

FRANCHISE DISCLOSURE DOCUMENT

BUDGET BLINDS, INC.
A California corporation
1927 North Glassell Street
Orange, CA 92865
Telephone (714) 637-2100
Email: info@budgetblinds.com
URL: <http://www.budgetblinds.com>



The franchised business is a mobile business for the retail sale and installation of blinds and other window coverings.

The total investment necessary to begin operation of a BUDGET BLINDS® franchise ranges from \$89,240 to \$187,070. This includes from \$74,950 to \$124,950, depending on the number of territories you buy, that must be paid to the franchisor. If you are a veteran, active service member or spouse of a veteran or active service member of the United States Armed Forces, you will pay \$35,000 less than these amounts.

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 payments 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 Jonathan Thiessen, Budget Blinds, Inc., 1927 North Glassell Street, Orange, CA 92865, Telephone (714) 637-2100.

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, such as 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 may contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You may also visit the FTC's home page at <http://www.ftc.gov> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: ~~NOVEMBER 11, 2013~~ MARCH 20, 2014

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit H 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 MEDIATION OR ARBITRATION, AND DEFEND EQUITABLE AND/OR INJUNCTIVE CLAIMS, ONLY IN CALIFORNIA. OUT-OF-STATE MEDIATION OR ARBITRATION, OR RESOLUTION OF EQUITABLE AND/OR INJUNCTIVE CLAIMS, MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE, OR DEFEND EQUITABLE AND/OR INJUNCTIVE CLAIMS, IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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. YOUR SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND SEVERALLY LIABLE AND PLACING YOUR SPOUSE'S PERSONAL ASSETS AT RISK.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

EFFECTIVE DATE: [See next page]

STATE EFFECTIVE DATES

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

The franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration disclosure laws, with the following effective dates:

State	Effective:	Amended:
California	March 18, 2013	November 11, 2013
Hawaii	March 29, 2013	November 5, 2013
Illinois	March 26, 2013	November 11, 2013
Indiana	March 13, 2009 (continuing exemption)	
Maryland		
Michigan	March 25, 2013	November 11, 2013
Minnesota	March 26, 2013	October 30, 2013
New York	March 31, 2009 (continuing exemption)	
North Dakota		
Rhode Island		
South Dakota	March 20, 2013	November 11, 2013
Virginia		
Washington	April 2, 2013	November 6, 2013
Wisconsin	March 19, 2013	October 31, 2013

SPECIAL MICHIGAN NOTICE

The State of Michigan requires each franchisor to include the following notice in offering circulars distributed in connection with Michigan franchise sales:

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

- (a) A prohibition 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 will 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 before the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice of it 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 will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

- (i) The failure of the proposed transferee 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.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Consumer Protection Division, Antitrust and Franchise Unit, Michigan Department of Attorney General, 670 Law Building, Lansing, Michigan 48913, Telephone (517) 373-7117.

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ADDENDUM: SPECIFIC STATE DISCLOSURES

EXHIBITS:

- A: Franchise Agreement and Schedules
State Addendum to Franchise Agreement

SCHEDULES:

- 1: Personal Covenant and Guarantee
 - 2: Description of Territory
 - 3: Budget Blinds Start-Up Package
 - 4: Schedule of Names and Addresses of Sole Proprietor, Shareholders, Partners and/or Principal Officers, as Applicable
- B: Secured Promissory Note
 - C: General Security Agreement
 - D: Financial Statements
 - E: List of Current Franchisees
 - F: List of Terminated or Transferred Franchises
 - G: Industry-Specific Licenses Required
 - H: List of State Franchise Administrators and Agents for Service of Process
 - I: Table of Contents of Confidential Operating Manual
 - J: Consent to Credit Investigation
 - K: Deposit Receipt
 - L: Consent to Transfer and Assumption of Franchise Agreement
 - M: Software License Agreement
 - N: Veterans' Addendum to Franchise Agreement
 - O-1: Receipt (Your copy)
 - NO-2: Receipt (Our copy)

BUDGET BLINDS®
FRANCHISE DISCLOSURE DOCUMENT

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

In this disclosure document, "we", "us" and/or "our" all refer to Budget Blinds, Inc., the franchisor. "You" and "your" refer to the person who signs a franchise agreement with us.

We were incorporated under California law on October 5, 1992. We began offering franchises of the type described in this offering in March 1994. We have never offered any other franchise.

We have no predecessors. Our parent company is Home Franchise Concepts, Inc. ("HFC"). HFC has never offered franchises. Our affiliate, Tailored Living, LLC ("Tailored Living," previously named "Closet Tailors, LLC"), began offering franchises for a mobile business for the design, sale, and installation of organizing units and storage and organizing accessories for closets, pantries, storerooms, utility rooms, basements, attics, and garages in 2006. Since January 2012, our affiliate, BB Commercial Solutions, LLC ("BBCS") has promoted light commercial business for the benefit of our franchisees.

Our principal business address and that of Tailored Living and HFC is 1927 North Glassell Street, Orange, California 92865. Our agents for service of process are listed in Exhibit H to this disclosure document.

The business you will conduct under a BUDGET BLINDS® franchise is a mobile business ("Franchised Business") for the sale and installation of window coverings, such as shutters, mini blinds, wood blinds, vertical blinds, draperies, pleated shades, ~~duettes, and silhouettes~~, cellular shades, roman shades, roller shades and solar shades. You will use a van equipped with signs we specify to make sales calls and perform installation work.

You will generate sales in many ways, including by canvassing, from print and electronic media advertising, and from word of mouth. When you place an order for a customer, the product is shipped to you from the vendor and you install the product. The market you will serve consists of residential and business customers within the territory assigned to you. You will compete for customers with department and specialty stores and other businesses in the window covering market.

In some states, an industry-specific license is required by state law for you to operate a BUDGET BLINDS® Franchised Business. Those licenses we are aware of are listed in Exhibit G to this disclosure document. Some cities or other local

government agencies impose local licensing requirements. You should investigate the state and local laws that will apply to you. Even if Exhibit G does not list your State, this does not necessarily mean that you do not need an industry specific license.

ITEM 2. BUSINESS EXPERIENCE

Chad Hallock - Chief Executive Officer, Director, and President

Chad Hallock became our Chief Executive Officer and President in 1993 and has held one or both of those positions since then, as he does currently. Earlier, he had been our CFO/Treasurer since we were incorporated in 1992. He has also served in these capacities for Home Franchise Concepts, Inc.("HFC"), our parent company and Tailored Living in Orange since both companies were incorporated in 2006.

David M. Lewis - Executive Vice President and Director

David M. Lewis has been one of our Directors since we were organized in 1992. In 1996, he became our Executive Vice President. He has also been a Director and Executive Vice President of HFC and Tailored Living in Orange since they were organized.

Todd Alan Jackson - Executive Vice President, Secretary, Chief Operating Officer, and Director

Todd Alan Jackson joined us in 1992 and has served as our Secretary and a Director since then. He began as our Vice President in 1992 and became our Executive Vice President in 1996, a position he has held since then. In January 2003, he also became our Chief Operating Officer. In addition, Mr. Jackson has been a Director and Chief Operating Officer of HFC and Tailored Living in Orange since they were incