Section 18.2.f** below. HMFC has the right, in its sole discretion and on a case-by-case basis, to waive the obligation of Franchisee or any other franchisee of HMFC to meet the Minimum Monthly Gross Revenues requirement or to pay any fees or make expenditures calculated based on the applicable Minimum Monthly Gross Revenues. Franchisee acknowledges that HMFC is entering into this Agreement with the expectation that it will receive Royalty Fees based on the greater of Franchisee's actual Gross Revenues or the Minimum Monthly Gross Revenues over the full term of this Agreement.

12.5. Software Fee.

Franchisee shall be assessed a monthly software fee ("**Software Fee**") at HMFC's current rate for each month, which shall be set forth in the Operations Manual or in other written notices from HMFC, and which may be changed from time to time in HMFC's sole discretion upon 30 days prior written notice. The Software Fee is paid for use of the WebScheduler Software. The Software Fee is also paid for the maintenance of HMFC's Internet or Intranet sites, for so long as HMFC continues to maintain them.

12.6. Call Center Fee.

Franchisee shall pay a call center fee (the "**Call Center Fee**") in amount of \$575.00 per month, which may be modified by HMFC in its sole discretion on 30 days prior written notice to Franchisee.

12.7. Payments to HMFC.

a. Franchisee shall pay the Royalty Fees and the Advertising Fee to HMFC on the third business day following the end of each Reporting Period, commencing on the date set forth in the Addendum, or at such other frequency as HMFC may determine in its sole discretion upon written notice to Franchisee, for the immediately preceding Reporting Period. Such payments shall be accompanied by a statement of Franchisee's Gross Revenues for the applicable Reporting Period, on a form approved and provided to Franchisee by HMFC. Franchisee shall pay the Software Fee once a month with one of the Royalty Fee payments, as described above, and as specified by HMFC. Franchisee shall pay the Call Center Fee no later than the 20th day of each month for the immediately preceding month, with the first payment due the month following Franchisee's commencement of operations in accordance with **Section 7.3** above.

b. Franchisee shall remit all fees and other amounts due to HMFC hereunder via electronic funds transfer. Franchisee agrees to comply with procedures specified by HMFC and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee's checking or savings accounts, as may be necessary to assist in or accomplish payment by such method. Under this procedure, Franchisee shall authorize HMFC to initiate debit entries and/or credit correction entries to the designated banking account for payments of fees and other amounts payable to HMFC and any interest charge due thereon. Franchisee shall make funds available to HMFC for withdrawal by electronic transfer no later than the due date for payment therefore, and shall at all times maintain a minimum balance of \$1,500 in the designated account, which shall be available to HMFC to cover any required payments to HMFC. Franchisee agrees that any time an electronic funds transfer transaction is not honored, Franchisee shall pay HMFC a returned electronic funds transfer fee of \$35, in addition to

any applicable late fees and interest in accordance with **Section 12.8**. If Franchisee has not timely reported the Gross Revenues to HMFC for any Reporting Period, then HMFC shall be authorized, at HMFC's option, to debit Franchisee's account in an amount equal to (a) the fees transferred from Franchisee's account for the last Reporting Period for which a report of the Gross Revenues was provided to HMFC as required hereunder; or (b) the amount due based on information retrieved from the computer system approved or required by HMFC. Such payments shall be deemed the minimum amount of fees due for failure to timely remit all fees and file the required reports, and Franchisee shall remain liable for all fees in excess of such amounts once the actual Gross Revenues for the Reporting Period are determined.

c. If Franchisee is unable to operate due to damage or loss to the Business Location caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then HMFC, in its sole discretion, may elect to waive the Royalty Fee for a period no greater than 120 days commencing with the month in which Franchisee gives HMFC notice of the damage or loss.

12.8. Late Fees; Denied ACH Processing; Interest.

To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments or denied or rejected requests for ACH payments, Franchisee shall also pay to HMFC, upon demand, a late payment charge of \$75 per overdue report or fee owed to HMFC, and \$35 for each ACH payment request that is denied or rejected by Franchisee's bank or other financial institution, plus interest equal to the lesser of (i) the maximum legal rate of interest then charged on open accounts or (ii) 18 percent per annum, on all payments due to HMFC during the period of time said payments are due and unpaid. This same interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement.

12.9. Nonrefundable Fees.

Except as specifically contemplated in this Agreement, all fees once paid, shall be nonrefundable in all circumstances.

13. ADVERTISING

13.1. Approval of Advertising.

HMFC will make available to Franchisee all advertising and promotion materials for its HANDYMAN MATTERS Business that are developed by or for HMFC. HMFC will provide camera-ready artwork to Franchisee. Franchisee may also develop advertising materials for Franchisee's own use, at Franchisee's own cost. Before using any promotional and advertising materials, Franchisee will submit to HMFC or HMFC's designated agency, for HMFC's prior written approval, all information pertaining to such promotional materials and advertising developed by Franchisee; including, but not limited to, Yellow Pages or other telephone related materials, print ads, radio and television scripts, Internet advertising, social media, or any promotional creative materials. In the event written approval or disapproval of any such advertising and promotional material has not been given by HMFC to Franchisee within seven days from the date such information has been received by HMFC, the materials will be deemed approved as submitted. Franchisee agrees to comply with all of HMFC's advertising standards and specifications. Franchisee shall display all required promotional materials, signs and other marketing materials in its HANDYMAN MATTERS Business in the manner prescribed by HMFC.

13.2. Start-up Advertising.

Franchisee acknowledges that local advertising is required to notify the public of its HANDYMAN MATTERS Business. As such, Franchisee shall advertise and promote the opening of its HANDYMAN MATTERS Business at Franchisee's own expense. However, HMFC will recommend the type, manner, and time period for such advertisements. During the period beginning 30 days prior to opening Franchisee's HANDYMAN MATTERS Business and ending at the end of Franchisee's second full month of operation, Franchisee shall spend a minimum of \$3,500 and a maximum of \$5,000 on advertising and promotion of its HANDYMAN MATTERS Business.

13.3. Minimum Individual Advertising.

a. Beginning with the third full month of operation and during the remaining term of this Agreement, Franchisee shall spend on advertising and promotion a minimum of 10 percent of the greater of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues from the preceding month. This advertising expense is called the "**Minimum Individual Advertising Expenditure.**" HMFC may direct that Franchisee pay all or a portion of its Minimum Individual Advertising Expenditure to a Local Advertising Group, as defined below.

b. Franchisee shall submit documentation of Franchisee's advertising expenditures at such times and in such form as HMFC designates. If Franchisee fails to make any required advertising expenditures, HMFC shall have the right to require Franchisee to contribute the amount of any deficiency to the National Fund to be used by HMFC for general advertising and promotion.

13.4. Local Advertising Group.

a. HMFC may establish a regional advertising cooperative ("**Local Advertising Group**") in a region that includes Franchisee's Territory. If a Local Advertising Group is established that includes Franchisee's Territory, Franchisee shall join and participate in it. Each of HMFC's company-owned and affiliate-owned operations (if any) offering Products and Services similar to a HANDYMAN MATTERS Business within the region for which the Local Advertising Group is established will make contributions to the Local Advertising Group equivalent to the contributions required of Franchisee.

b. If HMFC directs that Franchisee join a Local Advertising Group, Franchisee will pay all or part of its Minimum Individual Advertising Expenditure to the Local Advertising Group as directed by HMFC.

c. The rules of the Local Advertising Group must be in writing and established by its members, but must be submitted for prior approval to HMFC (and shall be deemed approved 30 days after submission if HMFC takes no action). All Local Advertising Groups shall provide quarterly financial reports to HMFC.

13.5. National Advertising Fund.

a. The Advertising Fee set forth in **Section 12.2** of this Agreement will be deposited in the National Fund, which shall be a separate bank account, commercial account or savings account. No action taken by Franchisee or any Local Advertising Group shall diminish Franchisee's obligation to pay the Advertising Fee to the National Fund.

b. Advertising materials and services will be provided to Franchisee through the National Fund. The National Fund shall be maintained and administered by HMFC or HMFC's designee, as follows:

(i) HMFC or its designee, with recommendations from the Franchisee Advisory Council, as defined below, if established by HMFC, will oversee and direct all advertising programs and have sole discretion over creative concepts, materials and media used in such programs, including the placement and allocation of advertising. HMFC or its designee will use the National Fund to conduct system-wide advertising, and/or, if Local Advertising Groups are developed, to conduct regional or local advertising on Franchisee's behalf. However, HMFC or its designee cannot and does not ensure that any particular franchisee will benefit directly or pro rata from the placement of advertising.

(ii) For each of HMFC's company-owned and affiliate-owned operations (if any) offering Products and Services similar to a HANDYMAN MATTERS Business, HMFC will make contributions to the National Fund equivalent to the contributions required of Franchisee.

(iii) HMFC or its designee, with recommendation from the Franchisee Advisory Council, if established by HMFC, will administer and control the National Fund and will have the absolute and unilateral right to determine how, when and where the monies in the National Fund will be spent. The National Fund will be used to promote the Products and/or Services sold by franchisees and company-owned and affiliate-owned operations, and will not be used to sell additional franchises; except that it may include a brief statement that Handyman Matters franchise locations are available and the contact information for acquiring information about Handyman Matters franchises. All sums paid by Franchisee to the National Fund will be maintained in an account separate from HMFC's other funds and shall not be used to defray any of HMFC's general operating expenses; except for such reasonable administrative costs and overhead, if any, as HMFC may incur in activities reasonably related to the administration or direction of the National Fund and advertising programs including, without limitation, costs incurred in collecting and accounting for assessments for the National Fund and salaries for marketing support personnel.

(iv) If HMFC places advertising rather than engage an advertising agency for this purpose, HMFC shall be entitled to receive a reasonable fee for such services, which will not exceed the highest rate charged for similar services by any recognized advertising agency not owned in whole or part by HMFC or its officers, directors, or employees (in addition to reimbursement for costs incurred).

(v) It is HMFC's intent that all contributions to the National Fund will be expended for advertising and promotional purposes during HMFC's fiscal year within which contributions are made. However, any monies not expended in the fiscal year in which they were contributed will be applied and used for National Fund expenses in the following year.

(vi) Although HMFC intends the National Fund to be of perpetual duration, HMFC has the right to terminate the National Fund. HMFC will not terminate the National Fund, however, until all monies in the National Fund have been expended for advertising and promotional purposes.

(vii) An unaudited accounting of the National Fund contributions and expenditures will be prepared annually and will be made available to Franchisee upon request. At HMFC's option, any such annual accounting may include an audit of the contributions and expenditures of the National Fund prepared by an independent certified public accountant selected by HMFC and prepared at the expense of the National Fund.

(viii) HMFC has no fiduciary obligation to Franchisee in connection with the operation of the National Fund. HMFC will not be liable for any act or omission with respect to the operation of the National Fund or the use of the National Fund that is consistent with this Agreement and is done in good faith.

(ix) HMFC may maintain a separate national advertising fund for its franchisees located in other countries. HMFC reserves the right to combine the National Fund with the national advertising fund for any other country, to be used to promote the Products and/or Services sold by franchisees on an International basis. The Franchisee Advisory Council, if established by HMFC, may also be combined with the Franchisee Advisory Council established in any other country or region of the world. HMFC has the right, in its sole discretion, to choose not to collect an Advertising Fee from franchisees in other countries or regions of the world, and to not maintain an advertising fund for those franchisees. HMFC's choice to collect or to not collect an Advertising Fee or to establish or to not establish an advertising fund in other countries or regions of the world will not in any way affect Franchisee's obligation to pay the Advertising Fee.

Once Franchisee makes contributions to the National Fund, all such monies will be used as required by this Section and will not be returned to Franchisee.

13.6. Franchisee Advisory Council.

HMFC may, in its sole discretion, establish an elected council of franchisees, which, if and when formed, will be called the "**Franchisee Advisory Council.**" In HMFC's sole discretion, HMFC may establish separate Franchisee Advisory Councils for different countries, or different regions of the world. Unless HMFC authorizes to the contrary, the Franchisee Advisory Council will advise and make suggestions to HMFC regarding advertising issues. While HMFC will consider all recommendations made by the Franchisee Advisory Council, HMFC shall retain the right to direct and have sole discretion over such advertising decisions. HMFC reserves the right to establish all rules and regulations related to the Franchisee Advisory Council, and once formed, may terminate the Franchisee Advisory Council, in HMFC's sole discretion.

14. QUALITY CONTROL

14.1. Standards and Specifications.

HMFC will make available to Franchisee, via the Operations Manual, standards and specifications for materials used by, Products sold through, and Services offered through, Franchisee's HANDYMAN MATTERS Business, which standards and specifications HMFC reserves the right to change upon 30 days prior written notice to Franchisee. HMFC and HMFC's representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, including the Franchise Manager, all matters that may pertain to compliance with this Agreement and with HMFC's standards, specifications, requirements, instructions and procedures. HMFC may take photographs of Franchisee's completed work as it relates to its HANDYMAN MATTERS Business. Franchisee shall in all respects cooperate with HMFC's rights under this Agreement. HMFC also reserves the right to contact any or all of Franchisee's customers, craftspersons, employees, suppliers and other service professionals for quality control, market research and such other purposes as HMFC deems appropriate.

14.2. Restrictions on Services and Materials.

Except if HMFC has designated exclusive or approved suppliers in the Operations Manual, Franchisee shall have the right to purchase directly from any supplier the equipment and Products

required for the operation of its HANDYMAN MATTERS Business; provided that the equipment and Products meet all applicable minimum specifications established by HMFC. HMFC reserves the right to require approval of any or all of the Products, supplies, equipment and other materials used in connection with Franchisee's HANDYMAN MATTERS Business, or the suppliers of such materials. HMFC may require that Franchisee submit specifications, information or samples of the items for HMFC's review to determine if they meet HMFC's specifications and standards set forth in the Operations Manual as to quality, content, composition and service. HMFC does not currently require that a fee be paid to secure supplier approval; however, HMFC may require a fee in the future, and in its sole discretion, HMFC may require the supplier to reimburse HMFC for any expenses HMFC incurs in determining if the supplier meets its specifications and standards. HMFC may revoke its approval of any supplier previously approved by written notice to the supplier and Franchisee, if Franchisee is using that supplier. HMFC does, however, highly recommend that Franchisee purchase printed materials, windows, doors, and other specialty products identified from time to time from the suppliers recommended by HMFC. Franchisee expressly acknowledges and agrees that HMFC may derive revenue from Franchisee's purchases or leases of equipment from current or future suppliers, and may retain such revenue for HMFC's use.

14.3. Commercial Quality Service Program.

Franchisee shall be required to participate in HMFC's commercial quality service program. Under the commercial quality service program, if Franchisee performs work or services for a commercial customer (as opposed to a residential customer), then such work or services shall be subject to review by HMFC, its representatives or the commercial client. If HMFC determines, through such reviews, that Franchisee did not provide a satisfactory level and quality of service, in HMFC's discretion, then HMFC may appoint another franchisee to perform any future work or services for the subject commercial customer, regardless of the location of the commercial customer, or particular work site. In that event, HMFC is authorized to grant such other franchisee the right to perform services to that commercial customer in Franchisee's Territory.

15. TRADEMARKS, TRADE NAMES AND PROPRIETARY INTERESTS

15.1. Marks.

Franchisee acknowledges that HMFC's parent company, Handyman Matters, Inc., is the exclusive owner of, and HMFC is the exclusive licensee of, the service mark HANDYMAN MATTERS® and all of the other Marks, and that Franchisee's right to use them is derived solely from this Agreement and limited to the operation of its HANDYMAN MATTERS Business in accordance with this Agreement. Franchisee agrees that its usage of the Marks and any goodwill established thereby shall inure to the exclusive benefit of HMFC. Franchisee shall not use the Marks in any manner calculated to represent that it is the owner of the Marks. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, HMFC's application for, or registration of, any of the Marks, or the validity or ownership of the Marks. Franchisee agrees not to directly or indirectly do or cause to be done, whether by commission or omission, any act, that may in any way jeopardize or adversely affect the validity or distinctiveness of the Marks, or the title of HMFC and Handyman Matters, Inc., thereto. Franchisee agrees that it will, without charge to HMFC, upon request by HMFC or its representatives, do all things and execute all documents that may at any time be necessary or desirable to protect or ensure the validity and distinctiveness of the Marks and to ensure the title of HMFC and Handyman Matters, Inc., thereto.

15.2. No Use of Other Marks.

Franchisee agrees to use the mark “HANDYMAN MATTERS” as the sole identification of its HANDYMAN MATTERS Business. Franchisee agrees that it shall affix a notice in a conspicuous location in or upon the Business Location (if Franchisee leases space outside of Franchisee’s personal residence) with content and format acceptable to HMFC, that it is an independent Franchisee of HMFC, and as such, an authorized user of the Marks, and that the owner of the Marks is HMFC.

15.3. Licensed Methods.

Franchisee acknowledges that HMFC owns and controls the distinctive plan for the establishment, operation and promotion of HANDYMAN MATTERS Businesses and all related Licensed Methods. Franchisee acknowledges that much of the information contained in HMFC’s Operations Manual, and any other manual or nonpublic written information about HMFC, and other confidential information provided to Franchisee by HMFC, constitutes trade secrets of HMFC. Franchisee acknowledges that HMFC has valuable rights in and to such trade secrets. Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods, except for the right to use the Licensed Methods in the operation of the HANDYMAN MATTERS Business as it is governed by this Agreement.

15.4. HMFC’s Rights to New Ideas.

All enhancements and improvements in the Licensed Methods developed by Franchisee shall be and become the sole and absolute property of HMFC. HMFC may incorporate such improvements or enhancements into the Licensed Methods and shall have the sole and exclusive right to copyright, register or patent such improvements in HMFC’s own name and Franchisee shall have no right to use such enhancements and improvements, except as set forth in this Agreement. Franchisee shall promptly disclose all such enhancements and improvements to HMFC (whether or not requested by HMFC) in such detail as HMFC may from time to time request. Franchisee shall, without further consideration, but at the expense of HMFC, execute such documents and do such acts as may be necessary for HMFC to copyright, register or patent the enhancements or improvements in HMFC’s own name in any country.

15.5. Copyrights.

Franchisee and HMFC acknowledge and agree that: (a) HMFC may authorize Franchisee to use certain copyrighted or copyrightable works (the “**Copyrighted Works**”); (b) the Copyrighted Works are the valuable property of HMFC; and (c) Franchisee’s rights to use the Copyrighted Works are granted to Franchisee solely on the condition that Franchisee complies with the terms of this Section. Franchisee acknowledges and agrees that HMFC owns or is the licensee of the owner of the Copyrighted Works. Such Copyrighted Works include, but are not limited to, HMFC’s proprietary software programs (including the WebScheduler program), the Operations Manual, advertisements, and promotional materials, and may include all or part of the System, trade dress and other portions of a HANDYMAN MATTERS Business. Franchisee acknowledges that this Agreement does not confer any interest in the Copyrighted Works upon Franchisee, other than the right to use them in the operation of its HANDYMAN MATTERS Business in compliance with this Agreement. If HMFC authorizes Franchisee to prepare any adaptation, translation or work derived from the Copyrighted Works, or if Franchisee prepares any Copyrighted Works such as advertisements, poster or promotional material, Franchisee agrees that such adaptation, translation, derivative work or Copyrighted Work shall constitute a “work made for hire” as that term is defined in the Copyright Act, 17 U.S.C. § 101 et seq., and shall become the property of HMFC, and Franchisee assigns all its right, title and interest therein to HMFC (or such other person or entity identified by HMFC). Franchisee agrees to execute any documents, in recordable form,

which HMFC determines are necessary to reflect such ownership. Franchisee shall submit all such adaptations, translations, derivative works and Copyrighted Works to HMFC for approval prior to use. Franchisee shall ensure that all Copyrighted Works used hereunder shall bear an appropriate copyright notice as specified by HMFC and specifying that HMFC is the owner of the copyrights therein.

15.6. Infringement.

Franchisee agrees to notify HMFC in writing of any possible infringement or illegal use by others of a trademark, service mark, logo, or other commercial symbol that is the same as or confusingly similar to any of the Marks, or the Copyrighted Works that comes to its attention. Franchisee acknowledges that HMFC will have the right, in its sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use. HMFC may commence or prosecute such action in HMFC's own name or may join Franchisee as a party to the action, in either event at HMFC's expense, if HMFC determines it to be necessary for the continued protection and quality control of the Marks, Licensed Methods or Copyrighted Works. Franchisee agrees that, without a fee or other charge to HMFC, it shall fully cooperate and participate with HMFC in any such litigation.

15.7. Franchisee's Business Name.

Franchisee acknowledges that HMFC has a prior and superior claim to the Marks and HMFC's corporate name and trade names. Franchisee will not use the designation "HANDYMAN MATTERS," "HANDYMAN EXPRESS" or "HANDYMAN MASTERS," or any portions thereof, in the legal name of its corporation, partnership or other business entity, nor use any of such names, the Marks or trade names, or portions thereof, as part of an electronic mail address or on any sites on the Internet, without the prior written consent of HMFC, which consent may be conditioned upon Franchisee conditionally assigning the name to HMFC exercisable upon a default by Franchisee under, or expiration or other termination of, this Agreement. Any sites established by Franchisee on the Internet and any changes subsequently made to those sites must be approved by HMFC prior to their establishment or change, which consent may be withheld for any reason. Franchisee also agrees not to register or attempt to register any of the above names, the Marks or the trade names of HMFC, or any portions thereof as a trademark, service mark, or domain name on the Internet. During the term of this Agreement, HMFC may, however, require that Franchisee post a sign at its Business Location, and include a reference on its letterhead, contracts, business cards and/or other items, stating that it is an "authorized franchisee of Handyman Matters Franchise Corporation," or other language specified by HMFC. If local laws require that Franchisee file an affidavit or other registration indicating that it is conducting business under an assumed, fictitious or trade name, Franchisee shall state in such filing or affidavit that the same is made "as an authorized franchisee of Handyman Matters Franchise Corporation."

15.8. Change of Marks.

Franchisee shall use and display the Marks and Copyrighted Works only as specified by HMFC. If it becomes advisable at any time in the opinion of HMFC for Franchisee to modify or discontinue use of any of the Marks or Copyrighted Works, or to use one or more additional or substitute names, Marks or Copyrighted Works, Franchisee agrees to do so at its cost, and the sole obligation of HMFC in any event shall be to reimburse Franchisee for its reasonable out-of-pocket costs of changing the main identifying sign and any other significant signage of its HANDYMAN MATTERS Business used to identify the Business Location as a Handyman Matters franchise.

15.9. Business Records.

Franchisee acknowledges and agrees that HMFC owns all records (“**Business Records**”) with respect to customers, craftsmen, employees, and other service professionals of, and/or related to, Franchisee’s HANDYMAN MATTERS Business; including, without limitation, all databases (whether in print, electronic or other form) with customer and potential customers, names, addresses, phone numbers, e-mail addresses, and customer purchase records, and all other records contained in the database. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, HMFC may access such Business Records, and may utilize, transfer, or analyze such Business Records as HMFC determines to be in the best interest of the System, in HMFC’s sole discretion.

16. REPORTS, RECORDS AND FINANCIAL STATEMENTS

16.1. Franchisee Reports.

a. Franchisee will establish and maintain at its own expense bookkeeping and accounting systems that utilizes an accrual method of accounting and otherwise conforms to the specifications that HMFC may prescribe from time to time. Franchisee will supply to HMFC such reports in a manner and form as HMFC may from time to time require, including monthly profit and loss statements in a format prescribed by HMFC, and, if requested by HMFC, weekly, semi-monthly and/or monthly reports that are to be typewritten or computer generated and completed on a form and in a format as may be prescribed by HMFC. Reports of Gross Revenues are to be received by HMFC via mail, facsimile or e-mail at Franchisee’s transmission cost, on the third business day following the end of each Reporting Period, with information relative to the previous Reporting Period’s operations as specified by HMFC.

b. Franchisee shall submit to HMFC current financial statements and other reports as HMFC may request to evaluate or compile research and performance data on any operational aspect of its HANDYMAN MATTERS Business. Franchisee authorizes HMFC to utilize this information to prepare an earnings claim, to release this information as necessary to substantiate any earnings claim made by HMFC, and to share such information in summary form as HMFC deems necessary or desirable to share with other franchisees at any annual franchise meeting or other franchise business meetings.

c. Within 45 days of the end of each calendar year during the term of this Agreement, Franchisee shall provide HMFC an electronic copy of its QuickBooks files as well as the administrative login, password, and such other information to permit HMFC to access such files.

d. All reports and financial information to be furnished to HMFC must be signed and verified by Franchisee, unless such requirement is waived in writing by HMFC, in its sole discretion.

16.2. Books and Records.

In all instances, the accounting and reporting system, and all statements and reports to be submitted by Franchisee, shall conform to U.S. Generally Accepted Accounting Principles, or other applicable Generally Accepted Accounting Principles if Franchisee is located outside of the U.S., applied consistently on a year-to-year basis. Franchisee shall retain all invoices, order forms, payroll records, checks records, bank deposit receipts, sales tax records and returns, cash disbursements journals and general ledgers as specified in the Operations Manual. Franchisee shall advise HMFC of the location of all original documents and shall not destroy any records without the written consent of HMFC. Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of its HANDYMAN MATTERS Business conducted under this

Agreement. Franchisee's records shall include tax returns, daily reports, statements of Gross Revenue profit and loss statements, ledgers and balance sheets.

16.3. Audit of Books and Records.

From the date Franchisee and HMFC sign this Agreement until three years after the expiration or termination of this Agreement, including any successor franchises, HMFC or HMFC's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above and any related records wherever they may be located. Franchisee agrees to keep all records and reports for six years from the date such records are created. HMFC may also request, receive, inspect and audit the records of any party affiliated with Franchisee, including but not limited to Franchisee's Principal Representative, Franchise Manager, owners, guarantors, officers, directors, or other Authorized Representatives, any immediate family members of Franchisee or of such affiliated parties, or any companies or entities associated with Franchisee or such affiliated parties, that HMFC in its sole discretion determines may be relevant in determining the business results of Franchisee's HANDYMAN MATTERS Business; such as verifying that Franchisee has paid all fees owed to HMFC based on the Gross Revenues of Franchisee. HMFC may conduct inspections and audits during business hours, without prior notice. Franchisee agrees that HMFC will have the right to inspect and audit any records of Franchisee or any affiliated party that HMFC determines to be relevant in its sole discretion, which records may include, in addition to those referred to above, (i) tax returns; (ii) quarterly and/or annual financial statements, including profit and loss statements and balance sheets; (iii) copies of check ledgers and bank statements for checking and savings accounts; (iv) all contracts or agreements entered into by Franchisee and any third parties related to its HANDYMAN MATTERS Business, including but not limited to contracts with customers; and (v) any other documents requested by HMFC. HMFC may inspect and audit documents covering a period beginning with the date on which Franchisee first acquired its HANDYMAN MATTERS Business and ending on the date such audit is concluded. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Minimum Individual Advertising Expenditure, Advertising Fee, Software Fee, Call Center Fee, or other amounts required to be paid or spent under this Agreement, Franchisee shall pay to HMFC the deficiency with the late payment charge and interest as set forth in **Section 12.8** within 10 business days of notice thereof, without prejudice to any other remedy of HMFC under this Agreement. In addition, if the deficiency for any audit period equals or exceeds 2 percent of the correct amount of any Royalty Fee, Minimum Individual Advertising Expenditure, Advertising Fee, Software Fee, Call Center Fee, or other amounts due or required to be spent, Franchisee will also pay to HMFC the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel within 10 business days of notice thereof. Should the audit disclose an overpayment of any Royalty Fees, Advertising Fees, Software Fees, Call Center Fees, or other amounts due HMFC, HMFC shall pay Franchisee or credit to Franchisee's account, in HMFC's sole discretion, the amount of the overpayment within 30 days of HMFC's verification of such overpayment by Franchisee. For purposes of this Section, each calendar quarter of each calendar year being audited shall constitute its separate audit period.

16.4. Failure to Comply with Reporting Requirements.

If Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, HMFC shall have the right to deliver to Franchisee an estimate, made by HMFC, of Gross Revenues for the period under consideration, and Franchisee shall pay to HMFC any amount shown thereby to be owing within five business days of the date of the notice. Any such estimate shall be deemed the minimum amount of fees due for the required reports, and Franchisee shall remain liable for all fees in excess of such amounts once the actual Gross Revenues related to such reports are determined. Additionally, Franchisee shall be liable for all late fees and interest set forth in **Section 12.8** of this Agreement for any reports not filed when due.

16.5. Financial Information from Third Parties.

Franchisee authorizes HMFC to make inquiries of Franchisee's bank, suppliers and trade creditors concerning Franchisee's HANDYMAN MATTERS Business, and agrees to direct such persons and companies to provide to HMFC such information and copies of documents pertaining to its HANDYMAN MATTERS Business as HMFC may request.

17. TRANSFER

17.1. Transfer by HMFC.

Franchisee acknowledges that HMFC's obligations under this Agreement are not personal, and HMFC can unconditionally transfer, assign or convey, on its own discretion, this Agreement to another corporation or any other party, including the operator of a competing franchise system. Franchisee further acknowledges and agrees that HMFC may sell its assets, the Marks or the System to any third party of HMFC's choice; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent, and provided the transferee expressly assumes and undertakes to perform HMFC's obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs. With regard to any such sale, assignment or disposition, Franchisee expressly and specifically waives any claims, demands, or damages against HMFC arising from or related to the transfer of the Marks or the System from HMFC to any other party.

17.2. Transfer by Franchisee.

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, HMFC will not allow or permit any transfer, assignment, subfranchise or conveyance of this Agreement or any interest in this Agreement or all or any part of the business entity that owns it, or all or a substantial portion of the assets of the HANDYMAN MATTERS Business (in each case, a "**Transfer**"), except in compliance with **Section 17.3**. The term "Transfer," as used in this Agreement, means and includes the voluntary, involuntary, direct or indirect assignment, sale, gift or other similar disposition. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and, at the option of HMFC, grounds for termination of this Agreement by HMFC.

17.3. Pre-Conditions to Franchisee's Transfer.

No Transfer will be approved by HMFC or be effective unless and until Franchisee and the transferee obtain HMFC's written consent and all the following conditions are satisfied:

a. Franchisee is in full compliance herewith and pays to HMFC all outstanding debts or amounts owing to HMFC.

b. At HMFC's sole discretion, the transferee executes HMFC's then current Franchise Agreement (which shall have a term, including extensions, equal to the remainder of Franchisee's term, but which may contain provisions substantially different from those contained herein), and such other documents then customarily used by HMFC to grant franchises, and all other documents as may be requested by HMFC.

c. The Franchisee or the transferee pays to HMFC a transfer fee in the amount of \$8,000 (the "**Transfer Fee**"), unless the transferee is (i) another current franchisee of HMFC, (ii) a corporation of

which Franchisee is the majority stockholder, or (iii) a child, parent, sibling or spouse of Franchisee, in which case the Transfer Fee will be \$3,500. The Transfer Fee is nonrefundable in all circumstances once paid.

d. Except where prohibited by law, Franchisee executes of a general release of HMFC, including its shareholders, officers, directors, agents and employees, from all claims and potential claims of Franchisee.

e. The transferee purchases all of Franchisee's assets used in its HANDYMAN MATTERS Business in accordance with all applicable bulk sales rules and regulations and assumes all of the liabilities of the HANDYMAN MATTERS Business, unless such liabilities have been paid prior to the closing of the transaction or unless the sale is a sale of shares in the capital stock of Franchisee.

f. The transferee completes, to HMFC's sole satisfaction, HMFC's then current training program established by HMFC for franchisees; unless the training is waived by HMFC in its sole discretion.

g. The parties to the proposed transaction have entered into a bona fide binding agreement (a "**Purchase Offer**"), subject only to the rights of HMFC. HMFC shall be furnished a copy of this Purchase Offer, and such Purchase Offer shall be subject to HMFC's written approval, and the Right of First Refusal reserved to HMFC as specified in **Section 17.5** below. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement.

h. If the transferee is a corporation, partnership, limited liability company or other legal entity, the transferee and its stockholders, partners, members or owners of a beneficial interest in the transferee have complied with **Section 11.2** above.

i. The proposed transferee has demonstrated to HMFC's satisfaction that it, he or she will meet in all respects HMFC's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the HANDYMAN MATTERS Business being transferred, and any other conditions as HMFC may apply in evaluating new franchisees. All required conditions will be provided by HMFC to the proposed transferee at time of notification of desire to transfer. HMFC must be provided all information about the proposed transferee as HMFC may require. No Transfer to a competitor of HMFC will be permitted.

j. Franchisee agrees that HMFC has the right to confer with prospective transferees and furnish them with information regarding Franchisee's HANDYMAN MATTERS Business, this Agreement, and the proposed transfer without being held liable to Franchisee, except for intentional misstatements made to a prospective transferee.

17.4. Franchisee's Death or Disability.

If Franchisee is an individual, upon the death or permanent disability of Franchisee, or if Franchisee is an entity, upon the death or permanent disability of the Franchise Manager, the rights granted by this Agreement may pass to the next of kin or legatees, provided that Franchisee's or Franchise Manager's legal representatives shall within 120 days from the date of death or permanent disability of Franchisee or the Franchise Manager apply in writing to HMFC for the right to transfer to the next of kin or legatee the rights under this Agreement or the ownership interest of the entity. The proposed transferees must meet each of the requirements set forth in this **Article 17** within 30 days of the receipt of a conditional approval for the transfer. For purposes hereof, the term "permanent disability" will mean a

mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Franchise Manager from supervising the management and operation of the HANDYMAN MATTERS Business for a period of 120 days from the onset of such disability, impairment or condition.

17.5. HMFC's Right of First Refusal.

If Franchisee desires to Transfer, in whole or in part, the HANDYMAN MATTERS Business, Franchisee shall obtain a bona fide, executed, written Purchase Offer from a responsible, arms-length, and fully disclosed purchaser for the HANDYMAN MATTERS Business and other assets used by Franchisee in its HANDYMAN MATTERS Business. Franchisee shall submit an exact copy of the Purchase Offer to HMFC, which shall, for a period of 30 days from the date of delivery of such offer to HMFC, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of the HANDYMAN MATTERS Business and the assets of Franchisee (the "**Right of First Refusal**"), for the price and on the terms set forth in the Purchase Offer, subject to the provisions of this **Article 17** and provided that:

a. there shall be deducted from the purchase price the amount of any commissions or fees that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of such property to the offeree; and

b. HMFC shall have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

If the sale to such purchaser is not completed within 60 days after delivery of such offer to HMFC, HMFC shall again have the Right of First Refusal.

17.6. Post-Transfer Obligations.

With and after each valid Transfer of this Agreement pursuant to this **Article 17**, the transferee or transferees of Franchisee shall be deemed to be the Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No owner in any business entity that becomes Franchisee shall have any rights under this Agreement by reason of his, her or its ownership.

18. DEFAULT AND TERMINATION

18.1. Termination by HMFC-Effective Upon Notice.

HMFC shall have the right to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable state or provincial law governing franchise termination and renewal, effective upon receipt of notice by Franchisee, upon the occurrence of any of the following events:

a. Unauthorized Disclosure. Franchisee intentionally or negligently discloses to any unauthorized person the contents of, or any part of, HMFC's Operations Manual or any other trade secrets or confidential information of HMFC.

b. Abandonment. Franchisee voluntarily abandons the HANDYMAN MATTERS Business for a period of 15 consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of its HANDYMAN MATTERS Business; unless such abandonment is due to

fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee.

c. Insolvency; Assignments. Franchisee or any guarantor becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee or any guarantor, or by others against Franchisee or any guarantor under any insolvency, bankruptcy or reorganization act; or Franchisee or any guarantor makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee or any guarantor.

d. Unsatisfied Judgments; Levy; Foreclosure. Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or execution is levied against the HANDYMAN MATTERS Business or any of the property used in the operation of the HANDYMAN MATTERS Business and is not discharged within five days; or the real or personal property of the HANDYMAN MATTERS Business is sold after levy thereupon by any sheriff, marshal or constable.

e. Criminal Conviction. Franchisee or any owner of Franchisee's entity is convicted of a felony, a crime involving moral turpitude, a crime related to its HANDYMAN MATTERS Business, or any crime or offense that is likely, in the sole opinion of HMFC, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof.

f. Repeated Noncompliance. Franchisee receives three notices of default with respect to Franchisee's obligations hereunder from HMFC during the term of this Agreement, regardless of whether the defaults were cured by Franchisee.

g. Unauthorized Transfer. Franchisee sells, transfers or otherwise assigns the HANDYMAN MATTERS Business, an interest in its franchise or the Franchisee entity, this Agreement, the HANDYMAN MATTERS Business or a substantial portion of the assets of the HANDYMAN MATTERS Business owned by Franchisee without complying with the provisions of this Agreement.

h. Under-Reporting of Gross Revenues. Franchisee submits on two or more occasions during the term of this Agreement, or any successor franchise term, a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenues by more than 2 percent, or has a variance of more than 10 percent between reports generated through the proprietary scheduling database and Franchisee's regular accounting reports, unless Franchisee demonstrates to HMFC's satisfaction that such understatement or variance resulted from inadvertent error.

i. Failure to Deliver Reports. Franchisee submits reports more than five days late on four or more occasions during the term of this Agreement, or during the term of any successor franchise, unless due to circumstances beyond the control of Franchisee.

j. Condemnation or Loss of Business Location. Franchisee loses possession or the right of possession of all or a significant part of the Business Location through condemnation, casualty, lease termination or mortgage foreclosure and the HANDYMAN MATTERS Business is not relocated or reopened within 60 days of such loss of possession or condemnation or casualty.

k. Contesting Ownership of Marks. Franchisee contests in any court or proceeding the validity of, or HMFC's ownership of, the Marks.

l. Unauthorized Entity Action. Franchisee is a corporation or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without HMFC's prior written consent.

m. Failure to Complete Training. Any of Franchisee, Franchisee's Principal Representative, or the Franchise Manager, as applicable, fail to successfully complete HMFC's Initial Training Program.

n. Improper Business Practices. HMFC determines that Franchisee: engaged in an act of fraud with respect to its rights or obligations under this Agreement; engaged in false advertising; failed to, or intentionally underreported, sales or other financial information to HMFC; made a misrepresentation or gave any false information in any reports or other information provided to HMFC; or failed to comply with applicable laws, regulations and ordinances.

o. Sales Activity in the Territory of Another HANDYMAN MATTERS Business. Franchisee provides, markets, or sells any of the Products or Services within the territory of any HANDYMAN MATTERS Business owned by HMFC, any affiliate of HMFC or any other franchisee of HMFC, without the express written consent of HMFC.

p. Executive Order 13224; Patriot Act. Franchisee, or any officer, director, member, manager, or partner of Franchisee (as applicable), or the Franchise Manager, becomes subject to United States Executive Order 13224 or The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**").

q. Breach of Other Agreement. Franchisee breaches the terms of any other agreement between HMFC and Franchisee and fails to cure said breach during any applicable cure period provided in the other agreement.

r. Inadequate Guaranties. Any guaranty of this Agreement fails to be a continuing obligation fully enforceable against the guarantor signing the guaranty, or there is any inadequacy of the guaranty or guarantor and the guarantor is unable to provide adequate assurances as required by HMFC.

18.2. Termination by HMFC with Prior Notice.

HMFC shall have the right to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable state or provincial law governing franchise termination and renewal, effective after the specified number of days after delivery of written notice by HMFC to Franchisee:

a. Unauthorized Sales. Franchisee sells or offers for sale any unauthorized merchandise, product or service after 30 days after notification from HMFC.

b. Failure to Make Payments. Franchisee fails to pay any amounts due HMFC or affiliates, including the Initial Franchise Fee, the Territory Fee, the Royalty Fee, the Advertising Fee, the Software Fee, the Call Center Fee if applicable, and all other fees or sums owed to HMFC within 10 days after receiving notice that such fees or amounts are overdue.

c. Misuse of Marks. Franchisee misuses or fails to follow HMFC's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 10 days after notification from HMFC.

d. Failure to Submit Requested Information. Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein within 10 days after notification from HMFC.

e. Failure to Answer Business Phone. Franchisee fails to employ a live person, who may be either an employee of Franchisee or an employee of an answering service business, to answer its published business telephone number between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, holidays excepted, within 10 days after notification from HMFC.

f. Failure to Meet Minimum Monthly Gross Revenues. Franchisee fails to generate Gross Revenues for any 12-month period which equals or exceeds the Minimum Monthly Gross Revenues for the same period after 10 days notification from HMFC.

g. All Other Defaults Under Agreement. In addition to the foregoing termination rights, HMFC shall have the right to terminate this Agreement (subject to any state or provincial laws to the contrary, where state or provincial law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty 30-day period. In that event, at HMFC's sole discretion this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30-day period. Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, Franchisee shall be given an additional reasonable period of time to cure the breach.

18.3. Termination by Franchisee.

Franchisee shall have the right to terminate this Agreement as the result of a material breach of this Agreement by HMFC, provided Franchisee provides HMFC with written notice of the breach within 30 days of the breach and a reasonable opportunity to cure such breach, which shall in no event be less than 90 days. Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within a 90-day or other given period and HMFC has commenced and is continuing to make good faith efforts to cure the breach during the given period, HMFC will be given an additional reasonable period of time to cure the breach.

18.4. Obligations of Franchisee Upon Termination or Expiration.

Franchisee agrees that upon termination or expiration of this Agreement Franchisee shall do all of the following:

a. Pay within five days of the effective date of termination or expiration of this Agreement all amounts owed to HMFC, the landlord of the Business Location (if applicable) and Franchisee's trade and other creditors that are then unpaid. In the event of a termination due to a default by Franchisee, Franchisee shall also pay to HMFC the Royalty Fees that would have been payable based on the Minimum Monthly Gross Revenues for each month from the date of termination until the earlier of (i) two years following the date of termination, or (ii) the expiration date that would apply to this Agreement had it not been terminated. All periodic payments to HMFC shall be deemed to accrue daily, shall be adjusted accordingly, and shall include interest at the rate of 18 percent per annum or the highest rate permitted by law, whichever is lower. This same interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Agreement.

b. Submit to HMFC an amount of 1 percent of the greater of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues for Franchisee's final 12 months of business, which amount shall be held in escrow and used to cover any claims against or expenses to HMFC relating to warranty issues arising from Franchisee's HANDYMAN MATTERS Business. This amount shall remain in escrow for the later of 12 months or until all warranties provided by Franchisee to any customer of Franchisee have expired. Any remaining amount left in escrow after the expiration of such period will be returned to Franchisee.

c. Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings and service, the Operations Manual, and all materials and Products and Services of any kind which are identified or associated with the System, and return all these materials and Products to HMFC, at Franchisee's sole cost and expense.

d. Immediately notify the telephone company, all listing agencies, Internet service providers, and social media website operators of the termination or expiration of Franchisee's right to use any telephone number, classified or other telephone directory listing, domain name, or social media website or account associated with the Marks, and authorize the transfer of them to HMFC or any new franchisee as directed by HMFC. Franchisee acknowledges as between HMFC and Franchisee, HMFC has the sole rights to, and interest in, all telephone numbers, directory listings, web addresses, domain names, and social media websites and accounts used by Franchisee to promote its HANDYMAN MATTERS Business and/or associated with the Marks. Franchisee irrevocably appoints HMFC, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Such appointment is evidenced by Exhibit IV to this Agreement.

e. Make no representation nor state that Franchisee is in any way approved, endorsed or licensed by HMFC or associated or identified with HMFC or the System in any manner.

f. Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System.

g. Immediately shut down any Internet site operated by Franchisee to promote the HANDYMAN MATTERS Business and assign and transfer all web addresses used by Franchisee for the same purpose.

h. Comply with the provisions of this Agreement that survive termination, or expiration including in particular, the restrictive covenants in **Article 20**.

18.5. Franchisee's Failure to Comply With Post-Termination Obligations.

If, within 30 days after termination or expiration of this Agreement, Franchisee fails to:

a. Remove all displays of the Marks from Franchisee's HANDYMAN MATTERS Business that are identified or associated with the System, HMFC may enter the Franchisee's Business Location to effect removal, except if prohibited by law. In this event, HMFC will not be charged with trespass nor be accountable or required to pay for any displays or materials.

b. Take all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, then Franchisee irrevocably appoints HMFC, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which

appointment is coupled with an interest, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings if Franchisee fails to timely take such action.

18.6. Effects of Termination or Expiration.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which HMFC may have against Franchisee, whether such claims or rights arise before or after such termination or expiration. All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of **Sections 11.1.r** and **19.3** and **Articles 20** and **22** of this Agreement shall survive termination or expiration hereof.

18.7. Outstanding Loan Obligations.

In the event that this Agreement expires or is terminated for any reason whatsoever and HMFC is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever (the "**Security Interest**") from Franchisee concerning assets used at any time by Franchisee in its HANDYMAN MATTERS Business or which are situated on the Business Location, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

18.8. Conflicting Laws.

THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE, PROVINCIAL, OR FEDERAL LAW, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

19. BUSINESS RELATIONSHIP

19.1. Business Relationship.

Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of HMFC, and Franchisee agrees not to hold itself out as such. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. It is further agreed that Franchisee has no authority to create or assume in HMFC's name or on behalf of HMFC, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of HMFC for any purpose whatsoever. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of HMFC or subject to HMFC's control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations. Notwithstanding any other provisions in this Agreement, HMFC shall not be responsible for supervising the activities of Franchisee's HANDYMAN MATTERS Business.

19.2. Third Party Obligations.

HMFC will have no liability for Franchisee's obligations, or to pay or otherwise fulfill any of Franchisee's obligations to any third parties.

19.3. Indemnification.

Franchisee agrees to indemnify, defend, release and hold HMFC, its subsidiaries and affiliates (if any), and their respective shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees, as applicable, (the "**Indemnified Parties**") harmless against, and to reimburse them for all Claims, (as defined below), any and all third party obligations described above, and any and all claims, obligations and liabilities directly or indirectly arising out of the operation of the HANDYMAN MATTERS Business or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this Agreement, "**Claims**" include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. HMFC will have the right to defend any such Claim against it. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. RESTRICTIVE COVENANTS

20.1. Non-Competition During Term.

Franchisee acknowledges that, in addition to the license of the Marks hereunder, HMFC has also licensed commercially valuable information which comprises and is a part of the Licensed Methods, including without limitation, operations, marketing, advertising and related information and materials, and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the information and materials by all franchisees of HMFC using the Marks and Licensed Methods. Franchisee therefore agrees that other than the HANDYMAN MATTERS Business licensed herein, neither Franchisee, the Franchise Manager, nor any of Franchisee's shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees, as applicable (collectively, the "**Franchisee Affiliates**"), nor any member of his or their immediate families, or any Authorized Representative, will during the term of this Agreement:

- a.** have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business," as defined below; or
- b.** perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

The term "**Competitive Business**" as used in this Agreement means any business operating, or granting franchises or licenses to others to operate, a business that is similar to a HANDYMAN MATTERS Business, including a business that provides handyman, repair and remodeling services for homes and businesses. However, Franchisee will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 2 percent or less of that class of securities issued and outstanding.

20.2. Post-Termination Covenant Not to Compete.

Upon termination or expiration of this Agreement for any reason, or the Transfer of the rights under this Agreement, Franchisee and the Franchisee Affiliates agree that, for a period of 24 months commencing on the effective date of termination, expiration, or Transfer, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee and the Franchisee Affiliates nor any Authorized Representative will have any direct or indirect interest (through a member of any immediate family or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business within a 100 mile radius of Franchisee's Territory or any territory of any HANDYMAN MATTERS Business owned by HMFC, any affiliate of HMFC or any other franchisee of HMFC. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 2 percent or less of the number of shares of that class of securities issued and outstanding. Franchisee and the Franchisee Affiliates expressly acknowledge that they possess business and career skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living. If a former Franchisee, former Franchisee Affiliate, or any former Authorized Representative, breaches this Section, the 24-month period shall start on the date that such person is enjoined from competing or stops competing, whichever is later.

20.3. No Diversion of Business.

During the term of this Agreement, and for a period of 24 months after the termination or expiration of this Agreement, Franchisee and the Franchisee Affiliates agree not to divert or attempt to divert any business related to HMFC's business or any other business of a franchisee of HMFC, by direct inducement or otherwise; or divert or attempt to divert the employment of any employee or other Authorized Representative of HMFC or another franchisee licensed by HMFC to use the Marks and Licensed Methods, to Franchisee's HANDYMAN MATTERS Business or to any Competitive Business, by any direct inducement or otherwise.

20.4. Confidentiality of Proprietary Information.

Franchisee and the Franchisee Affiliates will treat all information it receives that comprises or is a part of the Licensed Methods as proprietary and confidential, and will not use or duplicate such information in an unauthorized manner or disclose the information to any unauthorized person, including in any business that may be competitive with HMFC, without first obtaining HMFC's written consent. Franchisee and the Franchisee Affiliates acknowledge that the Marks and the Licensed Methods have valuable goodwill attached to them, that the protection and maintenance thereof is essential to HMFC and that any unauthorized use or disclosure of the Marks and Licensed Methods will result in irreparable harm to HMFC.

20.5. Confidentiality Agreements and Acknowledgements.

HMFC reserves the right to require that Franchisee cause each of its Franchisee Affiliates, any member their immediate families, and any Authorized Representatives, to execute a Nondisclosure and Noncompetition Agreement in a form approved by HMFC containing the restrictive covenants of this Agreement. If HMFC requires any immediate family member to execute a Nondisclosure and Noncompetition Agreement subsequent to the execution of this Agreement by Franchisee, Franchisee must use its best efforts to cause that immediate family member to execute the Nondisclosure and Noncompetition Agreement. Franchisee will provide to HMFC a copy of each Nondisclosure and Noncompetition Agreement signed by any Franchisee Affiliate or Authorized Representative, or any

member of their immediate families, immediately following its execution and thereafter upon HMFC's request.

20.6. Invalidity of Covenants.

Franchisee acknowledges that if all or any portion of the aforesaid restrictive covenants contained in this Agreement are held unreasonable or unenforceable by a court or agency having jurisdiction in an unappealed final decision to which Franchisee is a party, Franchisee will be bound by any lesser covenants contained within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were subsequently stated and made a part of this Agreement.

20.7. Claims Are Not Defenses to Covenants.

Franchisee expressly agrees that the existence of any claim it may have against HMFC, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by HMFC of the covenants of this **Article 20**. Franchisee further agrees that HMFC shall be entitled to set off from any amount owed by HMFC to Franchisee any loss or damage to HMFC resulting from Franchisee's breach of this **Article 20**.

21. INSURANCE

21.1. Insurance Coverage.

Franchisee shall, upon commencement of the term of this Agreement, purchase and at all times maintain in full force and effect all of the following coverages:

- a.** Workers Compensation Insurance in amounts prescribed by law.
- b.** Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a handyman service business located in the Territory, but not less than \$500,000 per occurrence, \$1,000,000 total coverage with non-owned auto coverage added as a rider, insuring both Franchisee and HMFC against all claims, suits, obligations, liabilities, and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the HANDYMAN MATTERS Business.
- c.** Fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood, and sprinkler leakage insurance on the Business Location and on all fixtures, equipment, supplies and other property used in the operation of Franchisee's HANDYMAN MATTERS Business, for not less than 80 percent of the cash value of the property, except that an appropriate deductible clause shall be permitted.
- d.** A "dishonesty bond" covering each employee in such amounts and upon such terms as may from time to time be prescribed in the Operations Manual.
- e.** Such additional insurance as may be required by the terms of any lease or mortgage for Franchisee's HANDYMAN MATTERS Business Location.

The liability insurance afforded by the policy or policies shall not be limited in any way by reason of any insurance that may be maintained by HMFC. HMFC reserves the right to increase or decrease the amounts of insurance Franchisee must purchase by providing Franchisee with 30 days advance written notice of any

changes in coverage amounts. All policies of insurance required under this Section will be with responsible companies qualified to do business and in good standing in the state or province where the Franchisee's HANDYMAN MATTERS Business is located, and shall be in a form satisfactory to HMFC. All liability insurance policies shall name HMFC as an additional insured to the extent of claims arising out of the operations of Franchisee's HANDYMAN MATTERS Business. To the extent HMFC's preferred insurance provider is licensed and qualified to do business in the state or province where Franchisee's HANDYMAN MATTERS Business is located, Franchisee shall obtain the above-required insurance coverage from Franchisee's preferred insurance provider, unless HMFC approves an alternate insurance provider for Franchisee.

21.2. Proof of Insurance.

Prior to opening for business, Franchisee shall furnish to HMFC certificates issued by each of Franchisee's insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least 30 days prior written notice from the insurer to HMFC. New certificates evidencing renewal of insurance shall be furnished at least 30 days prior to the date of expiration of each policy. Within five business days of any request by HMFC, Franchisee shall deliver a copy of all insurance policies to HMFC for examination.

21.3. Failure to Maintain Insurance.

If Franchisee fails to obtain or maintain adequate insurance, in addition to any other remedies available to HMFC under this Agreement, HMFC may obtain insurance for and in Franchisee's name. Within five days of any written request by HMFC, Franchisee shall pay all costs of obtaining adequate insurance.

22. ARBITRATION

22.1. Arbitration.

Except for actions brought which are related to or based on the Marks or the copyrights of HMFC or to enforce the provisions of **Article 20** of this Agreement (which actions HMFC, at its option, may bring in a court of competent jurisdiction), all controversies, disputes, claims, causes of action and/or alleged breaches or failures to perform between HMFC, its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees and attorneys (in their representative capacity) (collectively, the "**HMFC Affiliates**") and Franchisee and the Franchisee Affiliates (as defined in **Section 20.1** above) arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any Licensed Methods, will be submitted for arbitration on demand of either party to the Denver, Colorado, U.S.A. office of either the Judicial Arbitrator Group ("**JAG**") or the American Arbitration Association ("**AAA**"), as selected by the party submitting the demand. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Franchisee or the Franchisee Affiliates and HMFC or the HMFC Affiliates (such as a promissory note or lease), the dispute resolution procedure in that agreement or instrument will control, rather than this Section; provided, that, at HMFC's sole option, any claim of any HMFC Affiliate against a Franchisee Affiliate based on such other agreement or instrument may be brought in arbitration in conjunction with a dispute between the parties that is subject to arbitration under this Section, regardless of any provisions to the contrary contained in that other agreement or instrument. Arbitration proceedings will be conducted in Denver, Colorado, U.S.A. and will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. All jurisdictional issues will be decided by the arbitrator. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and

all other hearings shall be conducted in English only, although Franchisee shall have the right, at Franchisee's option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered a cost or expense related to an action pursuant to **Section 23.9** of this Agreement. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, "reasonable discovery" means a party may submit no more than ten interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

22.2. Arbitration Award.

Subject to **Section 22.6** below, the arbitrator will have the right to award or include in the award any relief which the arbitrator deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys' fees and costs, in accordance with this Agreement. Any award shall be based on established law and shall not be made on broad principles of justice and equity. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less. The parties further agree that, in connection with any such arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the U.S. Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This provision will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

22.3. Limitations on Proceedings.

a. HMFC and Franchisee agree that arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving HMFC and Franchisee. Further, neither HMFC nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving HMFC and Franchisee with another arbitration of any kind, nor shall HMFC or Franchisee attempt to certify a class or participate as a party in a class action against the other.

b. The foregoing notwithstanding, in the event Franchisee controls, is controlled by, or is in active concert with another franchisee of HMFC, or there is a guarantor of some or all of the Franchisee's obligations to HMFC, then the joinder of those parties to any arbitration between HMFC and Franchisee shall be permitted, and in all events, the joinder of an owner, director, officer, manager, partner or other representative or agent of HMFC or Franchisee shall be permitted.

22.4. Injunctive Relief.

Notwithstanding anything to the contrary contained in this Agreement, HMFC and Franchisee will each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party). Any such action will be brought as provided below.

22.5. Governing Law/Consent to Jurisdiction/Waiver of Jury Trial.

The United States Federal Arbitration Act shall govern all questions about the enforceability and scope of the dispute resolution procedures in this Agreement, and no arbitration issues are to be resolved pursuant to any state or provincial statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of Colorado, U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. Franchisee and HMFC have negotiated regarding a forum in which to resolve any disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Section 22.1** above, involving Franchisee and/or the Franchisee Affiliates and HMFC and/or the HMFC Affiliates, the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, the decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. IF A CLAIM MAY BE BROUGHT IN COURT, THEN HMFC, THE HMFC AFFILIATES, FRANCHISEE, AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

22.6. No Punitive or Consequential Damages.

Except as specifically permitted elsewhere in this Agreement, neither HMFC or any of the HMFC Affiliates, on the one side, nor Franchisee or any of the Franchisee Affiliates, on the other side, shall be liable to the other for punitive or other damages not measured by the other party's actual damages, except as may be required by statute, in any action between the parties, whether of the type subject to mandatory arbitration under **Section 22.1** or otherwise, and whether such action is brought in arbitration, litigation, or any other legal proceeding.

23. MISCELLANEOUS PROVISIONS

23.1. Modification.

HMFC and/or Franchisee may modify this Agreement only upon execution of a written agreement between the parties. Franchisee acknowledges that HMFC may modify its standards and specifications and operating, marketing, and other policies and procedures set forth in the Operations Manual unilaterally under any conditions and to the extent in which HMFC, in its sole discretion, deems necessary, and Franchisee shall be bound by such modifications.

23.2. Entire Agreement.

This Agreement (which includes the Addendum and Exhibits expressly incorporated herein) contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. HMFC does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement. Franchisee acknowledges and agrees that no representations have been made to it by HMFC or its representatives regarding projected sales volumes, market potential, revenues or profits of Franchisee's HANDYMAN MATTERS Business, or operational assistance other than as stated in this Agreement or in any franchise disclosure document or advertising or

promotional materials provided by HMFC in connection herewith. Additionally, Franchisee hereby acknowledges and agrees that, in entering into this Agreement, it is not relying on the existence or non-existence of any particular fact or matter not set forth in this Agreement or in the franchise disclosure document provided to Franchisee. Franchisee agrees and understands that HMFC will not be liable or obligated for any oral representations or commitments made prior to the execution hereof, for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments, or for claims of negligent or fraudulent omissions or nondisclosure of facts or information. Nothing in this Agreement or in any related agreement is intended to disclaim any representations made by HMFC in the franchise disclosure document provided to Franchisee.

23.3. Delegation by HMFC.

From time to time, HMFC will have the right to delegate the performance of any portion or all of its obligations and duties under this Agreement to third parties, whether they are employees of HMFC or independent contractors that HMFC has contracted with to provide such services. Franchisee agrees in advance to any such delegation by HMFC of any portion or all of its obligations and duties hereunder.

23.4. Consent; Business Judgment.

Wherever HMFC's consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, HMFC has the right to withhold its approval at its option, in its business judgment, taking into consideration its assessment of the long-term interests of the System overall. HMFC may withhold any and all consents or approvals required by this Agreement if Franchisee is in default or breach of this Agreement. HMFC's approvals and consents will not be effective unless given in writing and signed by one of its duly authorized representatives. In no event may Franchisee make any claim for money damages based on any claim that HMFC has unreasonably withheld or delayed any consent or approval to a proposed act by Franchisee under the terms of this Agreement. Franchisee's sole remedy for the claim will be an action or proceeding to enforce the provisions of this Agreement by specific performance or by declaratory judgment.

23.5. General Economic Conditions.

Neither a general economic downturn or conditions nor Franchisee's financial inability to perform the terms of this Agreement will be a defense to an action by HMFC for Franchisee's breach of this Agreement.

23.6. Effective Date.

This Agreement will not be effective until accepted by HMFC as evidenced by dating and signing by an authorized officer of HMFC.

23.7. Limitation on Actions.

Notwithstanding anything contained in this Agreement to the contrary, any and all claims and actions arising out of or relating to this Agreement, the relationship between Franchisee and HMFC, or Franchisee's operation of the HANDYMAN MATTERS Business shall be commenced within one year from the occurrence of the facts giving rise to such claim or action.

23.8. Review of Agreement.

Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than 14 full days, during which time Franchisee has had the opportunity to submit this Agreement for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

23.9. Attorneys' Fees.

a. Subject to **Section 23.9.b** below, Franchisee shall reimburse HMFC for its costs and expenses, including, without limitation, attorneys' fees, which HMFC incurs in pursuit of its rights following a breach or event of default of or by Franchisee whether or not the pursuit of rights involves litigation or arbitration.

b. The prevailing party in any action arising out of, or related to this Agreement (including an action to compel arbitration) is entitled to recover from the other party all costs and expenses related to the action, including reasonable attorneys' fees, and all costs of collecting monies owed. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party and the relative equities between the parties.

23.10. No Waiver.

No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by HMFC or Franchisee will be considered to imply or constitute a further waiver by HMFC or Franchisee of the same or any other condition, covenant, right, or remedy.

23.11. No Right to Set Off.

Franchisee will not be allowed to set off amounts owed to HMFC for Royalty Fees, Advertising Fees, Software Fees, Call Center Fees, or other amounts due hereunder, against any monies owed to Franchisee, which right of set off is expressly waived by Franchisee. No endorsement or statement on any check or payment of any sum less than the full sum due to HMFC shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and HMFC may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. HMFC may apply any payments made by Franchisee against any past due indebtedness of Franchisee as HMFC may see fit. HMFC may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to HMFC, and may, at HMFC's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

23.12. Survival of Terms.

Every article and section of this Agreement that by its terms is intended to survive expiration and/or termination of this Agreement shall survive the expiration or termination of this Agreement for any reason and shall apply to a transferor upon a Transfer.

23.13. Invalidity.

If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision will be deemed modified to eliminate the invalid element and,

as so modified, such provision will be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement will not be affected by such modification.

23.14. Notices.

All notices required to be given under this Agreement will be given in writing, by registered or certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth below the signatures of HMFC and Franchisee respectively on the signature page hereto or at such other addresses as HMFC or Franchisee may designate from time to time; and will be effectively given when deposited in the mails, postage prepaid, or when received via overnight delivery, as may be applicable.

23.15. Force Majeure.

HMFC will not be liable to Franchisee, nor will HMFC be deemed to be in breach of this Agreement, if it exercises best efforts to perform its obligations as may be due to Franchisee hereunder, and its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or voluntarily foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instruments of any federal, state, municipal, provincial, or other government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, municipal, provincial, or other government or any department or agency thereof; (3) acts of God; or (4) fires, strikes, terrorism, embargoes, war or riot. Any delay resulting from any of these causes will extend performance by HMFC accordingly or excuse performance by HMFC in whole or in part, as may be necessary.

23.16. Estoppel Certificates.

Franchisee agrees at any time and from time to time within 10 days after notice from HMFC, to execute, acknowledge and deliver to HMFC a statement in writing, form and substance acceptable to HMFC, verifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the Agreement is in full force and effect as modified and stating the modifications), and whether or not there exists any default in the performance of any term, condition or covenant of this Agreement and, if so, specifying each such default, and such other matters related to this Agreement as HMFC shall request, it being intended that any such statement delivered pursuant hereto may be relied upon by HMFC and by any lenders of HMFC, or any prospective purchasers of all or any part of HMFC's business.

23.17. Charges and Taxes.

All provisions in the Agreement stating that Franchisee will pay or be responsible for any costs, charges or taxes includes all customs or duty charges, foreign currency purchase levies, import and export fees and levies, and other similar costs, charges and taxes.

23.18. Cross-Default and Cross Termination Provisions.

a. A default by Franchisee under this Agreement will be deemed a default of all agreements between Franchisee and/or any company(ies) affiliated with Franchisee, on the one hand, and HMFC and/or any company(ies) affiliated with HMFC, on the other hand (the "**Other Agreements**"). A default by Franchisee and/or any company(ies) affiliated with Franchisee under any of the Other Agreements will

be deemed a default under this Agreement. A default by any guarantor(s) of this Agreement or of any of the Other Agreements will be deemed a default of this Agreement.

b. If this Agreement is terminated as a result of a default by Franchisee, HMFC may, at its option, elect to terminate any or all of the Other Agreements. If any of the Other Agreements is terminated as a result of a default by Franchisee and/or any company(ies) affiliated with Franchisee, HMFC may, at its option, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any of the Other Agreements will be grounds for termination of this Agreement and/or any and all of the Other Agreements without additional notice or opportunity to cure.

23.19. Manner of Payment.

All references in this Agreement to the term “Dollars” or the symbol “\$” refer to United States Dollars, and all payments made to HMFC, unless otherwise noted, must be paid in United States Dollars net of any taxes or withholdings. The exchange rate for calculating payments due hereunder shall be the exchange rate published in The Wall Street Journal on the day the payment is due. If The Wall Street Journal is not published on the date a payment is due, the applicable exchange rate shall be that rate published in The Wall Street Journal on the nearest date of publication prior to the payment date, or by a successor or equivalent publication to be designated by HMFC in the event The Wall Street Journal ceases to be published or ceases to publish the applicable exchange rates. HMFC may designate and change payment instructions at any time on prior written notice to Franchisee. Franchisee shall be solely responsible for the payment of any costs and charges incurred in connection with the transfer and exchange of currency over and above any fees due or paid.

23.20. Approval Within Territory.

Any approval of this Agreement by the appropriate authorities in the Territory that is required to enable Franchisee to enter into this Agreement, perform under the terms of this Agreement, do business with HMFC, or to make payments to HMFC in United States Dollars in the United States of America will be the sole responsibility of Franchisee.

23.21. Translation of Agreement.

The English language will be regarded as the authoritative and official text of this Agreement; however, this Agreement may be translated into the language in dominant use in the Territory, at Franchisee’s expense, in the event that translation is necessary for the purpose of registration of the Agreement with the applicable governmental authority. Nevertheless, in the event that any discrepancies exist between the English and the translated text, the English text will be considered the official text of this Agreement.

23.22. Communication with HMFC.

All communication by Franchisee with HMFC, whether written or oral, must be in English.

23.23. Incorporation of Riders.

To the extent that any of the Riders to Franchise Agreement for Specific States or Provinces attached as Exhibit V is applicable, such rider is incorporated herein and this Agreement is modified accordingly. The provisions in any applicable rider are included as a condition to registration or use in certain jurisdictions, and HMFC is not precluded from contesting the validity, enforceability, or applicability of such provisions in any action relating to this Agreement or its rescission or termination.

23.24. Acknowledgement.

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY AND DISCUSS ITS PROVISIONS WITH ITS LEGAL COUNSEL. FRANCHISEE ACKNOWLEDGES ALL OF THE FOLLOWING:

A. FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE HAS BEEN AFFORDED THE OPPORTUNITY TO ASK QUESTIONS AND REVIEW MATERIALS OF HMFC THAT FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE DEEMS RELEVANT IN ORDER TO MAKE A DECISION TO ENTER INTO THIS AGREEMENT AND ACQUIRE A FRANCHISE HEREUNDER.

B. FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL, TAX AND BUSINESS MATTERS AND HAS PRIOR EXPERIENCE SO AS TO ENABLE FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE TO UTILIZE THE INFORMATION MADE AVAILABLE TO FRANCHISEE AND FULLY UNDERSTAND SUCH INFORMATION.

C. THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS.

D. NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN TO FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED.

E. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO FRANCHISEE, IS BINDING ON HMFC IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND, IN ENTERING INTO THIS AGREEMENT, FRANCHISEE IS NOT RELYING ON THE EXISTENCE OR NON-EXISTENCE OF ANY FACT OR MATTER NOT SET FORTH IN THIS AGREEMENT OR IN A DISCLOSURE DOCUMENT SUPPLIED TO FRANCHISEE.

F. NEITHER FRANCHISEE, NOR ANY FRANCHISEE AFFILIATE, IS SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT. IF FRANCHISEE OR ANY FRANCHISEE AFFILIATE BECOMES SUBJECT TO UNITED STATES EXECUTIVE ORDER 13224 OR THE PATRIOT ACT, FRANCHISEE OR THAT FRANCHISEE AFFILIATE SHALL NOTIFY HMFC IMMEDIATELY THEREOF.

[SIGNATURES FOLLOW ON NEXT PAGE]

The parties have executed this Agreement to be made effective as of the ____ day of _____, 201__.

HMFC:
HANDYMAN MATTERS FRANCHISE CORPORATION, a Colorado corporation

FRANCHISEE:
IF AN INDIVIDUAL:

By: _____
Date: _____

Signature

Address for Notice:

Print Name: _____

12567 West Cedar Drive
Lakewood, Colorado 80228, U.S.A.
Fax No: 303-984-0133

IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:

Print Company Name

By: _____
Signature
Print Name and Title: _____
Date: _____

Address for Notice: _____

Fax No: ____ - ____ - ____

**EXHIBIT I
TO FRANCHISE AGREEMENT**

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement (the “**Addendum**”), dated as of the date set forth below, modifies and amends that certain Handyman Matters Franchise Agreement (the “**Agreement**”), by and between Handyman Matters Franchise Corporation, hereinafter “**HMFC,**” and the undersigned franchisee, hereinafter “**Franchisee.**” This Addendum modifies the terms of the Agreement and in the event of a conflict in terms between the Agreement and this Addendum, the terms of this Addendum shall be controlling.

The parties agree as follows:

1. **Business Location.** The Business Location, referenced in **Section 4.1** of the Agreement, will be located at: _____.

2. **Territory.** The Territory, referenced in **Section 4.2** of the Agreement will be the geographical areas described as follows: _____, as defined by the Territory Zip or Postal Codes on Exhibit A-1 attached hereto, with a household count of _____.

3. **Initial Franchise Fee.** The Initial Franchisee Fee, referenced in **Section 5.1.** is \$_____ and shall be payable to HMFC as follows: _____.

4. **Territory Fee.** The Territory Fee, referenced in **Section 5.2** is \$_____ and shall be payable to HMFC as follows: _____.

5. **Minimum Monthly Gross Revenues Commencement Date:** The commencement date of the Minimum Monthly Gross Revenues, referenced in **Section 12.4**, shall be: _____.

6. **Minimum Monthly Gross Revenues.** The Minimum Monthly Gross Revenues referenced in **Section 12.4** of the Agreement, shall be:

Full Month after Date of this Agreement	Minimum Monthly Gross Revenues
4-12	\$ _____
13-24	\$ _____
25 and thereafter	\$ _____

7. **Commencement Date of Royalty Fees and Reports.** The first day that Royalty Fees and Gross Revenues reports are due, as referenced in **Section 12.7.a** shall be _____.

Fully executed this ____ day of _____, 201____.

HMFC:
HANDYMAN MATTERS FRANCHISE
CORPORATION, a Colorado corporation

FRANCHISEE:
IF AN INDIVIDUAL:

By: _____
Date: _____

Signature

Print Name: _____

IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:

Print Name of Company

By: _____
Signature

Print Name and Title: _____

Date: _____

**EXHIBIT A-1
TO ADDENDUM**

TERRITORY ZIP OR POSTAL CODES

As used in this Agreement, the “**Territory**” means the geographic area in _____, _____ comprised of the zip or postal codes set forth below as of the date of this Agreement. For the avoidance of doubt, the Territory shall also include any other zip or postal codes that may cover the geographic area described by the zip or postal codes set forth below if and to the extent that the government subdivides or otherwise modifies the zip or postal codes set forth below.

**EXHIBIT II
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF
FRANCHISEE'S OBLIGATIONS**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of Franchise Agreement (the "**Franchise Agreement**") executed on the date set forth below is by and between each of the undersigned and **HANDYMAN MATTERS FRANCHISE CORPORATION**, a Colorado corporation, having its head office at 12567 West Cedar Drive, Lakewood, Colorado 80228, U.S.A. ("**HMFC**"), each of the undersigned personally and unconditionally:

1. Guarantees to HMFC and its successors and assigns, for the Term, including renewals thereof, that the franchisee named on the signature page hereof ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement.

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including but not limited to, the terms of the articles and sections pertaining to non-competition during the Term, confidentiality and the Marks and Copyrighted Works of the HMFC.

3. Each of the undersigned waives all of the following:

- (a) Acceptance and notice of acceptance by HMFC of the foregoing undertaking.
- (b) Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed.
- (c) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed.
- (d) Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability.
- (e) Notice of any amendment, modification, deletion or addition of any term or condition of or to any of the obligations hereby guaranteed.
- (f) Notice of any termination as to future liability of any other guarantor.
- (g) Any and all other notices and equitable defenses to which he or she may be entitled.

4. Each of the undersigned consents and agrees that:

- (a) His or her direct and immediate liability under this Guaranty shall be joint and several.
- (b) He or she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so.
- (c) Such liability shall not be contingent or conditioned upon pursuit by HMFC of any remedies against Franchisee or any other person.

(d) Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which HMFC may from time to time grant to Franchisee or to any other person; including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the Term, including renewals thereof.

(e) He or she shall be bound by the restrictive covenants, confidentiality provisions, audit provisions, and indemnification provisions contained in the Franchise Agreement.

(f) HMFC may, at its option, without notice to or further consent of him or her, take any of the following actions:

(i) retain the primary or secondary liability of any other party with respect to all or any part of the obligations hereby guaranteed.

(ii) release or compromise any liability of any other guarantor or any other party with respect to the obligations hereby guaranteed.

(iii) amend, modify, delete, or add any term or condition of or to any of the obligations hereby guaranteed, which may include the creation of new obligations.

5. No delay or neglect on the part of HMFC in the exercise of any right or remedy existing under law or by virtue of this Guaranty shall operate as a waiver thereof, but such rights and remedies shall continue in full force and effect until specifically waived or released by an instrument in writing executed by HMFC and designated as a waiver or release; and no single or partial exercise by HMFC of any right or remedy shall preclude further exercise thereof or the exercise of any right or remedy.

6. The arbitration, injunctive relief, governing law and jurisdiction provisions contained in the Franchise Agreement shall govern this Guaranty, and such provisions are incorporated into this Guaranty by this reference.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the ___ day of _____, 201__.

Name of Franchisee:

GUARANTOR(S)

(Location Name)

Signature

Print Name

Address

Telephone Number _____

Signature

Print Name

Address

Telephone Number _____

Signature

Print Name

Address

Telephone Number _____

ALBERTA GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. _____, of _____, in the Province of _____, the guarantor in the guarantee dated _____, 201__, made between _____ and _____, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

GIVEN at _____ this ____ day of _____, 201__ under my hand and seal of office.

(SEAL)

Notary Public

A Notary Public in and for _____

STATEMENT OF GUARANTOR

I am the person named in this certificate.

(Signature of Guarantor)

**EXHIBIT III
TO FRANCHISE AGREEMENT**

STATEMENT OF OWNERSHIP

STATEMENT OF OWNERSHIP

Franchisee: _____
(Print Company Name or Individual Franchisee's Name)

Trade Name (if different from above): _____

Form of Ownership (Check One)

Individual **Partnership** **Corporation** **Limited Liability Company** **Other**

If a **Partnership**, provide name and address of each partner showing percentage owned and whether each is active in management, indicate the country, state and/or province in which the partnership was formed and the date it was formed, and provide a copy of the Partnership Agreement.

If a **Corporation**, provide the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each, indicate the country, state and/or province and date of incorporation, and provide a copy of the Articles of Incorporation certified by the Secretary of State or other official for the country, state and/or province in which the corporation was formed.

If a **Limited Liability Company**, provide name and address of each member and each manager showing percentage owned, indicate the country, state and/or province in which the Limited Liability Company was formed and the date it was formed, and provide a copy of the Articles of Organization certified by the Secretary of State or other official for the country, state and/or province in which the Limited Liability Company was formed and the Operating Agreement.

If **another type of business entity**, provide the names and addresses of the owners and any officers or managers showing percentage owned, indicate the country, state and/or province in which the business entity was formed and the date it was formed, and provide a copy of any articles of formation and governing agreements certified, if applicable, by the Secretary of State or other official for the country, state and/or province in which the business entity was formed.

Franchisee acknowledges that this Statement of Ownership applies to the Handyman Matters Franchise authorized under Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to HMFC in writing.

Date _____

Signature: _____

Print Name: _____

**EXHIBIT IV
TO FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS,
INTERNET ADDRESSES, AND SOCIAL MEDIA WEBSITES**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS,
TELEPHONE LISTINGS, INTERNET ADDRESSES, AND SOCIAL MEDIA WEBSITES**

THIS COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS, INTERNET ADDRESSES, AND SOCIAL MEDIA WEBSITES (the “**Assignment**”) is entered into on the day and date set forth on the signature page hereof, by and between Handyman Matters Franchise Corporation, a Colorado corporation (“**HMFC**”) and the undersigned franchisee (“**Franchisee**”). This Assignment is executed in accordance with the terms of that certain Handyman Matters Franchise Corporation Franchise Agreement (the “**Franchise Agreement**”) under which HMFC granted Franchisee the right to own and operate a Handyman Matters Franchise located at the business location set forth on the signature page hereof (the “**Franchise Business**”).

FOR VALUE RECEIVED, Franchisee assigns to HMFC (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Telephone Numbers and Listings**”), (2) those certain Internet Website Addresses (“**URLs**”), and (3) those certain social media websites or accounts (collectively, the “**Social Media Sites**”), that are associated with HMFC’s trade and service marks and used from time to time in connection with the operation of Franchise Business. This Assignment is for collateral purposes only and, except as specified herein, HMFC shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless HMFC shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “**Telephone Company**”), Franchisee’s Internet service provider (“**ISP**”), or the relevant social media website operator (“**Social Media Operator**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), HMFC shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings, the URLs, and the Social Media Sites, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings, URLs, and Social Media Sites, and shall remain liable to the Telephone Company, the ISP, and the Social Media Operator for all past due fees owing to the Telephone Company, the ISP, and the Social Media Operator on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between HMFC and Franchisee, upon termination or expiration of the Franchise Agreement, HMFC shall have the sole right to and interest in the Telephone Numbers and Listings, URLs, and Social Media Sites, and Franchisee appoints HMFC as Franchisee’s true and lawful attorney-in-fact to direct the Telephone Company, the ISP, and the Social Media Operator to assign them to HMFC, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company, the ISP, and the Social Media Operator to assign the Telephone Numbers and Listings, URLs, and Social Media Sites to HMFC. If Franchisee fails to promptly direct the Telephone Company, the ISP, and the Social Media Operator to assign the Telephone Numbers and Listings, URLs, and Social Media Sites to HMFC, HMFC shall direct the Telephone Company, the ISP, and the Social Media Operator to effectuate the assignment contemplated hereunder to HMFC. The parties agree that the Telephone Company, the ISP, and the Social Media Operator may accept HMFC’s written direction, the Franchise Agreement or this Assignment as conclusive proof of HMFC’s exclusive rights in and to the Telephone Numbers and Listings, URLs, and Social Media Sites upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company’s, ISP’s, and Social Media Operator’s receipt of such notice from HMFC or Franchisee. The parties further agree that if the Telephone Company, the ISP, or the Social Media Operator requires that the parties execute the

Telephone Company's, the ISP's, or the Social Media Operator's assignment forms or other documentation at the time of termination or expiration of Franchise Agreement, HMFC's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of Franchise Agreement.

IN WITNESS WHEREOF, the parties have entered into this Assignment on the ____ day of _____, 201____.

ASSIGNEE

ASSIGNOR

Handyman Matters Franchise Corporation

(Print Company or Individual Franchisee Name)

By: _____

Signature

Print Name: _____

By: _____

Signature

Print Name: _____

Title: _____

Title: _____

Business Location: _____

(Location Name)

**EXHIBIT V
TO FRANCHISE AGREEMENT**

RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES OR PROVINCES

If any one of the following Riders to the Franchise Agreement for Specific States or Provinces (“**Riders**”) is checked as an “Applicable Rider” below, then that Rider shall be incorporated into the Franchise Agreement entered into by Handyman Matters Franchise Corporation and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Rider shall supersede the terms of the Franchise Agreement.

APPLICABLE RIDER:

United States

- | | | |
|-------------------------------------|------------------------------------|---------------------------------------|
| <input type="checkbox"/> California | <input type="checkbox"/> Maryland | <input type="checkbox"/> North Dakota |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> Michigan | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Illinois | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Virginia |
| <input type="checkbox"/> Indiana | <input type="checkbox"/> New York | <input type="checkbox"/> Washington |

Canada

- | | | |
|----------------------------------|--|---|
| <input type="checkbox"/> Alberta | <input type="checkbox"/> Prince Edward
Island | <input type="checkbox"/> All Other
Provinces |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Quebec | |

HANDYMAN MATTERS
FRANCHISE CORPORATION

(Print Company or Individual Franchisee Name)

By: _____
Signature

By: _____
Signature

Title: _____

Title: _____

UNITED STATES RIDERS TO THE FRANCHISE AGREEMENT

CALIFORNIA RIDER TO THE FRANCHISE AGREEMENT

1. The first sentence of **Section 5.1** is deleted and replaced with the following:

Franchisee will pay HMFC an initial franchise fee in the amount set forth in the Addendum (the “**Initial Franchise Fee**”), which shall be due and payable to HMFC on the day that HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

2. The first sentence of **Section 5.2** is deleted and replaced with the following:

Franchisee will pay HMFC a territory fee in the amount set forth in the Addendum (the “**Territory Fee**”), which shall be due and payable to HMFC on the day that HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

3. **Section 22.5** is deleted and replaced with the following language:

The United States Federal Arbitration Act shall govern all questions about the enforceability and scope of the dispute resolution procedures in this Agreement, and no arbitration issues are to be resolved pursuant to any state or provincial statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of Colorado, U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. If a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Section 22.1** above, involving Franchisee and/or the Franchisee Affiliates and HMFC and/or the HMFC Affiliates, the parties consent to jurisdiction and venue for disputes between them in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, the decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. **IF A CLAIM MAY BE BROUGHT IN COURT, THEN HMFC, THE HMFC AFFILIATES, FRANCHISEE, AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.**

HAWAII RIDER TO THE FRANCHISE AGREEMENT

1. The following is added at the end of **Article 5**:

All initial fees payable to HMFC shall be deferred until HMFC has met all of its initial obligations to Franchisee and Franchisee is open for business.

ILLINOIS RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added to the end of **Article 5**:

All initial fees payable to HMFC and any of its affiliates shall be deferred until HMFC has fulfilled all of its initial obligations to Franchisee and Franchisee has commenced doing business pursuant to this Agreement. This deferral requirement has been imposed by the Illinois Attorney General's Office based on HMFC's financial condition.

2. Section 4 of the Illinois Franchise Disclosure Act of 1987 (the "**Illinois Act**") provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside of the State of Illinois.

3. Section 41 of the Illinois Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. Section 41 does not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Act, nor does it prevent the arbitration of any claim pursuant to the provision of Title 9 of the United States Code.

INDIANA RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added to **Section 4.4**:

Indiana law prohibits HMFC from establishing a HMFC-owned outlet engaged a substantially identical business within Franchisee's Territory.

2. The last sentence of **Section 14.2** is supplemented with the following language:

Provided, however, that any amounts retained by HMFC will be for compensation for services provided.

3. **Section 20.2** is revised to delete any restriction on operating or otherwise being involved with a Competitive Business within 100 miles of the territory of any other HANDYMAN MATTERS Business.

4. **Section 22.1** is deleted and replaced with the following language:

Except for actions brought which are related to or based on the Marks or the copyrights of HMFC or to enforce the provisions of **Article 20** of this Agreement (which actions HMFC, at its option, may bring in a court of competent jurisdiction), all controversies, disputes, claims, causes of action and/or alleged breaches or failures to perform between HMFC, its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees and attorneys (in their representative capacity) (collectively, the "**HMFC Affiliates**") and Franchisee and the Franchisee Affiliates (as defined in **Section 20.1** above) arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4)

any Licensed Methods, will be submitted for arbitration on demand of either party to the Denver, Colorado, U.S.A. office of either the Judicial Arbitrator Group (“JAG”) or the American Arbitration Association (“AAA”), as selected by the party submitting the demand. Notwithstanding the language above, if the action is based on a separate agreement between Franchisee or the Franchisee Affiliates and HMFC or the HMFC Affiliates (such as a promissory note or lease), the dispute resolution procedure in that agreement will control, rather than this Section. Such arbitration proceedings will be conducted at a location in the State of Indiana, but only if there is a valid and legal restriction under Indiana law to prohibit the parties from agreeing to a site of arbitration in Denver, Colorado. However, HMFC and Franchisee dispute that this is a valid and legal restriction under Indiana law, and, unless this restriction is found to be valid and legal, the parties agree that arbitration shall take place in Denver, Colorado. HMFC and Franchisee intend to enforce their rights to agree to the Denver, Colorado venue for arbitration. Arbitration proceedings will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. All jurisdictional issues will be decided by the arbitrator. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Franchisee shall have the right, at Franchisee’s option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered a cost or expense related to an action pursuant to **Section 23.9** of this Agreement. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, “reasonable discovery” means a party may submit no more than ten interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

5. **Section 22.5** is deleted and replaced with the following language:

The United States Federal Arbitration Act shall govern all questions about the enforceability and scope of the dispute resolution procedures in this Agreement, and no arbitration issues are to be resolved pursuant to any state statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, disputes related to a breach of this Agreement governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law shall be governed thereby, and all other matters regarding this Agreement shall be governed by the laws of the State of Colorado. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN Section 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. Subject to the foregoing, Franchisee and HMFC have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in **Section 22.1** above, involving Franchisee or the Franchisee Affiliates and HMFC or the HMFC Affiliates, both parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado. U.S.A. Notwithstanding the foregoing, the decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. IF A CLAIM MAY BE

BROUGHT IN COURT, THEN HMFC, THE HMFC AFFILIATES, FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

MARYLAND RIDER TO THE FRANCHISE AGREEMENT

1. The following language is added at the end of **Sections 3.3.e, 6.5, and 17.3.d:**

Any release executed in connection herewith will not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

2. Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the collection of all initial fees. Accordingly, the first sentence of **Section 5.1** is deleted and replaced with the following:

Franchisee will pay HMFC an initial franchise fee in the amount set forth in the Addendum (the “**Initial Franchise Fee**”), which shall be due and payable to HMFC on the day that HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

3. Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the collection of all initial fees. Accordingly, the first sentence of **Section 5.2** is deleted and replaced with the following:

Franchisee will pay HMFC a territory fee in the amount set forth in the Addendum (the “**Territory Fee**”), which shall be due and payable to HMFC on the day that HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

4. The following information is added at the end of **Section 18.1.c:**

Termination of this Agreement upon bankruptcy may not be enforceable under federal bankruptcy law.

5. The following language is added at the end of **Article 22:**

Notwithstanding the language above, Colorado law applies to this Agreement (except for claims arising under the Maryland Franchise Registration and Disclosure Law). Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise. If the Franchise Agreement permits you to file a lawsuit, rather than requiring arbitration, you may file that suit in Maryland.

6. **Section 23.7** is amended by adding the following thereto:

The foregoing shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

7. The following sentence is added to the end of **Section 23.24.E**:

THE ACKNOWLEDGMENTS OR REPRESENTATIONS OF 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.

MICHIGAN RIDER TO THE FRANCHISE AGREEMENT

1. The 14 day waiting period in **Section 23.8** is replaced with a 10 business-day waiting period.

MINNESOTA RIDER TO THE FRANCHISE AGREEMENT

1. **Articles 3 and 18** are modified by the following language:

HMFC will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5, which require (except in certain specified cases) (1) that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of this Agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. The following language is added at the end of **Sections 3.3.e** and **17.3.d**:

Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided, it does not bar the voluntary settlement of disputes.

3. The Initial Franchise Fee and the Territory Fee set forth in **Sections 5.1** and **5.2** shall be due and payable to HMFC on the day Franchisee's HANDYMAN MATTERS Business opens for business.

4. **Section 15.6** is modified by the following language:

As it deems necessary, HMFC will protect Franchisee's right to use HMFC's Marks. The Minnesota Department of Commerce requires HMFC to indemnify Franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of HMFC's Marks infringes upon the trademark rights of the third party.

5. **Section 22.4** is modified by the following language:

Pursuant to Minnesota Rule 2860.4400(J), a franchisee cannot consent to a franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

6. **Section 22.5** is modified by the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit HMFC from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or this Agreement can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. The above language has been included in this Agreement as a condition to registration. HMFC and Franchisee do not agree with the above language and believes that each of the provisions of the Agreement are fully enforceable. HMFC and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

7. The following statement is added at the end of **Section 23.7**:

Minnesota law provides that no action may be commenced pursuant to Minnesota Statute Section 80C.17 more than three years after the cause of action accrues. Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK RIDER TO THE FRANCHISE AGREEMENT

1. **Section 23.8** is deleted and replaced with the following:

Franchisee acknowledges that it had a copy of this Agreement in its possession at least 10 business days before Franchisee signed a binding agreement with HMFC or an affiliate of HMFC; 10 business days before Franchisee made a payment to HMFC or an affiliate of HMFC, in connection with the proposed franchise sale; or at the first personal meeting between Franchisee and HMFC, or HMFC's agent. During this time Franchisee has had the opportunity to submit this Agreement for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

NORTH DAKOTA RIDER TO THE FRANCHISE AGREEMENT

1. The following is added at the end of **Section 3.3.e**:

Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

2. The following sentence is added at the end of **Section 20.2**:

Covenants not to compete, such as those mentioned above, are generally considered unenforceable in the State of North Dakota.

3. **Section 22.1** is deleted and replaced with the following:

Except for actions brought which are related to or based on the Marks or the copyrights of HMFC or to enforce the provisions of **Article 20** of this Agreement (which actions HMFC, at its option, may bring in a court of competent jurisdiction), all controversies, disputes, claims, causes of action and/or alleged breaches or failures to perform between HMFC, its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees and attorneys (in their representative capacity) (collectively, the “**HMFC Affiliates**”) and Franchisee and the Franchisee Affiliates (as defined in **Section 20.1** above) arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any Licensed Methods, will be submitted for arbitration on demand of either party to the Denver, Colorado, U.S.A. office of either the Judicial Arbitrator Group (“**JAG**”) or the American Arbitration Association (“**AAA**”), as selected by the party submitting the demand. Notwithstanding the language above, if the action is based on a separate agreement between Franchisee or the Franchisee Affiliates and HMFC or the HMFC Affiliates (such as a promissory note or lease), the dispute resolution procedure in that agreement will control, rather than this Section. The arbitration shall be conducted at a place mutually agreed upon by the parties, but only if there is a valid and legal restriction of the North Dakota Securities Commissioner to prohibit the parties from agreeing to a site of arbitration in Denver, Colorado. Unless this restriction is found to be valid and legal, the parties agree that arbitration shall take place in Denver, Colorado. Arbitration proceedings will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. All jurisdictional issues will be decided by the arbitrator. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Franchisee shall have the right, at Franchisee’s option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered a cost or expense related to an action pursuant to **Section 23.9** of this Agreement. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, “reasonable discovery” means a party may submit no more than ten interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

4. The following sentence is added at the end of **Section 22.5**:

Provisions in agreements between HMFC and Franchisee that require Franchisee to consent to the jurisdiction of courts outside North Dakota or to a choice of applicable law of a state other than North Dakota may not be enforceable under the North Dakota Franchise Investment Law.

RHODE ISLAND RIDER TO THE FRANCHISE AGREEMENT

1. The 14 calendar-day waiting period in **Section 23.8** is replaced with a 10 business-day waiting period, and the following statement is added:

Franchisee further acknowledges that it had a copy of this Agreement in its possession, if applicable, upon the first personal business meeting held for the purpose of discussing the sale or possible sale of a franchise.

VIRGINIA RIDER TO THE FRANCHISE AGREEMENT

1. The following is added to the end of **Section 23.18**:

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 ground for default or termination stated in this Agreement does not constitute “reasonable cause,” as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON RIDER TO THE FRANCHISE AGREEMENT

1. Arbitration shall take place at a site to be determined, at the time of arbitration, by the arbitrator appointed by the Denver, Colorado office of the JAG or AAA, as applicable, but only if there is a valid and legal restriction under the Washington Franchise Investment Protection Act (the “**Act**”) to prohibit Franchisee and HMFC from agreeing to a site of arbitration in Denver, Colorado. However, Franchisee and HMFC do not agree that this is a valid and legal restriction under the Act, and, unless this restriction is found to be valid and legal, the parties agree that arbitration shall take place in Denver, Colorado in accordance with this Agreement. Franchisee and HMFC believe that each of the provisions of this Agreement, including all venue provisions, are fully enforceable. Franchisee and HMFC intend to fully enforce all of the provisions of this Agreement and all other documents signed by Franchisee and HMFC, including but not limited to, all venue, choice-of-law, arbitration provisions, and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

2. In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW shall prevail.

3. A release or waiver of rights executed by a franchisee shall not include rights under the 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.

4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

5. The first sentence of **Section 5.1** is deleted and replaced with the following:

Franchisee will pay HMFC an initial franchise fee in the amount set forth in the Addendum (the “**Initial Franchise Fee**”), which shall be due and payable to HMFC on

the day that is the later of the day Franchisee opens for business its HANDYMAN MATTERS Business, or the day HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

6. The first sentence of **Section 5.2** is deleted and replaced with the following:

Franchisee will pay HMFC a territory fee in the amount set forth in the Addendum (the “**Territory Fee**”), which shall be due and payable to HMFC on the day that is the later of the day Franchisee opens for business its HANDYMAN MATTERS Business, or the day HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** below, and otherwise in accordance with the terms set forth in the Addendum.

7. The 14 day waiting period in **Section 23.8** is replaced with a 10 business-day waiting period.

CANADA RIDERS TO THE FRANCHISE AGREEMENT

ALBERTA RIDER TO THE FRANCHISE AGREEMENT

1. **Section 12.2** is deleted and replaced with the following:

HMFC reserves the right, upon notice to Franchisee, to require Franchisee to remit up to 2 percent of Franchisee's Gross Revenue or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to a Handyman Matters National Advertising Fund that may be established by HMFC in Franchisee's country (the "**National Fund**"). HMFC, after it begins collecting the Advertising Fee, may increase the Advertising Fee in HMFC's sole discretion upon not less than 30 days written notice to Franchisee, but in no event shall the Advertising Fee exceed 2 percent of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues. The Advertising Fee, once due, shall be paid together with Franchisee's payment of the Royalty Fee.

2. The matters set forth related to the Advertising Fee in **Sections 12.4** and **13.5** and the matters set forth related to the National Fund in **Sections 13.3.b** and **13.5** shall only apply if and when the Advertising Fee is collected and the National Fund is established.

ONTARIO RIDER TO THE FRANCHISE AGREEMENT

1. **Section 12.2** is deleted and replaced with the following:

HMFC reserves the right, upon notice to Franchisee, to require Franchisee to remit up to 2 percent of Franchisee's Gross Revenue or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to a Handyman Matters National Advertising Fund that may be established by HMFC in Franchisee's country (the "**National Fund**"). HMFC, after it begins collecting the Advertising Fee, may increase the Advertising Fee in HMFC's sole discretion upon not less than 30 days written notice to Franchisee, but in no event shall the Advertising Fee exceed 2 percent of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues. The Advertising Fee, once due, shall be paid together with Franchisee's payment of the Royalty Fee.

2. The matters set forth related to the Advertising Fee in **Sections 12.4** and **13.5** and the matters set forth related to the National Fund in **Sections 13.3.b** and **13.5** shall only apply if and when the Advertising Fee is collected and the National Fund is established.

PRINCE EDWARD ISLAND RIDER TO THE FRANCHISE AGREEMENT

1. **Section 12.2** is deleted and replaced with the following:

HMFC reserves the right, upon notice to Franchisee, to require Franchisee to remit up to 2 percent of Franchisee's Gross Revenue or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to a Handyman Matters National Advertising Fund that may be established by HMFC in Franchisee's country (the "**National Fund**"). HMFC, after it begins collecting the Advertising Fee, may increase the Advertising Fee in HMFC's sole discretion upon not less than 30 days written notice to Franchisee, but in no event shall the Advertising Fee exceed 2 percent of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues. The Advertising Fee, once due, shall be paid together with Franchisee's payment of the Royalty Fee.

2. The matters set forth related to the Advertising Fee in **Sections 12.4** and **13.5** and the matters set forth related to the National Fund in **Sections 13.3.b** and **13.5** shall only apply if and when the Advertising Fee is collected and the National Fund is established.

QUEBEC RIDER TO THE FRANCHISE AGREEMENT

1. **Section 12.2** is deleted and replaced with the following:

HMFC reserves the right, upon notice to Franchisee, to require Franchisee to remit up to 2 percent of Franchisee's Gross Revenue or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to a Handyman Matters National Advertising Fund that may be established by HMFC in Franchisee's country (the "**National Fund**"). HMFC, after it begins collecting the Advertising Fee, may increase the Advertising Fee in HMFC's sole discretion upon not less than 30 days written notice to Franchisee, but in no event shall the Advertising Fee exceed 2 percent of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues. The Advertising Fee, once due, shall be paid together with Franchisee's payment of the Royalty Fee.

2. The matters set forth related to the Advertising Fee in **Sections 12.4** and **13.5** and the matters set forth related to the National Fund in **Sections 13.3.b** and **13.5** shall only apply if and when the Advertising Fee is collected and the National Fund is established.

3. **Section 23.21** is supplemented with the following language:

The parties hereto confirm that it is their wish that this Agreement as well as all other documents relating hereto, including notices, have been and shall be prepared in the English language only.

Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous avis, s'y rattachant, soient rédigés en langue anglaise seulement.

To the extent that the language above is inconsistent with **Section 23.21**, that Section is modified accordingly.

4. **Section 23.8** is deleted and replaced with the following:

Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time sufficient to provide Franchisee the opportunity to submit this Agreement for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

ALL OTHER CANADIAN PROVINCES RIDER TO THE FRANCHISE AGREEMENT

1. **Section 12.2** is deleted and replaced with the following:

HMFC reserves the right, upon notice to Franchisee, to require Franchisee to remit up to 2 percent of Franchisee's Gross Revenue or the applicable Minimum Monthly Gross Revenues (the "**Advertising Fee**") to a Handyman Matters National Advertising Fund that

may be established by HMFC in Franchisee's country (the "**National Fund**"). HMFC, after it begins collecting the Advertising Fee, may increase the Advertising Fee in HMFC's sole discretion upon not less than 30 days written notice to Franchisee, but in no event shall the Advertising Fee exceed 2 percent of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues. The Advertising Fee, once due, shall be paid together with Franchisee's payment of the Royalty Fee.

2. The matters set forth related to the Advertising Fee in **Sections 12.4** and **13.5** and the matters set forth related to the National Fund in **Sections 13.3.b** and **13.5** shall only apply if and when the Advertising Fee is collected and the National Fund is established.

3. **Section 23.8** is deleted and replaced with the following:

Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time sufficient to provide Franchisee the opportunity to submit this Agreement for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

ATTACHMENT B

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (the “**Agreement**”) is made effective on the date set forth on the signature page hereof, by and between HANDYMAN MATTERS FRANCHISE CORPORATION, a Colorado corporation (“**HMFC**”), the undersigned franchisee (the “**Company**”), and the undersigned associate of the Company (“**Associate**”).

RECITALS

A. HMFC is engaged in the business of operating and selling franchises for the operation of handyman and remodeling businesses (“**HANDYMAN MATTERS Businesses**”), associated with the mark “**HANDYMAN MATTERS®**,” and related marks and utilizing HMFC’s unique system for operating the businesses and related licensed methods of doing business (“**Licensed Methods**”);

B. HMFC and its affiliates have developed proprietary methods for establishing, operating and promoting the HANDYMAN MATTERS Businesses utilizing certain confidential information relating to Company and its operations as more fully described herein, and have established substantial goodwill and an excellent reputation with respect to the quality of the services available through HANDYMAN MATTERS Businesses, which goodwill and reputation have been and will continue to be of major benefit to HMFC;

C. Company is a franchisee under an effective agreement with HMFC (the “**Franchise Agreement**”);

D. Associate is or will become involved with Company in the capacity of an officer, partner, director, manager, agent, employee, or independent contractor (such capacities collectively referred to as “**Affiliation**”) or is related to a person who has an Affiliation with the Company, and will become privileged as to certain confidential information related to HMFC, its operations, the HANDYMAN MATTERS Businesses and/or the Licensed Methods; and

E. Associate, Company and HMFC have reached an understanding and agreement with regard to nondisclosure by Associate of confidential information and with respect to noncompetition by Associate with HMFC and Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate, Company and HMFC, intending legally to be bound, agree as follows:

AGREEMENT

1. **Confidential Information.** Associate recognizes and agrees that certain proprietary information relating to HMFC and its operations (“**Confidential Information**”) is owned by and treated as confidential by HMFC and Company, including without limitation, (1) all proprietary information concerning HMFC’s business and the HANDYMAN MATTERS Businesses; (2) all HMFC’s financial information other than financial information filed with any government regulatory agency; (3) franchise sales methods; (4) sales methods used to sell services by HANDYMAN MATTERS Businesses; (5) all nonpublic statistical information; (6) the strategic plan, budgets and projections for HMFC; (7) all information concerning negotiations of any kind conducted by HMFC whether pending or completed; (8) all marketing research data and marketing plans, including information relating to marketing of services through HANDYMAN MATTERS Businesses; (9) all information contained in HMFC’s operations

manuals, and any other manual or other nonpublic written information; (10) internal lists of HMFC's franchisees and clients of HMFC and its franchisees; and (11) all other information that may be considered a trade secret or proprietary and such Confidential Information that may be further developed from time to time by HMFC.

2. Use and Disclosure of Confidential Information. Associate acknowledges that, in connection with Associate's Affiliation with Company, HMFC or Company will disclose in strict confidence certain Confidential Information necessary for the operation of a HANDYMAN MATTERS Business or for sale of services through such HANDYMAN MATTERS Businesses. Associate specifically acknowledges that the Confidential Information is valuable, unique and comprises a substantial portion of the assets of HMFC; and Associate agrees that he or she will not utilize all or any portion of the same for Associate's personal benefit during the term of Associate's Affiliation with Company, nor in any manner use the same subsequent to the termination of Associate's Affiliation with Company or the termination or expiration of the Franchise Agreement, nor disclose any of the same to any person, firm, corporation or other entity whatsoever, including but not limited to a Competitive Business, as defined below, at any time for any reason or purpose, without the prior written consent of HMFC. Associate shall not copy, publish or otherwise duplicate the Confidential Information or permit others to do so and shall return all Confidential Information to HMFC or Company upon termination of Associate's Affiliation with Company. Associate may disclose to other employees, agents, or representatives of HMFC or Company the Confidential Information only to the extent necessary for such employees, agents or representatives to carry out their intended function.

3. Prohibitions as to Employing Personnel. During the term of Associate's Affiliation with the Company, and for a period of 24 months after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with the Company, or (ii) the effective date of termination or expiration of the Company's Franchise Agreement, Associate shall not directly or indirectly solicit or attempt to solicit for the purposes of employment or consultation outside Company any present or former employee, agent or representative of HMFC, Company or any other franchisee of HMFC, without the prior written consent of HMFC and Company.

4. Noncompetition Covenant. Associate covenants and agrees that, during the term of his or her Affiliation, except while conducting Company's business in a manner authorized by HMFC and Company, Associate shall not, either directly or indirectly through any member of Associate's immediate family, separate business entity or otherwise:

(a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business," as defined below; or

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

The term "**Competitive Business**" as used in this Agreement means any business operating, or granting franchises or licenses to others to operate, a business that is similar to a HANDYMAN MATTERS Business, including a business that provides handyman, repair and remodeling services for homes and businesses. However, Associate will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 2% or less of that class of securities issued and outstanding.

5. Post-Termination Covenant Not to Compete. During the term of Associate's Affiliation with the Company, and for a period of 24 months after the earlier of (i) the effective date of

termination or expiration of Associate's Affiliation with the Company, or (ii) the effective date of termination or expiration of the Company's Franchise Agreement, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest, as a disclosed or a beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity, in any Competitive Business within a 100 mile radius of Company's Territory (as defined in Company's Franchise Agreement with HMFC) or any territory of any HANDYMAN MATTERS Businesses owned by HMFC, any affiliate of HMFC or any other franchisee of HMFC. Associate expressly acknowledges that he or she possesses business and career skills and abilities of a general nature and has other opportunities for exploiting such skills and abilities. Consequently, enforcement of this covenant will not deprive Associate of his or her personal goodwill or ability to earn a living.

6. No Diversion of Business. During the term of Associate's Affiliation with the Company, and for a period of 24 months after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with the Company, or (ii) the effective date of termination or expiration of the Company's Franchise Agreement, Associate agrees not to divert or attempt to divert any business related to the Company, HMFC or any other franchisee of HMFC, or any client or account of the Company, HMFC or any other franchisee of HMFC, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of HMFC, the Company or any other franchisee or distributor of HMFC, to any Competitive Business by any direct inducement or otherwise.

7. Audit of Business Records. HMFC or its authorized agent may request, receive, inspect, and audit any business records, financial or otherwise, of Associate, Associate's immediate family members, or any party affiliated with Associate or its immediate family members, including any companies or entities associated with Associate or its immediate family members, that HMFC in its sole discretion determines may be relevant in determining Associate's compliance with the terms of this Agreement or Franchisee's business results in its HANDYMAN MATTERS Business. Any such inspection or audit shall be conducted in accordance with the audit provisions set forth in the Franchise Agreement, which are deemed incorporated herein. Inspections and audits conducted at Associate's business location or other location where the records are held may take place without prior notice, during normal business hours. HMFC may audit and inspect documents covering a period beginning with the date on which Associate's Affiliation commenced and ending on the date such audit is concluded. All documents provided for HMFC's inspection or audit must be certified by Associate and the appropriate affiliated party, if applicable, as true, complete and correct. Inspections and audits may be conducted following the expiration or termination of Associate's Affiliation for any reason.

8. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, HMFC or Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which HMFC or Company may be entitled.

9. Assignment. Company or HMFC may assign all or part of this Agreement and the rights which inure to either of them hereunder without the consent of Associate, provided that any assignment by the Company shall require the written consent of HMFC. This Agreement shall not be assignable by Associate.

10. Effect of Waiver. The waiver by Associate, Company or HMFC of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate, Company and HMFC and their respective heirs, executors, representatives, successors and assigns.

12. **Entire Agreement.** This instrument contains the entire agreement of Associate, Company and HMFC relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. Further, both Associate and Company agree that no change to this Agreement shall be made without the written consent of HMFC having first been obtained.

13. **Governing Law.** If HMFC is a party to any action, this Agreement shall be governed by and construed under the laws of the State of Colorado, U.S.A. Otherwise, this Agreement shall be governed by and construed under the laws of the state or province where Company is located.

14. **Arbitration.** Subject to Section 7 above, any and all controversies, disputes or claims between HMFC, its subsidiaries and affiliated companies or their shareholders, officers, directors, agents, employees and attorneys (in their representative capacity); Company, its shareholders, officers, directors, agents and employees; and/or Associate arising out of or related to: (1) this Agreement; (2) the relationship of the parties; or (3) the validity of this Agreement shall be submitted for arbitration on the demand of any involved party. If HMFC is a party to any controversy, dispute or claim, such arbitration proceedings shall be conducted in Denver, Colorado, U.S.A., will be submitted to the Denver, Colorado, U.S.A. office of either the Judicial Arbitrator Group or the American Arbitration Association (“AAA”), as selected by the party submitting the arbitration demand, and will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Associate shall have the right, at Associate’s option and sole expense, to have a translator present at the proceeding or other hearings. Any party to such arbitration may apply to the arbitrator for reasonable discovery from the other. For purposes of the foregoing sentence, the term “reasonable discovery” shall mean a party may submit no more than ten interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. With respect to any arbitration proceedings to which HMFC is a party, the foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise. If HMFC is not a party to such controversy, dispute or claim, such arbitration proceedings shall be conducted within the Territory (as defined in the Franchise Agreement between Company and HMFC) of the Company and will be heard by one arbitrator in accordance with the then current commercial arbitration rules of AAA if the Territory is located in the U.S.A., or of any other arbitration group acceptable to Company and Associate, if the Territory is located outside the U.S.A. All jurisdictional issues will be decided by the arbitrator.

15. **Severability.** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise having jurisdiction in an unappealed final decision to which Associate is a party, the parties authorize and request such court or governmental authority to modify the provision held to be void, voidable, invalid, unenforceable or inoperative to contain such lesser covenants that impose the maximum duty permitted by law so that the provision is upheld as valid, and the parties agree to be bound by such modified provision. Further such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

16. Attorneys' Fees. If HMFC or Company must enforce any of the provisions or rights under this Agreement in any action at law or in equity and if the Company and/or HMFC is successful in such litigation as determined by the court in a final judgment or decree taking into consideration the merits of the claims asserted by each party, then the Associate shall pay HMFC or Company, as applicable, all costs, expenses and reasonable attorneys' fees incurred by HMFC and/or Company (including without limitation such costs, expenses and fees on any appeals), and if HMFC and/or Company shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

17. Definitions. All capitalized terms not defined in this Agreement have the respective meanings set forth in the effective Franchise Agreement between Company and HMFC.

18. Cross Default. A default by Associate under this Agreement will be deemed a default of all agreements between Franchisee and HMFC, unless waived by HMFC in writing.

The parties have signed this Agreement on the date set forth below.

“HMFC”

HANDYMAN MATTERS FRANCHISE
CORPORATION, a Colorado corporation

By: _____
Its: _____
Date: _____

Address: 12567 West Cedar Drive
Lakewood, Colorado 80228, U.S.A.

“COMPANY”

a _____

By: _____
Its: _____
Date: _____

Address: _____

“ASSOCIATE”

Name: _____
Date: _____

Address: _____

**INDIANA RIDER TO THE
HANDYMAN MATTERS FRANCHISE CORPORATION
NONDISCLOSURE AND NONCOMPETITION AGREEMENT
BETWEEN HANDYMAN MATTERS FRANCHISE CORPORATION
AND _____
DATED _____**

1. **Section 5** is reduced in scope to apply only to the Territory of Company.
2. The first sentence of **Section 13** is deleted and replaced with the following language:
 12. **Governing Law.** Except to the extent governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law, this Agreement shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Colorado.

HANDYMAN MATTERS FRANCHISE
CORPORATION

ASSOCIATE (Print Name)

By: _____

By: _____

Title: _____

Title: _____

ATTACHMENT C
STATEMENT OF PROSPECTIVE FRANCHISEE

**HANDYMAN MATTERS FRANCHISE CORPORATION
STATEMENT OF PROSPECTIVE FRANCHISEE**

(Note: Dates and Answers Must be completed in the Prospective Franchisee's Own Handwriting.)

Since the prospective franchisee (also called "me," "our", "us", "we", and/or "I" in this document) and Handyman Matters Franchise Corporation (also called "HMFC", "you", or "your") both have an interest in making sure that no misunderstanding exist between each of us, and to verify that no violations of law might have occurred, and understanding that HMFC is relying on the statements I/we make in this document, I/we advise HMFC as follows:

A. The following dates and information are true and correct:

1. The date of our first face-to-face meeting with any person to discuss the possible purchase of a HANDYMAN MATTERS Business.

2. The date on which I/we received a Franchise Disclosure Document providing me/us with information regarding the purchase of a HANDYMAN MATTERS Business.

3. The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.

4. The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Receipt evidencing our receipt of the Franchise Disclosure Document).

5. The earliest date on which I/we delivered cash, a check or other consideration to HMFC, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, or representations of any type, including, but not limited to, any which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement, have been made to me/us with respect to any matter nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by me/us and the President or CEO of HMFC, except as follows: _____

(If none, write NONE in your own handwriting.)

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by any person or entity, nor have I/we relied in any way on any such, except for the information expressly set forth in the Franchise Disclosure Document, if any, except as follows: __

(If none, write NONE in your own handwriting).

3. No contingency, prerequisite, reservation or other condition exists with respect to any matter (including, but not limited to, my/our obtaining any financing, my/our selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or my/our fully performing any of my/our obligations, nor am I/we relying on HMFC or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by me/us and the President or CEO of HMFC, except as follows: _____

(If none, write NONE in your own handwriting).

4. I/we understand that the information contained in ITEM 19 of the Franchise Disclosure Document is not intended to express or infer an estimate, projection or forecast of revenues, sales, expenses, income or earnings to be derived in connection with any particular franchise. I/we understand that HMFC makes no representation to whether I/we will ever be able to sell any products or services, or the length of time it will take me/us to realize any gross revenues, net income or any other financial results. I/we understand that my/our actual financial results are likely to differ from the figures presented. I/we understand that HMFC does not represent that I/we can expect to attain the revenues or limit my/our expenses to those contained in ITEM 19 of the Franchise Disclosure Document, or that I/we can do as well as the outlets included therein. If I/we rely on those figures, I/we accept the risk of not doing as well. I/we acknowledge that my/our ability to achieve any level of income will depend upon factors not within HMFC's control, including the occurrence of certain start-up and operating expenses and the amount of those expenses, and my/our level of expertise.

5. If the prospective franchisee is a business entity, the individuals signing for the "Prospective Franchisee" constitute all of the executive officers, members, managers, partners, shareholders, investors and/or principals (as applicable) of the Prospective Franchisee and each of such individuals has received the Franchise Disclosure Document and all attachments and carefully read, discussed, understands and agrees to the Franchise Agreement and each written attachment, addendum, or exhibit.

6. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and

HMFC has strongly recommended that I/we obtain such independent professional advice. I/we have also been advised by HMFC to discuss my/our proposed purchase of, or investment in, a HANDYMAN MATTERS Business with one or more existing Handyman Matters franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Handyman Matters franchisees.

7. I/we understand that entry into any business venture necessarily involves certain risk of loss or failure, that the purchase of a HANDYMAN MATTERS Business (or any other franchise) is a speculative investment, that investment beyond the amounts outlined in the Franchise Disclosure Document may be required to succeed, that there exists no guaranty against possible loss or failure in this or any other business and that the most important factors in the success of any HANDYMAN MATTERS Business, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will make a written statement regarding such next to my signature below so that HMFC may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

PROSPECTIVE FRANCHISEE:

By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Print Name: _____

All of the above is true, correct and complete to the best of my knowledge.

Franchise Marketing Representative: _____

Reviewed by: _____ (HMFC)

President/CEO: _____ Franchise Agreement Number: _____

ATTACHMENT D
VETERAN LOAN PROGRAM RIDER
TO FRANCHISE AGREEMENT

VETERAN LOAN PROGRAM RIDER TO FRANCHISE AGREEMENT

This Veteran Loan Program Rider to the Franchise Agreement (the “**Rider**”), dated as of the date set forth below, modifies and amends that certain Handyman Matters Franchise Agreement (the “**Franchise Agreement**”), by and between Handyman Matters Franchise Corporation, hereinafter “**HMFC**,” and the undersigned franchisee, hereinafter “**Franchisee**.”

RECITALS

A. HMFC and Franchisee entered into the above-referenced Franchise Agreement whereby Franchisee was granted a franchise to own and operate a HANDYMAN MATTERS Business. In partial consideration for the grant of the franchise, Franchisee is required to pay HMFC an Initial Franchise Fee and Territory Fee in the total amount of \$_____ (the “**Financed Fees**”).

B. HMFC has developed a financing program (the “**Veteran Loan Program**”) under which HMFC will agree to finance the Financed Fees for military veterans who have been honorably discharged or retired from a branch of the United States Armed Forces, and who have not been introduced to HMFC through a franchise broker or other intermediary (“**Qualified Veterans**”).

C. Franchisee or its Principal Representative is a Qualified Veteran, and desires to participate in the Veteran Loan Program. HMFC will agree to provide financing to Franchisee under the Veteran Loan Program on the terms set forth in this Rider.

NOW, THEREFORE, in consideration of the mutual promises, agreements and covenants set forth below, and with the intent of being legally bound, the parties agree as follows:

AGREEMENT

1. **Representations.** Franchisee represents and warrants that either Franchisee or its Principal Representative meets all requirements to be a Qualified Veteran for purposes of the Veteran Loan Program, in that (i) Franchisee or its Principal Representative served in a branch of the United States Armed Forces and either was honorably discharged or retired from such service, and (ii) Franchisee was not introduced to HMFC by any franchise broker or other intermediary, and no such third party is entitled to receive any compensation from HMFC related to Franchisee’s acquisition of the franchise. Franchisee will provide HMFC with any documentation or information that HMFC requests to verify these facts.

2. **Payment Terms.**

2.1. Franchisee shall pay HMFC a down payment of \$1,150 immediately upon execution of this Rider that shall be applied against the Financed Fees due.

2.2. Franchisee, and any parties related to Franchisee as required by HMFC, shall execute and deliver to HMFC a promissory note for the remaining portion of the Financed Fees due in the form attached as Exhibit D-1, incorporated herein by reference (the “**Note**”). The payment obligations under the Note shall be secured by personal guaranties of persons acceptable to us or certain property of Franchisee pursuant to a Security Agreement executed by Franchisee in the form attached hereto as Exhibit D-2, incorporated herein by reference (the “**Security Agreement**”), or both.

3. **Conflicts.** To the extent of any conflicts between the Franchise Agreement and this Rider, the terms of this Rider shall control.

Fully executed this ____ day of _____, 201__.

HMFC:
HANDYMAN MATTERS FRANCHISE CORPORATION, a Colorado corporation

By: _____
Date: _____

FRANCHISEE:
IF AN INDIVIDUAL:

Franchisee, Individually

Print Name: _____

IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:

By: _____

Print Name: _____
Date: _____

**MARYLAND APPENDIX TO THE
HANDYMAN MATTERS FRANCHISE CORPORATION
VETERAN LOAN PROGRAM RIDER TO FRANCHISE AGREEMENT
BETWEEN HANDYMAN MATTERS FRANCHISE CORPORATION
AND _____
DATED _____**

1. Franchisee shall pay the down payment and execute the Note and Security Agreement on the day that HMFC has completed its initial obligations to Franchisee as set forth in **Section 8.1** of the Franchise Agreement. **Sections 2.1 and 2.2** of the Rider are modified accordingly.

**HMFC:
HANDYMAN MATTERS FRANCHISE
CORPORATION**, a Colorado corporation

By: _____
Date: _____

**FRANCHISEE:
IF AN INDIVIDUAL:**

Franchisee, Individually

Print Name: _____

**IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:**

By: _____

Print Name: _____

Date: _____

EXHIBIT D-1
PROMISSORY NOTE

PROMISSORY NOTE

\$ _____, 201 _____

_____ (“**Maker**”) promises to pay to the order of Handyman Matters Franchise Corporation, a Colorado corporation, located at 12567 West Cedar Drive, Lakewood, Colorado 80228 (“**Holder**”), the sum of _____ Dollars (\$ _____) with interest at zero percent (0%) per annum on the following terms and conditions:

1. Payments. This Note is payable in thirty six (36) consecutive monthly installments in the amount of _____ dollars (\$ _____) each, payable on the first (1st) day of each month commencing on _____.

2. Manner of Payment. This Note is payable via electronic funds transfer, or in such other manner as may be designated by Holder. Maker will authorize Holder to initiate debit entries and credit correction entries to a designated checking or savings account for payments of any amounts payable to Holder under this Note. Maker will comply with any procedures specified by Holder and perform such acts and deliver and execute such documents, including authorization for direct debits from Maker’s designated banking accounts, as may be necessary to assist in or accomplish payment by such method.

3. Prepayment. Maker may prepay all or any part of this Note at any time and from time to time without penalty.

4. Acceleration. It is agreed that the failure to make any payment when due shall cause the entire unpaid balance of this Note to become due at once, at the option of Holder of the Note.

5. Waiver. The Maker waives presentment for payment, protest and notice of protest and agrees that any extension of time of payment due under this Note shall not affect Maker’s liability hereunder. No waiver by the Holder of this Note of any payment or right under this Note shall operate as a waiver of any other payment or right under this Note. If there are multiple parties who are the Maker under this Note, then this Note is the joint and several obligation of each of them, and is binding on each of them, their executors, administrators, successors and assigns. Each Maker further waives all duty or obligation of Holder to effect, protect, perfect, retain or enforce any security for payment of this Note. Each Maker further agrees that at any time without notice the terms of payment herein may be modified by agreement between Holder and any of the Makers. Holder may release any of the Makers without in any way affecting the liability of any of the other Makers with respect to any indebtedness evidenced hereby.

6. Default. If default occurs in the payment when due of any installment payment, or part thereof, due upon this Note, then if not cured within ten (10) days after delivery of written notice of such default, the entire remaining principal balance together with all accrued and unpaid interest shall become immediately due and payable, without further notice, at the option of Holder. If any payment of principal is not made on the due date hereof, then all accrued and unpaid interest shall be added to the remaining principal balance of this Note, which collectively shall bear interest at a default rate of the lesser of 18% per annum or the highest rate permitted by applicable law. This same default rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal accounts or proceedings related to this Note. In the event of default, the Holder shall be entitled to declare all amounts due under this Note immediately due and payable and shall be entitled to exercise any and all rights in the

security as permitted by law. In addition, at any time an electronic funds transfer transaction is not honored, Maker shall pay Holder a returned electronic funds transfer fee of \$35.

7. **Collection Costs.** Maker agrees to pay all costs and expenses, including reasonable attorneys' fees paid or incurred by the Holder in enforcing this Note in the event of default by Maker.

8. **Setoffs.** This Note shall not be subject to any right of setoff claimed by the Maker or any person assuming the obligations of Maker herein, which right of setoff is hereby expressly waived. Holder shall have the right to apply any amounts that Holder owes Maker toward the amount owed under this Note.

9. **Security.** This Note and the indebtedness evidenced hereby are secured by a Security Agreement of even date herewith.

10. **Jurisdiction.** All accounts and proceedings in any way arising out of, related to, or connected with this Note brought by Holder against Maker, shall be litigated in courts located in the City and County of Denver, Colorado, and Maker submits to the personal jurisdiction of such courts. **MAKER WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY SUCH ACTION.**

11. **Governing Law.** This Note shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Colorado.

12. **Modification.** This Note may not be changed orally, but only by an agreement in writing signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

MAKER:

**INDIANA RIDER TO
PROMISSORY NOTE**

All Promissory Notes made by franchisees operating franchises in the State of Indiana will be revised to replace **Section 11** with the following **Section 11**:

Governing Law. Except to the extent governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law, this Note shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Colorado.

EXHIBIT D-2

SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (“**Security Agreement**”) is made the ___ day of _____, 201___, between _____, a _____ (“**Debtor**”) and Handyman Matters Franchise Corporation, a Colorado corporation (“**Secured Party**”).

Debtor and Secured Party have entered into that certain Franchise Agreement (the “**Franchise Agreement**”) under which Debtor has been granted the right to operate a business providing small to medium home and commercial repairs, maintenance and design & build remodeling (the “**HANDYMAN MATTERS Business**”) within a certain geographic area. Secured Party has agreed to provide financing for certain of the initial fees payable under the Franchise Agreement. Debtor has executed a promissory note containing the terms for the payment of the financed fees (the “**Note**”). To participate in the financing program, Debtor has also entered into a Veteran Loan Program Rider to Franchise Agreement (the “**Loan Rider**”).

In relation to this financing, Debtor is required to grant Secured Party a security interest in the HANDYMAN MATTERS Business, as collateral for the performance of Debtor’s obligations to Secured Party.

Secured Party and Debtor agree as follows:

1. **Definitions.**

1.1 “Collateral.” The Collateral shall include the following described property related to, used, or to be used or acquired for the HANDYMAN MATTERS Business: All equipment, fixtures, inventory, machinery, personal property, accounts receivable (including rights to payment under insurance claims), contract rights (including but not limited to the Franchise Agreement itself and all executory contracts pertaining to or arising from the operation of HANDYMAN MATTERS Business), Debtor’s lease rights, customer lists, customer profiles, promotional brochures, mailing lists, goodwill, general intangibles and choses in action, of every sort now owned or hereafter acquired by Debtor, wherever located, in any way related to the operation of HANDYMAN MATTERS Business, together with all cash and non-cash proceeds and products of any or all of the foregoing, including without limitation, all parts, fittings, accessories, accessions, additions, substitutions, replacements and proceeds (including insurance proceeds thereof).

1.2 “Obligations.” This Security Agreement secures (i) all obligations, liability and indebtedness of Debtor to Secured Party, including but not limited to all obligations, liability and indebtedness of Debtor under the Note, the Franchise Agreement, the Loan Rider, this Security Agreement, and under any other agreements which now exist or to which Debtor and Secured Party may subsequently be parties, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, extended or renewed, and regardless of where or how incurred, or whether at any time reduced and subsequently increased, or whether totally extinguished and subsequently re-incurred, and whether Debtor is bound alone or with others and whether as principal or surety; (ii) the repayment of any amounts that Secured Party may advance or spend for the maintenance or preservation of the Collateral and any other expenditures that Secured Party may make under the provisions of this Security Agreement or for the benefit of Debtor; (iii) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; and (iv) any of the foregoing that arises after the filing of a petition by or against Debtor under the Bankruptcy Code, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

1.3 UCC. Any term used in the Uniform Commercial Code (“UCC”) of the State of Colorado and not defined in this Security Agreement has the meaning given to the term in the UCC.

2. Grant of Security Interest. Debtor grants a security interest in the Collateral to Secured Party to secure the payment or performance of the Obligations.

3. Perfection of Security Interests.

3.1 Filing of financing statement.

(i) Debtor authorizes Secured Party to file a financing statement (the “**Financing Statement**”) describing the Collateral.

(ii) Debtor shall provide Secured Party upon Secured Party’s demand an official report from the Secretary of State or other appropriate agency of the Collateral State (the “**SOS Report**”) indicating that Secured Party’s security interest is prior to all other security interests or other interests reflected in the report, unless Secured Party has given its written consent that another interest may be prior to its security interest.

3.2 Possession.

(i) Debtor shall have possession of the Collateral, except where expressly otherwise provided in this Security Agreement or where Secured Party chooses to perfect its security interest by possession in addition to the filing of a financing statement.

(ii) Where Collateral is in the possession of a third party, Debtor will join with Secured Party in notifying the third party of Secured Party’s security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Secured Party.

3.3 Control. Debtor will cooperate with Secured Party in obtaining control with respect to Collateral consisting of (i) Deposit Accounts; (ii) Investment Property; (iii) Letter-of-credit rights; and (iv) Electronic chattel paper.

3.4 Marking of Chattel Paper. Debtor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Secured Party indicating that Secured Party has a security interest in the Chattel Paper.

4. Covenants and Rights Concerning the Collateral.

4.1 Inspection. The Secured Party may inspect any Collateral, at any time upon reasonable notice.

4.2 Personal Property. The Collateral shall remain personal property at all times except for Collateral sold in the ordinary course of business. Debtor shall not affix any of the Collateral to any real property in any manner which would change its nature from that of personal property to real property or to a fixture.

4.3 Secured Party’s Collection Rights. Secured Party shall have the right at any time to enforce Debtor’s rights against the account debtors and obligors.

4.4 Limitations on Obligations Concerning Maintenance of Collateral.

- (i) Risk of Loss. Debtor has the risk of loss of the Collateral.
- (ii) No Collection Obligation. Secured Party have no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

4.5 No Disposition of Collateral. Secured Party does not authorize, and Debtor agrees not to:

- (i) make any sales or leases of any of the Collateral.
- (ii) license any of the Collateral; or
- (iii) grant any other security interest in any of the Collateral.

5. Debtor's Representations and Warranties. Debtor warrants and represents that:

5.1 Title to and transfer of Collateral. It has rights in or the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interests and restrictions on transfer or pledge except as created by this Security Agreement.

5.2 Location of Collateral. All collateral consisting of goods is located solely in the state where the HANDYMAN MATTERS Business is located (the "**Collateral State**").

5.3 Location, State of Incorporation, and Name of Debtor. Debtor's:

- (i) chief executive office is located in the Collateral State;
- (ii) state of incorporation is the Collateral State; and
- (iii) exact legal name is as set forth in the first paragraph of this Security Agreement.

6. Debtor's Covenants. Until the Obligations are paid in full, Debtor agrees that it will:

6.1 preserve its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets;

6.2 not change the state of its incorporation; and

6.3 not change its corporate name without providing Secured Party with 30 days' prior written notice.

7. Events of Default. The occurrence of any of the following shall, at the option of Secured Party, be an Event of Default:

7.1 Any default by Debtor under the Note, the Franchise Agreement, the Loan Rider, this Security Agreement, or under any other agreements which now exist or to which Debtor and Secured Party may subsequently be parties, or any of the other Obligations;

7.2 Debtor's failure to comply with any of the provisions of, or the incorrectness of any representation or warranty contained in, the Note, the Franchise Agreement, the Loan Rider, this Security Agreement, or under any other agreements which now exist or to which Debtor and Secured Party may subsequently be parties, or in any of the other Obligations;

7.3 Transfer or disposition of any of the Collateral, except as expressly permitted by this Security Agreement;

7.4 Attachment, execution or levy on any of the Collateral;

7.5 Debtor voluntarily or involuntarily becoming subject to any proceeding under (a) the Bankruptcy Code or (b) any similar remedy under state statutory or common law;

7.6 Debtor shall fail to comply with, or become subject to any administrative or judicial proceeding under any federal, state or local (a) hazardous waste or environmental law, (b) asset forfeiture or similar law which can result in the forfeiture of property, or (c) other law, where noncompliance may have any significant effect on the Collateral; and

7.7 Secured Party receives an SOS Report indicating that Secured Party's security interest is not prior to all other security interests or other interests reflected in the report, unless Secured Party has provided its written consent that another interest may be prior to its security interest.

8. Default Costs.

8.1 Should an Event of Default occur, Debtor will pay to Secured Party all costs reasonably incurred by the Secured Party for the purpose of enforcing its rights hereunder, including:

(i) costs of foreclosure;

(ii) costs of obtaining money damages; and

(iii) a reasonable fee for the services of attorneys employed by Secured Party for any purpose related to this Security Agreement or the Obligations, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or arbitration.

9. Remedies Upon Default.

9.1 General. Upon any Event of Default, Secured Party may pursue any remedy available at law (including those available under the provisions of the UCC), or in equity to collect, enforce or satisfy any Obligations then owing, whether by acceleration or otherwise.

9.2 Conformer Remedies. Upon any Event of Default, Secured Party shall have the right to pursue any of the following remedies separately, successively or simultaneously:

(i) File suit and obtain judgment and, in conjunction with any action, Secured Party may seek any ancillary remedies provided by law, including levy of attachment and garnishment.

(ii) Take possession of any Collateral if not already in its possession without demand and without legal process. Upon Secured Party's demand, Debtor will assemble and make the Collateral available to Secured Party as they direct. Debtor grants to Secured Party the right, for this purpose, to enter into or on any premises where Collateral may be located.

(iii) Without taking possession, sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.

10. Foreclosure Procedures.

10.1 No Waiver. No delay or omission by Secured Party to exercise any right or remedy accruing upon any Event of Default shall: (a) impair any right or remedy, (b) waive any default or operate as an acquiescence to the Event of Default, or (c) affect any subsequent default of the same or of a different nature.

10.2 Notices. Secured Party shall give Debtor such notice of any private or public sale as may be required by the UCC.

10.3 Condition of Collateral. Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale.

10.4 No Obligation to Pursue Others. Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and Secured Party may release, modify or waive any collateral provided by any other person to secure any of the Obligations, all without affecting Secured Party's rights against Debtor. Debtor waives any right it may have to require Secured Party to pursue any third person for any of the Obligations.

10.5 Compliance With Other Laws. Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

10.6 Warranties. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

10.6 Sales on Credit. If Secured Party sells any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by Secured Party and applied to the indebtedness of the Purchaser. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of the sale.

10.7 Purchases by Secured Party. In the event Secured Party purchases any of the Collateral being sold, Secured Party may pay for the Collateral by crediting some or all of the Obligations of the Debtor.

10.8 No Marshaling. Secured Party have no obligation to marshal any assets in favor of Debtor, or against or in payment of (i) the Note, (ii) any of the other Obligations, or (iii) any other obligation owed to Secured Party by Debtor or any other person.

11. Miscellaneous.

11.1 Assignment.

(i) Binds Assignees. This Security Agreement shall bind and shall inure to the benefit of the heirs, legatees, executors, administrators, successors and assigns of Secured Party and shall bind all persons who become bound as a debtor to this Security Agreement.

(ii) No Assignments by Debtor. Secured Party does not consent to any assignment by Debtor except as expressly provided in this Security Agreement.

(iii) Secured Party Assignments. Secured Party may assign its rights and interests under this Security Agreement. If an assignment is made, Debtor shall render performance under this Security Agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses or set-offs which Debtor could assert against Secured Party except defenses which cannot be waived.

11.2 Severability. Should any provision of this Security Agreement be found to be void, invalid or unenforceable by a court or arbitrator of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Security Agreement.

11.3 Notices. Any notices required by this Security Agreement shall be deemed to be delivered when a record has been (a) deposited in any United States postal box if postage is prepaid, and the notice properly addressed to the intended recipient, (b) received by telecopy, (c) received through the Internet, and (d) personally delivered.

11.4 Headings. Section headings used this Security Agreement are for convenience only. They are not a part of this Security Agreement and shall not be used in construing it.

11.5 Governing Law. This Security Agreement is being executed and delivered and is intended to be performed in the State of Colorado and shall be construed and enforced in accordance with the laws of the State of Colorado, except to the extent that the UCC provides for the application of the law of the Collateral State.

11.6 Rules of Construction.

(i) No reference to “proceeds” in this Security Agreement authorizes any sale, transfer, or other disposition of the Collateral by the Debtor.

(ii) “Includes” and “including” are not limiting.

(iii) “Or” is not exclusive.

(iv) “All” includes “any” and “any” includes “all.”

11.7 Integration and Modifications.

(i) This Security Agreement is the entire agreement of the Debtor and Secured Party concerning its subject matter.

(ii) Any modification to this Security Agreement must be made in writing and signed by the party adversely affected.

11.8 Waiver. Any party to this Security Agreement may waive the enforcement of any provision to the extent the provision is for its benefit.

11.9 Further Assurances. Debtor agrees to execute any further documents, and to take any further actions requested by Secured Party to evidence or perfect the security interest granted herein, to

maintain the first priority of the security interests, or to effectuate the rights granted to Secured Party herein.

The parties have signed this Security Agreement as of the day and year first above written.

SECURED PARTY:

DEBTOR:

**HANDYMAN MATTERS FRANCHISE
CORPORATION**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTACHMENT E

**FORM OF SUCCESSOR FRANCHISE RIDER
TO FRANCHISE AGREEMENT**

**FORM OF SUCCESSOR FRANCHISE RIDER
TO FRANCHISE AGREEMENT**

HANDYMAN MATTERS FRANCHISE CORPORATION, a Colorado corporation (“**HMFC**”), and the undersigned franchisee (“**Franchisee**”) entered into that certain Handyman Matters Franchise Agreement (“**Agreement**”) contemporaneously herewith, and desire to supplement and amend certain terms and conditions of such Agreement by this Successor Franchise Rider to Franchise Agreement (“**Rider**”). The parties therefore agree as follows:

1. **Term.** **Section 3.1** of the Agreement is hereby deleted in its entirety with the following substituted in its place:

3.1. Term.

The term of this Agreement shall commence on _____, 201__ (the “**Commencement Date**”) and is for a period of ____ years from the Commencement Date, unless sooner terminated as provided herein.

2. **Successor Franchise.** **Sections 3.3** and **3.4** of the Agreement are hereby deleted in their entirety with the following substituted in the place of **Section 3.3**:

3.3. Successor Franchise.

At the end of the term of this Agreement, Franchisee will have no option to renew or obtain a successor franchise, and this Agreement shall expire.

3. **Initial Franchise Fee.** **Section 5.1** of the Agreement and **Paragraph 3** of the Addendum to Franchise Agreement (“**Addendum**”) are hereby deleted in their entirety, with the following substituted in the place of **Section 5.1**:

5.1. Successor Franchise Fee.

Franchisee will pay to HMFC a successor franchise fee of \$_____, which shall be due and payable as follows:_____

_____. Franchisee acknowledges and agrees that the successor franchise fee represents payment for the grant of successor franchise rights, that HMFC has earned the successor franchise fee upon receipt thereof, and that the successor franchise fee is not refundable to Franchisee once paid.

4. **Territory Fee.** **Section 5.2** of the Agreement and **Paragraph 4** of the Addendum are hereby deleted in their entirety.

5. **Initial Training.** **Sections 6.1, 6.2, 6.3,** and **10.1.a** of the Agreement are hereby deleted in their entirety. The first sentence of **Section 11.1.d** of the Agreement is also hereby deleted. Franchisee specifically acknowledges that it has already received training from HMFC and it is not entitled to the Initial Training Program or the On-Site Training, as defined in **Sections 6.1** and **6.3** of the Agreement, as a result of this exercise of successor franchise rights. If, under the terms of the Agreement or otherwise, Franchisee needs or desires to have persons attend HMFC’s Initial Training Program, then Franchisee must pay the then current tuition charged by HMFC for those persons, in addition to all wages, travel and living expenses incurred in connection with their

attendance at the Initial Training Program. Notwithstanding the foregoing, the definitions of “Principal Representative,” “Franchise Manager,” “Initial Training Program,” and “On-Site Training,” as provided in Sections 6.1 and 6.3 shall remain effective and have the meaning set forth therein.

6. **Commencement of Operations and Active Operations.** Sections 7.3 and 7.4 of the Agreement are hereby deleted in their entirety, with the following substituted in the place of Section 7.4:

7.4. **Active Operations.**

Unless otherwise agreed in writing by HMFC and Franchisee, Franchisee must actively promote and continue to operate its HANDYMAN MATTERS Business in accordance with the Operations Manual (as defined below) and this Agreement; unless HMFC gives its prior written consent to Franchisee to temporarily suspend its operations, which consent may be withheld by HMFC for any reason.

7. **HMFC’s Development Assistance.** Article 8 of the Agreement is hereby deleted in its entirety. Franchisee acknowledges that it has previously received the development assistance set forth in Article 8, and it is not entitled to additional development assistance as a result of this exercise of successor franchise rights.

8. **Operations Manual.** Franchisee acknowledges that it has already received a copy of HMFC’s Operations Manual and it will not be entitled to another copy thereof as a result of this exercise of successor franchise rights. Section 9.1 of the Agreement is hereby modified accordingly.

9. **Minimum Monthly Gross Revenues.** Section 12.4 of the Agreement and Paragraphs 5 and 6 of the Addendum are hereby deleted in their entirety, with the following substituted in the place of Section 12.4:

12.4. **Minimum Monthly Gross Revenues.**

Franchisee must achieve Gross Revenues of \$_____ on a monthly basis (the “Minimum Monthly Gross Revenues”). If Franchisee fails to meet the Minimum Monthly Gross Revenues in any calendar month, Franchisee will be required to pay HMFC its Royalty Fee, its Advertising Fee, and calculate its Minimum Individual Advertising Expenditure, as defined in Section 13.3.a, for that month based on the applicable Minimum Monthly Gross Revenues instead of Franchisee’s actual Gross Revenues. If Franchisee’s total Gross Revenues over any 12-month period during the term of this Agreement does not equal or exceed the total of the Minimum Monthly Gross Revenues over that same 12-month period, then HMFC may terminate this Agreement after providing notice to Franchisee in accordance with Section 18.2.e below. HMFC has the right, in its sole discretion and on a case-by-case basis, to waive the obligation of Franchisee or any other franchisee of HMFC to meet the Minimum Monthly Gross Revenues requirement or to pay any fees or make expenditures calculated based on the applicable Minimum Monthly Gross Revenues.

10. Payments to HMFC. Section 12.7.a of the Agreement and Paragraph 7 of the Addendum are hereby deleted in their entirety, with the following substituted in the place of Section 12.7.a:

a. Franchisee shall pay the Royalty Fees and the Advertising Fee to HMFC on the third business day following the end of each Reporting Period, or at such other frequency as HMFC may determine in its sole discretion upon written notice to Franchisee, for the immediately preceding Reporting Period. Such payments shall be accompanied by a statement of Franchisee's Gross Revenues for the applicable Reporting Period, on a form approved and provided to Franchisee by HMFC.

11. Start-up Advertising. Section 13.2 of the Agreement is hereby deleted in its entirety.

12. Minimum Individual Advertising. Section 13.3.a of the Agreement is hereby deleted in its entirety with the following substituted in its place:

a. Each month during the term of this Agreement, Franchisee shall spend on advertising and promotion a minimum of 10% of the greater of Franchisee's Gross Revenues or the applicable Minimum Monthly Gross Revenues from the preceding month. This advertising expense is called the "**Minimum Individual Advertising Expenditure.**" HMFC may direct that Franchisee pay all or a portion of its Minimum Individual Advertising Expenditure to a Local Advertising Group, as defined below.

13. Release. Franchisee for itself, its employees, officers, directors, shareholders, members, partners, agents, representatives, successors and assigns, hereby fully and forever unconditionally releases and discharges HMFC and its employees, officers, directors, shareholders, members, partners, agents, representatives, successors and assigns (collectively referred to as the "**HMFC Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, in law or in equity, whether known or unknown to it, which it may now have against HMFC or the HMFC Affiliates, or which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with HMFC or the HMFC Affiliates, however characterized or described, from the beginning of time until the date of this Agreement.

14. Effectiveness of Agreement. The terms and conditions of this Rider are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions thereof.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

Fully executed this ____ day of _____, 201__.

HMFC:
HANDYMAN MATTERS FRANCHISE
CORPORATION, a Colorado corporation

FRANCHISEE:
IF AN INDIVIDUAL:

By: _____
Date: _____

Franchisee, Individually

Print Name: _____

IF A PARTNERSHIP, CORPORATION
OR OTHER ENTITY:

By: _____

Print Name: _____

Date: _____

ATTACHMENT F
CURRENT FORM OF GENERAL RELEASE

THE FOLLOWING FORM OF GENERAL RELEASE AGREEMENT IS A SAMPLE OF OUR CURRENT FORM OF GENERAL RELEASE AGREEMENT. THIS AGREEMENT IS OFTEN MODIFIED TO CONFORM TO THE FACTS SURROUNDING THE EVENT OR INCORPORATED INTO A LARGER AGREEMENT WHICH MORE PRECISELY ADDRESSES THE EVENT. WE MAKE NO REPRESENTATION OR GUARANTY THAT THE GENERAL RELEASE AGREEMENT YOU MAY BE REQUIRED TO SIGN WILL BE IDENTICAL TO THE GENERAL RELEASE AGREEMENT SET FORTH BELOW.

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this “**Agreement**”) is made as of _____, 201____ by and between HANDYMAN MATTERS FRANCHISE CORPORATION, a Colorado corporation (“**HMFC**”) and _____, a(n) _____ (“**Franchisee**”).

RECITALS

- A. HMFC and Franchisee entered into that certain Franchise Agreement dated _____, 201____, (the “**Franchise Agreement**”).
- B. Franchisee desires to _____ its rights and obligations under Franchise Agreement.
- C. As a condition to the _____ of Franchisee’s rights and obligations under the Franchise Agreement, HMFC requires Franchisee to execute this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions set forth below, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Release. Franchisee, for itself, its principals, owners, directors, officers, employees, heirs, assigns, agents and representatives, fully and forever unconditionally releases and discharges HMFC, and its shareholders, directors, officers, employees, successors, assigns, agents and representatives (collectively referred to as “**HMFC Affiliates**”) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, in law or in equity, whether known or unknown to it, which it may now have against HMFC or the HMFC Affiliates or which it may discover hereafter, in connection with, as a result of, or in any way arising from, any relationship or transaction with HMFC or the HMFC Affiliates, however characterized or described, from the beginning of time until the date of this Agreement.

2. Notice. Any notice, request, demand, statement or consent made under this Agreement shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, and shall be deemed given when personally delivered or three days after deposit in the United States Mail, postage prepaid, and properly addressed to the other party at its address as set forth below. Each party may designate a change of address by notice to the other party in accordance with this Section.

If to Franchisee:

If to HMFC:

Handyman Matters Franchise Corporation
12567 West Cedar Drive
Lakewood, Colorado 80228
Attention: Andy Bell

3. Colorado Laws. This Agreement shall be interpreted by the laws of the State of Colorado. Should any provision of this Agreement be found to violate the statutes or court decisions of the State of Colorado or of the United States, that provision shall be deemed to be amended to comply with and conform to such statutes or court decisions to affect the intent of the parties hereto.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, trustees, receivers, personal representatives, legatees and devisees of the parties.

5. Attorneys' Fees. Each party shall be responsible for paying its and his or her own costs and expenses incurred in the preparation of this Agreement. However, in the event of any litigation between the parties based upon an alleged breach or default in their respective obligations to be fulfilled pursuant to this Agreement, the prevailing party in the action shall be entitled to recover attorney's fees and court costs from the non-prevailing party(ies).

6. Entirety. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

HMFC:

FRANCHISEE:

**HANDYMAN MATTERS
FRANCHISE CORPORATION**

By: _____

Andy Bell, CEO

By: _____

Name: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT G
OPERATIONS MANUAL TABLE OF CONTENTS



HANDYMAN MATTERS

FRANCHISEE OPERATIONS MANUAL

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ATTACHMENT H

LIST OF FRANCHISEES

**LIST OF FRANCHISEES
As of December 31, 2012**

ARIZONA:

Ted Anderson (2 Franchises)
11297 E Sunnyside Drive
Scottsdale, AZ 85259
623-979-5891

Scott Joseph
9102 E Holmes Street
Tucson, AZ 85701
520-207-1335

ARKANSAS:

Steve Langton
2257 Old Wire Road
Springdale, AR 72764
479-751-4263

CALIFORNIA:

Philip Perry
129 West Wilson Street, # 201
Costa Mesa, CA 92627
949-645-1093

Don Hunts
4006 Canyon Drive
Fair Oaks, CA 95628
916-966-2697

**Greg & Penny Clark
Theresa Mitchell**
4100 Redwood Road, Ste 191
Oakland, CA 94619
510-531-4300

Gus Ruiz
2 Calle Arcos
Rancho Santa Margarita, CA 92688
949-348-2625

Rich Latour
5979 Post Oak Circle
San Jose, CA 95120
408-268-4263

COLORADO:

Rob Parker
5757 Central Ave Suite M
Boulder, CO 80301
720-287-1100

Glenn & Sandy Garvey (2 Franchises)
7201 S. Broadway, Suite 210
Littleton, CO 80120
303-727-9600

Steve & Jan Attebery (2 Franchises)
5269 E. 114th Place
Thornton, CO 80233
303-722-7846

Curt Wolff
12301 Grant Street, Ste 160
Thornton, CO 80241
303-545-6460

FLORIDA:

David Welsh
208 Hideaway Court
Minneola, FL 34715
352-242-1300

Julie Daniels
687 Alderman Road # 122
Palm Harbor, FL 34683
727-489-5900

Dede Luczak
2600 Seneca Drive
St Johnson, FL 32259
904-436-5977

Steve Fenton
P.O. Box 1786
Stuart, FL 34995
772-781-4291

Steve O'Connor
1461 Ferzon Way
Tallahassee, FL 32312
850-251-2326

GEORGIA:**Tom Ware**

4929 North Main Street, Ste 250
Acworth, GA 30101
770-635-7571

IDAHO:**Todd Mathews**

4837 North Bluegrass Ave.
Boise, ID 83703
208-391-2445

ILLINOIS:**Paul Bors (7 Franchises)**

5251 N Central Ave
Chicago, IL 60630
773-235-0900

Vince Krydinski

11535 W 183rd Place # 109
Orland, IL 60467
708-478-5818

Bob Balgeman

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Palatine, IL 60067
847-202-2880

Jim Fowler

3223 Lake Avenue # 134
Wilmette, IL 60091
847-644-7904

KANSAS:**Laurel Thompson**

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Olathe, KS 66062
913-825-6205

Phil and Shelley Davis

12610 W. Hartner
Wichita, KS 67235
316-773-0303

KENTUCKY:**Rick & Nancy Atkins (2 Franchises)**

550 Oak Drive
Lancaster, KY 40444
866-548-4343

MARYLAND:**Brian Wigutow (3 Franchises)**

6235 Sykesville Road
Eldersburg, MD 21784
410-549-9696

Ed and Emily Salmon

7817 B Baltimore National Pike
Suite 6
Frederick, MD 21702
301-371-0110

MASSACHUSETTS:**Bob Samson (2 Franchises)**

401 Lowell Street, Suite 3
Lexington, MA 02420
781-721-0451

MICHIGAN:**Bret Alden (2 Franchises)**

3135 E. Highland Road
Highland, MI 43856
800-830-2023

MINNESOTA:**Mike Sitek (3 Franchises)**

6224 Hallifax Ave South
Edina, MN 55424
651-784-3777

MISSOURI:**Chuck Healy (2 Franchises)**

16233 Westwoods Business Park
Ellisville, MO 63021
636-391-8650

David and Karen Pierce

11109 North Oak
Kansas City, MO 64155
816-734-1370

NEW HAMPSHIRE:**Ralph Osborne**

55 Route 13
Brookline, NH 03033
800-896-9973

NEW JERSEY:

Jennifer Hillegass

520 Herrick Drive
Dover, NJ 07801
973-716-2461

Sanjay Garg

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East Hanover, NJ 07936
973-585-6111

NEW MEXICO:

John & Nora Montoya

6565 Americas Pkwy NE, #200
Albuquerque, NM 87110
505-369-0049

NEW YORK:

Brian Keill

15 Van Zandt Drive
Pearl River, NY 10965
888-890-9097

NORTH CAROLINA:

Nick Racanelli (3 Franchises)

1939 High Horse Road
Suite 212
Cary, NC 27519
919-387-2270

Jason Buechler (4 Franchises)

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Greensboro, NC 27415
336-883-8888

Rick Clark

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Hendersonville, NC 28739
828-698-5541

OHIO:

Neil Newman

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Brunswick Hills, OH 44212
330-220-7700

Paul Rockhold

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Centerville, OH 45459
937-435-7003

Ron Lowe

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Worthington, OH 43085
419-346-7743

OKLAHOMA:

John Murray

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Oklahoma City, OK 73118
405-606-7045

Pam Bennett

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Owasso, OK 74055
918-274-4979

OREGON:

Kory Arntson

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Tigard, OR 97224
503-621-0700

PENNSYLVANIA:

Bob McRedmond

1860 Meadow Ridge Drive
Hummelstown, PA 17036
717-566-6604

Gene Wayne (2 Franchises)

33 East Greenwood Avenue
Landsdowne, PA 19050
215-721-8876

Douglas Chew

1381 Alleghenyville Road
Mohnton, PA 19540
610-796-9370

Randy McMahon

1607 Irey St.
Monongahela, PA 15063
724-258-4884

Rob Orlandini

323 Wyoming Ave.
Wyoming, PA 18644
570-299-5951

RHODE ISLAND:

Louis Paiva (5 Franchises)
1229 Plainfield Street Unit B
Johnston, RI 02919
401-946-1800

TENNESSEE:

Wes Warren
7924 Ellisville Lane
Knoxville, TN 37909
865-531-7115

Charlie Rose
407 Meadowlark Drive
Shelbyville, TN 37160
866-426-3905

TEXAS:

TJ Bass
16238 Railroad 620, Ste F-355
Austin, TX 78717
512-733-2474

Stacy Huston
5735 Kenwood Ave.
Dallas, TX 75206
972-308-6035

Kevin & Vickie Chase
10020 Grey Crow Drive
Fort Worth, TX 76177
817-232-0007

Brett Jeffreys (4 Franchises)
3726 Hwy 377 South Suite B
Fort Worth, TX 76116
817-560-4070

Johnny Briley (3 Franchises)
17440 W Little York Rd. Unit B
Houston, TX 77084
281-345-0400

Robert Mabry
1701 Northpark Dr. #13
Kingwood, TX 77339
281-358-6666

Bill Clement
3049 Cedar # 207
La Marque, TX 77568
800-531-3522

Andy Bush
5100 Eldorado Pkwy
Suite 102, #540
McKinney, TX 75070
972-346-3041

Bob Zeffery
7029 Eagle-Vail Drive
Plano, TX 75093
972-306-8108

Walter and Beverly Caraballo (2 Franchises)

Mike and Denise Caraballo
314 E. Nakoma, Ste T
San Antonio, TX 78216
210-545-5880

VIRGINIA:

Cris Criswell (4 Franchises)
117 North 21st # 8
Purcellville, VA 20132
540-338-9006

WASHINGTON:

Pete Lisoskie (4 Franchises)
9632 32nd St. SE
Everett, WA 98205
877-334-5924

David & Cynthia Schmitt
11115 E Montgomery Suite F
Spokane Valley, WA 99206
509-928-3780

WISCONSIN:

Joe Bawulski
3002 Park Street
Middleton, WI 53562
608-213-3108

CANADA:

Jim Abbott
80 Tribbling Cres
Aurora, Ontario L4G4X1
CANADA
416-486-1757

Les Zsampar
132 Willow Farm lane
Aurora, Ontario L4G6K4
CANADA
905-275-0072

Ted & Suzanne Anderson
503 Plains Road East
Burlington, ON L7T2E0
CANADA
905-332-6446

IRELAND:

Joe Fox
19 St. George Harbour
Belfast
IRELAND
028-90331694

Pat Roche
10 Robert St.
Dublin
IRELAND
1-890-777799

Owen Cochran (2 Franchises)
Ballinfull Castle Roche,
New Line, DunDalke
IRELAND353-42-9327647

Peter Maher
Bally Glynin
Galway
IRELAND
091-767651

Kieran Kyne
5 The Avenue
Grantstown Village
IRELAND
051-852136

Gerard O'Donnell
Ninas
Market Street
Meath
IRELAND
046-9436744

ATTACHMENT I

FRANCHISEES WHO HAVE LEFT THE SYSTEM

FRANCHISEES WHO HAVE LEFT THE SYSTEM

Listed below is the name and last known city, state and telephone number of every Handyman Matters Franchisee who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their respective Franchise Agreement, including transfers, during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

CALIFORNIA:

Roy Kaneshiro
San Pedro, CA 90731
851-335-2226

Manuel Sanchez
Hayward, CA 94545
704-644-3566

ILLINOIS:

Bob Grod
Winnebago IL 61088
651-784-3777

NORTH CAROLINA

James Malatesta
Charlotte, NC 28211
972-262-9645

PENNSYLVANIA:

Bob Kish
Mark Hindman
Pittsburgh, PA 15216
757-275-8438

TEXAS

Steve Gaskill (transfer)
Grand Prairie, TX 75052
412-364-6666

VIRGINIA

William Cooper
Virginia Beach, VA 23452
510-785-5140

Note: In Minnesota, one franchisee relinquished two franchises while maintaining his other franchises. That franchisee is not a terminated franchisee and therefore is not listed above.

ATTACHMENT J

FINANCIAL STATEMENTS

STEPHEN J. HRYNIK, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANT
10526 W. ALAMEDA AVE.
LAKWOOD, COLORADO 80226
(303) 985-4441 FAX (303) 986-9181

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder
of Handyman Matters Franchise Corporation

I have audited the accompanying balance sheets of Handyman Matters Franchise Corporation (a Colorado corporation) as of December 31, 2012 and 2011 and the related statements of income and retained earnings and cash flows for the years ended December 31, 2012, 2011 and 2010. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Handyman Matters Franchise Corporation as of December 31, 2012 and 2011 and the results of its operations and its cash flows for the years ended December 31, 2012, 2011 and 2010 in conformity with generally accepted accounting principles generally accepted in the United States of America.

Stephen J. Hrynik, CPA, PC

Lakewood, Colorado
March 11, 2013

Handyman Matters Franchise Corporation
BALANCE SHEETS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash	44,655	\$ 100,755
Accounts receivable (less allowance for doubtful accounts of \$5,000 - 2012 and \$5,000 - 2011)	125,079	172,674
Inventory	12,236	-
Prepaid expenses	4,000	1,500
Current portion notes receivable	<u>31,866</u>	<u>24,644</u>
Total Current Assets	<u>217,836</u>	<u>299,573</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment (net of depreciation of \$108,127 - 2012 and \$105,216 - 2011)	8,498	10,563
OTHER ASSETS		
Notes receivable	26,300	11,573
Notes receivable - related parties	384,191	307,657
Security deposit	7,111	7,111
Trademark (net of amortization of \$7,638 - 2012, \$6,476 - 2011)	<u>16,120</u>	<u>17,282</u>
	<u>433,722</u>	<u>343,623</u>
TOTAL ASSETS	<u>660,056</u>	<u>\$ 653,759</u>
 LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Line-of-credit	-	\$ 75,467
Note payable - current	-	3,651
Accounts payable	101,836	318,969
Note payable - related party	4,868	46,416
Accrued compensation and benefits	23,244	16,884
Franchisee escrow	6,290	-
Deferred revenue	41,699	-
Accrued and withheld taxes	12,537	2,530
Income tax payable	<u>79,355</u>	<u>49,096</u>
Total Current Liabilities	<u>269,829</u>	<u>513,013</u>
LONG-TERM LIABILITIES		
Notes payable	85,928	-
STOCKHOLDER'S EQUITY		
Common stock -1,000,000 shares authorized, no par value, 25,000 shares issued	25,000	25,000
Retained earnings	<u>279,299</u>	<u>115,746</u>
	<u>304,299</u>	<u>140,746</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>660,056</u>	<u>\$ 653,759</u>

See accompanying notes and accountant's report.

Handyman Matters Franchise Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Years Ended December 31, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES			
Royalties	\$ 1,282,029	\$ 1,309,787	\$ 1,314,217
Franchise fees and other	<u>254,253</u>	<u>120,152</u>	<u>449,255</u>
Total Revenues	<u>1,536,282</u>	<u>1,429,939</u>	<u>1,763,472</u>
EXPENSES			
Salaries, payroll taxes and benefits	763,615	630,659	915,874
Commissions and advertising	58,887	78,035	416,041
Professional fees	60,891	30,865	140,836
Training and support	118,496	144,936	288,427
Amortization and depreciation	4,073	7,658	12,562
General and administrative	<u>258,684</u>	<u>229,968</u>	<u>182,900</u>
Total Expenses	<u>1,264,646</u>	<u>1,122,121</u>	<u>1,956,640</u>
INCOME (LOSS) FROM OPERATIONS	271,636	307,818	(193,168)
OTHER INCOME (EXPENSE)			
Interest expense	(22,483)	(23,260)	(24,875)
Interest income	<u>4,306</u>	<u>4,519</u>	<u>4,298</u>
	<u>(18,177)</u>	<u>(18,741)</u>	<u>(20,577)</u>
INCOME (LOSS) BEFORE TAXES	253,459	289,077	(213,745)
Provision for income taxes (benefit)	<u>89,906</u>	<u>49,096</u>	<u>(16,637)</u>
NET INCOME (LOSS)	163,553	239,981	(197,108)
Retained earnings (deficit) at beginning of year	<u>115,746</u>	<u>(124,235)</u>	<u>72,873</u>
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	<u>\$ 279,299</u>	<u>\$ 115,746</u>	<u>\$ (124,235)</u>

See accompanying notes and accountant's report.

Handyman Matters Franchise Corporation
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2012, 2011 and 2010
Increase (Decrease) in Cash and Cash Equivalents

	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 163,553	\$ 239,981	\$ (197,108)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization and depreciation	4,073	7,658	12,562
(Increase) decrease in receivables	25,646	36,977	20,091
(Increase) in inventory	(12,236)		
(Increase) decrease in prepaid expenses	(2,500)	2,460	25,540
Increase (decrease) in accounts payable	(212,265)	(34,501)	122,121
Increase (decrease) in accrued compensation and benefits	6,360	(12,740)	10,712
Increase in taxes payable	40,266	48,144	3,482
Increase (decrease) in deferred revenues	41,699	(42,027)	11,444
Increase in franchisee escrow	6,290	-	-
Total adjustments	(102,667)	5,971	205,952
Net cash provided by operating activities	60,886	245,952	8,844
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(846)	(400)	(1,309)
Net cash used by investing activities	(846)	(400)	(1,309)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments from (loans to) related parties	(122,950)	(183,162)	57,595
Net borrowings (repayments) on lines of credit	(75,467)	(24,533)	(50,000)
Net other borrowings (repayments)	82,277	40,511	(5,703)
Net cash provided (used) by financing activities	(116,140)	(167,184)	1,892
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(56,100)	78,368	9,427
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	100,755	22,387	12,960
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 44,655	\$ 100,755	\$ 22,387
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	\$ 22,483	\$ 23,260	\$ 24,875
Income taxes	11,440	-	-

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See accompanying notes and accountant's report.

Handyman Matters Franchise Corporation
NOTES TO FINANCIAL STATEMENTS
December 31, 2012, 2011 and 2010

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Handyman Matters Franchise Corporation (the Company) is a wholly owned subsidiary of Handyman Matters, Inc. (the Parent). The Company, a Colorado corporation, is engaged in the business of selling franchises that offer employee-based handyman services for small and medium repair jobs in carpentry, tile, drywall, electrical, plumbing, and other miscellaneous tasks billed to clientele on a time plus materials basis. The Company's market is qualified individuals and businesses, primarily in the United States. The Parent owns another corporation, Handyman Matters Operating, Inc. (HMO).

Property and Equipment

Property and equipment are stated at cost. Depreciation on furniture, equipment and vehicle is computed by the straight line method over the estimated life of three to five years. Amortization of computer software is computed by the straight-line method over the estimated useful life of three years.

Trademark

Trademarks are being amortized on a straight-line basis over its useful life of fifteen years.

Franchise Fees and Royalties

Franchise fees revenues are recognized when the material services and conditions relating to the franchise sale have been substantially performed and satisfied by the Company, which is generally upon the training of the franchisee. Royalty revenues are recognized in the period in which the related sales occurred.

Income Taxes

The Company is included in the consolidated Federal income tax return filed by the Parent. The Company accounts for income taxes under the liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Advertising

All advertising costs are expensed when incurred.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. NOTES RECEIVABLE

Notes receivable at December 31, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Note receivable from franchisee, monthly payment of \$784 including interest at 9%, original maturity July 2012; due to major illness of franchisee, payments have been deferred to resume in 2013.	\$ 2,205	\$ 9,264
Note receivable from franchisee, monthly payment of \$1,602 with interest at 7.5%, original maturity August 2013; due to major illness as noted above, payments have been deferred to resume in 2013.	27,291	26,953
Note receivable from franchisee, monthly payments of \$925 at no interest, matures June 2015.	<u>28,670</u>	<u>-</u>
	58,166	36,217
Less current portion	<u>(31,866)</u>	<u>(24,644)</u>
	<u>\$ 26,300</u>	<u>\$ 11,573</u>

4. WORKING CAPITAL LOANS AND NOTE PAYABLE

The Company had a bank line of credit loan of \$50,297 at December 31, 2012. Terms call for minimum payments of interest only at 5.25% until maturity in December 2017. The loan is secured by Company bank accounts with the lender and is personally guaranteed by the officers of the Company.

The Company had revolving line of credit loan of \$35,631 at December 31, 2012. Terms call for minimum payments at 12.5% interest. The Company intends to pay the loan off in 2013 using the above disclosed bank line of credit.

The Company had a working capital loan of \$75,467 at December 31, 2011. The terms of the loan called for monthly payments of \$3,091 including interest at 6.89% commencing in February 2012 with the balance of the loan payable in November 2012.

The Company was indebted on a note related to the purchase of a vehicle. The note called for monthly payments of \$536 including interest at 7.75%, was secured by the vehicle and matured July 2012.

5. INCOME TAXES

Income tax expense (benefit) is made up of the following components:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current income tax expense (benefit)	\$ 89,906	\$ 49,096	\$(16,637)
Deferred income tax expense (benefit)	\$ -	\$ -	\$(12,729)

Income taxes are allocated to members of the Company's affiliated group as if each member is a separate taxpayer, even though the Company's operations are included in the consolidated returns filed by the Parent.

6. RELATED PARTY TRANSACTIONS

The Company has related party transactions with the Parent as well as a limited liability company with common ownership.

The Company has made loans under a line-of-credit agreement to Tetras Properties, LLC, which is 75% owned by shareholders of the Parent. The Company leases its office and training facilities from Tetras. The note is payable on demand, carries interest at applicable federal rates and had balances of \$127,885 and \$123,587 at December 31, 2012 and 2011.

The Company has also loaned funds to the Parent, with balances of \$256,306 and \$184,070 at December 31, 2012 and 2011, payable on demand.

The Company has borrowed money from the National Ad Fund. Balances due at December 31, 2012 and 2011 were \$4,868 and \$46,416. Interest has not charged on the loan and it is payable on demand.

7. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company is obligated under a lease agreement for its office and training facilities through May 2015 at \$5,569 per month.

Concentration of Credit Risk

The Company's operations consist of the sale of franchises and collection of royalties from operating franchisees. The Company's headquarters are located in Colorado. Its customers are individuals and businesses who own and operate the franchises and are located throughout the United States, Canada and Ireland. As of December 31,

2012, 2011 and 2010, the Company's accounts and royalties receivable were \$125,079, \$172,674 and \$183,777 respectively.

ATTACHMENT K
LIST OF STATE FRANCHISE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS

**LIST OF STATE FRANCHISE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 (866) 275-2677 (toll free) 1515 K Street, Suite 200 Sacramento, California 95814 (916) 445-7205 1350 Front Street, Room 2034 San Diego, California 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, California 94104 (415) 972-8559	California Commissioner of Corporations California Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 526-7500 (866) 275-2677 (toll free)
FLORIDA	Florida Department of Agriculture and Consumer Services Division of Consumer Services Attn: Finance & Accounting 407 South Calhoun Street Tallahassee, Florida 32399-0800 (850) 488-2221	None
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Indiana Secretary of State Division of Securities 302 West Washington Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6531

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Secretary of State 321 E. 12 th Street Des Moines, Iowa 50319 (515) 281-5204	Same
MARYLAND	Office of Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Suzanne Hassan, Assistant Attorney General Franchise Section - Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street P.O. Box 30213 Lansing, Michigan 48909 (517) 373-7117	Department of Energy, Labor and Economic Growth Corporations Division Bureau of Commercial Services 2501 Woodlake Circle, 1st Floor Okemos, Michigan 48864 P.O. Box 30054 Lansing, Michigan 48909
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 St. Paul, Minnesota 55101 (651) 296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P.O. Box 95006 Lincoln, Nebraska 68509-5006 (402) 471-3445	None
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211	Secretary of State of the State of New York 162 Washington Avenue Albany, New York 12231 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712	North Dakota Securities Commissioner Same
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140	Director of Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	State of Rhode Island and Providence Plantations Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex - Building 69-1 Cranston, Rhode Island 02920 (401) 462-9500	Director of Rhode Island Department of Business Regulation Same Address
SOUTH DAKOTA	South Dakota Department of Labor & Regulation Division of Securities 445 East Capitol Pierre, South Dakota 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Secretary of State Statutory Document Section James E. Rudder Building 1019 Brazos Street Austin, Texas 78701 P.O. Box 13550 Austin, Texas 78711 (512) 463-5705	None
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 P.O. Box 9033 Olympia, Washington 98507-8760 (360) 902-8760	Director of Financial Institutions Same
WISCONSIN	Department of Financial Institutions Division of Securities 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703 P.O. Box 1768 Madison, Wisconsin 53701-1768 (608) 266-8557	Administrator, Division of Securities Same Address

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 franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

ATTACHMENT L
STATE ADDENDUM TO DISCLOSURE DOCUMENT

**STATE LAW ADDENDA TO THE
HANDYMAN MATTERS DISCLOSURE DOCUMENT**

The following modifications are to the Handyman Matters Franchise Corporation Franchise Disclosure Document for the states noted below.

HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE STATE AUTHORITY LISTED IN ATTACHMENT K.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY OF ONLY 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.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(303) 586-2722

1. The following statement is added at the end of Items 5 and 7:

All initial fees payable to us shall be deferred until we have met all of our initial obligations to you and you are open for business.

2. The following paragraph is added to Item 17:

Section 482E-6(3) of the Hawaii Revised Statutes provides that upon termination or refusal to renew the Franchise, we are obligated to compensate you for the fair market value, at the time of the termination or expiration of the Franchise, of your inventory, supplies, equipment and furnishings purchased from us or a supplier designated by us; provided that personalized materials which have no value to us need not be compensated for. If we refuse to renew a Franchise for the purpose of converting your business to one owned and operated by us, we, in addition to the remedies provided above, shall compensate you for the loss of goodwill. We may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to this requirement, and may offset from such compensation any monies due us.

3. The following list reflects the status of the franchise registration of the Franchisor in the states which require registration:

A. The states in which this proposed registration is effective: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

B. The states in which this proposed registration is or will be shortly on file: None.

C. The states, if any, which have refused, by order or otherwise, to register these franchises: None.

D. The states, if any, which have revoked or suspended the right to offer these franchises: None.

E. The states, if any, in which the proposed registration of these franchises has been withdrawn by the Franchisor: None.

ILLINOIS

1. The following statement is added at the end of Item 5:

All initial fees payable to us and any of our affiliates shall be deferred until we have fulfilled all of our initial obligations to you and you have commenced doing business pursuant to the Franchise Agreement. This deferral requirement has been imposed by the Illinois Attorney General's Office based on our financial condition.

2. The following statement is added at the end of Item 17.v:

Section 4 of the Illinois Franchise Disclosure Act of 1987 (the "Illinois Act") provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside of the State of Illinois.

3. Section 41 of the Illinois Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. Section 41 does not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Act, nor does it prevent the arbitration of any claim pursuant to the provision of Title 9 of the United States Code.

INDIANA

1. The following statement is added to Item 12:

Indiana law prohibits us from establishing a Franchisor-owned outlet engaged in a substantially identical business within your Territory that competes unfairly with you within a reasonable area.

2. The Summary column of Items 17.r, 17.u, 17.v and 17.w in the Chart in Item 17 are deleted and replaced by the following:

17.r: No involvement in a competitive business for 2 years within your Territory.

17.u: Except for certain claims, all disputes must be arbitrated in Indiana, if there is a valid and legal restriction under Indiana law to prohibit you and us from agreeing on a site of arbitration in Denver, Colorado. Unless this restriction is found to be valid and legal, you and we agree that arbitration shall take place in Denver, Colorado in accordance with the Franchise Agreement.

17.v: Arbitration in Indiana, if there is a valid and legal restriction under Indiana law to prohibit you and us from agreeing on a site of arbitration in Denver, Colorado. Unless this restriction is found to be valid and legal, you and we agree that arbitration shall take place in Denver, Colorado in accordance with the Franchise Agreement.

17.w: Except to the extent governed by federal law, disputes related to a breach of the Franchise Agreement under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law shall be governed by those laws, and all other matters regarding the Franchise Agreement shall be governed by the laws of the State of Colorado.

The changes to Items 17.u, 17.v and 17.w have been included in this Disclosure Document as a condition to registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

MINNESOTA

1. The following statements are added to the Cover Page:

THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. The first sentence of the third paragraph in Item 5 is deleted and replaced with the following sentences:

The Initial Franchise Fee and the Territory Fee payable by you will be noted in the Exhibit I to the Franchise Agreement (the “Addendum”). All initial franchise fees are payable on the day your HANDYMAN MATTERS Business opens for business.

3. The “When Due” column descriptions for the “Initial Franchise Fee” and “Territory Fee” rows in Item 7 are deleted and replaced with the following sentences:

The day your HANDYMAN MATTERS Business opens for business.

4. The following language is added at the end of Item 17:

We will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent

to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. (The foregoing language has been included in this Disclosure Document as a condition of registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.)

As we deem necessary, we will protect your right to use our Marks. The Minnesota Department of Commerce requires Franchisors to indemnify franchisees against liability to third parties resulting from claims by third parties that the franchisees' use of our Marks infringes upon the trademark rights of the third party.

Minnesota Statutes, Section 80C.17, Subd. 5 provides that any claims and actions based on a violation of Chapter 80C of the Minnesota statutes or any rule or order thereunder shall be commenced within three years from the occurrence of the facts giving rise to such claim or action.

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

5. The following language is added at the end of Items 17.c and 17.m:

(Any release executed in connection herewith shall not apply to any claims that may arise under the Minnesota Franchise Act. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by the Minnesota Franchise Act, provided, it does not bar the voluntary settlement of disputes.)

NEW YORK

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN ATTACHMENT K OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY THE STATE OF NEW YORK DOES NOT MEAN THAT THE STATE OF NEW YORK RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT THE ITEMS COVERED IN THE DISCLOSURE DOCUMENT. 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 DISCLOSURE DOCUMENT.

1. The following paragraphs are added at the beginning of Item 3:

Except as otherwise may be disclosed in this Item 3, and except as may be disclosed concerning a franchise seller of ours, to the best of our knowledge, neither we nor any person identified in Item 2 above:

(i) has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it, him or her alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;

(ii) has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ten year period immediately preceding the date of this Disclosure Document has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; or

(iii) (a) is subject to any currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; and/or (b) subject to any currently effective order of any national securities association or 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 (c) subject to a currently effective injunction or restrictive order relating to any other business activity as a result of any action brought by a public agency or department including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. The following paragraph is added at the beginning of Item 4:

Neither we nor any predecessor, officer or general partner of ours has, during the 10-year period immediately preceding the date of this Disclosure Document, been adjudged bankrupt or reorganized due to insolvency, or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within one year after the period that such officer or general partner of ours held such position in such company or partnership, nor has any such bankruptcy or reorganization proceeding been commenced.

3. The following is added at the beginning of Item 17:

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

4. The Summary column of Item 17.w is deleted and replaced by the following:

17.w: Federal and Colorado law applies. The Colorado Consumer Protection Act does not apply. The foregoing choice of law should not be considered a waiver of any right conferred upon either us or upon you by the General Business Law of the State of New York, Article 33. The foregoing language has been included in this Disclosure Document as a condition of registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement including all choice of

law provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us and you, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

FACTORS TO BE CONSIDERED

ANY DISPUTES, DIFFERENCES OR CONTROVERSIES THAT ARISE PURSUANT TO THE FRANCHISE AGREEMENT OR BREACH THEREOF SHALL BE SETTLED BY ARBITRATION. ALL SUCH PROCEEDINGS SHALL BE HELD IN DENVER, COLORADO. THIS INFORMATION SHOULD BE TAKEN INTO CONSIDERATION IN DETERMINING WHETHER OR NOT TO PURCHASE THIS FRANCHISE.

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

REGISTRATION OF THIS FRANCHISE BY THE NEW YORK STATE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OF LAW APPROVES, RECOMMENDS, OR ENDORSES THE FRANCHISE.

NORTH DAKOTA

1. The following statement is added to the Summary columns of Items 17.c and 17.m:

(Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.)

2. The following statement is added to the Summary column of Item 17.r:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

3. The Summary columns of Items 17.u and 17.v are deleted and the following is inserted in their place:

Except for certain claims, all disputes must be arbitrated at a mutually agreed upon site, but only if there is a valid and legal restriction of the North Dakota Securities Commissioner to prohibit you and us from agreeing on a site of arbitration in Denver, Colorado. Unless this restriction is found to be valid and legal, you and we agree that arbitration shall take place in Denver, Colorado in accordance with the Franchise Agreement.

4. The following statement is added to the Summary column of Item 17.w:

The choice of Colorado law may not be enforceable under the North Dakota Franchise Investment Law.

RHODE ISLAND

1. The following paragraph is added at the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a 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.” The preceding language has been included in this Disclosure Document as a condition to registration. Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. Franchisor and Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

VIRGINIA

1. The following statement is added to the Summary column of 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 ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following states have statutes that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise: ALASKA [Stat. Sections 45.45.700-45.45.790], ARKANSAS [Stat. Sections 4-72-201 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Ch. 739, Sections 42-133e to 42-133h], DELAWARE [Title 6, Ch. 25, Code Sections 2551-2556], HAWAII [Title 26, Rev. Stat. Section 482E-6], IDAHO [Code Section 29-110], ILLINOIS [ILCS, Ch.815, Sections 705/1-705/44], INDIANA [Code Section 23-2-2.7-1 to 7], IOWA [Title XX, Code Sections 523H.1-523H.17], MARYLAND [Md. Code Ann., Bus. Reg. Sections 14-201 to 14-233 (2004 Repl. Vol. and Supp. 2006)], MICHIGAN [1979 Comp. Laws, Section 445.1527], MINNESOTA [1996 Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51 to 75-24-63], MISSOURI [Rev. Stat. Sections 407.400-407.410, 407.413, 407.420], NEBRASKA [Rev. Stat. Sections 87-401 to 87-410], NEW JERSEY [Rev. Stat. Sections 56:10-1 to 56:10-12], SOUTH DAKOTA [Codif. L. Section 37-5B], VIRGINIA [Code Section 13.1-564], WASHINGTON [Rev. Code Sections 19.100.180, 19.100.190], WISCONSIN [Stat. Sections 135.01 - 135.07], DISTRICT OF COLUMBIA [Code Sections 29-1201 to 29-1208], PUERTO RICO [Ann. Laws, Title 10, Ch. 14, Sections 278-278d], VIRGIN ISLANDS [Code Ann., Title 12A, Ch. 2, Subch. III, Sections 130-139]. These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

2. Arbitration shall take place at a site to be determined, at the time of arbitration, by the arbitrator appointed by the Denver, Colorado office of the Judicial Arbitrator Group or the American Arbitration

Association, as applicable, but only if there is a valid and legal restriction under the Washington Franchise Investment Protection Act (the “Act”) to prohibit you and us from agreeing on the site for arbitration in Denver, Colorado. However, we and you do not agree that this is a valid and legal restriction under the Act, and, unless this restriction is found to be valid and legal, the parties agree that arbitration shall take place in Denver, Colorado in accordance with the Franchise Agreement. We and you believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by you and us, including but not limited to, all venue, choice-of-law, arbitration provisions, and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

3. In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW shall prevail.

4. A release or waiver of rights executed by a franchisee shall not include rights under the 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.

5. Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

6. The first sentence of the fourth paragraph in Item 5 is deleted and replaced with the following sentences:

All Initial Franchise Fees are payable on the day that is the later of the day you open for business your HANDYMAN MATTERS Business, or the day we have completed our initial obligations to you. See the obligations numbered 1-7 under the designation “Pre-Opening Assistance” in Item 11.

7. The “When Due” columns for the “Initial Franchise Fee” and “Territory Fee” rows in Item 7 are deleted and replaced with the following sentences:

The later of the day you open for business your HANDYMAN MATTERS Business, or the day that we have completed our initial obligations to you. See the obligations numbered 1-7 under the designation “Pre-Opening Assistance” in Item 11.

WISCONSIN

REGISTRATION OF THIS FRANCHISE IN THE STATE OF WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

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.

RECEIPT

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 Handyman Matters Franchise Corporation (“HMFC”) 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, whichever occurs first.

Michigan requires 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar-days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If HMFC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Attachment K.

HMFC authorizes the parties identified on Attachment K to receive service of process for HMFC in the particular state.

The following Franchise Sellers were involved in the offering of this franchise:

The following employee(s) of HMFC, having a principal business address and telephone number the same as HMFC: Andrew J. Bell,
_____.

The following independent sales agent (HMFC requests that prospective franchisee fill in the information, if known): _____, having a principal business address at : _____
_____, telephone number: _____.

Issuance Date: March 29, 2013 (see the State Cover Page for varying effective dates in certain states).

I received a Disclosure Document dated March 29, 2013 that included the following Attachments: Franchise Agreement with Exhibits (Attachment A); Nondisclosure and Noncompetition Agreement (Attachment B); Statement of Prospective Franchisee (Attachment C); Form of Veteran Loan Program Rider to Franchise Agreement and Exhibits (Attachment D); Form of Successor Franchise Rider to Franchise Agreement (Attachment E); Current Form of General Release (Attachment F); Operations Manual Table of Contents (Attachment G); List of Franchisees (Attachment H); Franchisees Who Have Left The System (Attachment I); Financial Statements (Attachment J); List of State Franchise Administrators and Agents for Service of Process (Attachment K); and State Addendum to Disclosure Document (Attachment L).

PROSPECTIVE FRANCHISEE

Signature: _____

Print Name: _____

Date: _____

RECEIPT

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Michigan requires 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.

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HMFC authorizes the parties identified on Attachment K to receive service of process for HMFC in the particular state.

The following Franchise Sellers were involved in the offering of this franchise:

The following employee(s) of HMFC, having a principal business address and telephone number the same as HMFC: Andrew J. Bell,
_____.

The following independent sales agent (HMFC requests that prospective franchisee fill in the information, if known): _____, having a principal business address at : _____
_____, telephone number: _____.

Issuance Date: March 29, 2013 (see the State Cover Page for varying effective dates in certain states).

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PROSPECTIVE FRANCHISEE

Signature: _____

Print Name: _____

Date: _____

IMPORTANT: PLEASE IMMEDIATELY SIGN AND FAX THIS PAGE TO 303-984-0133, THEN PROMPTLY RETURN THIS PAGE BY MAIL OR COURIER TO HANDYMAN MATTERS FRANCHISE CORPORATION, 12567 WEST CEDAR DRIVE, LAKEWOOD, COLORADO 80228.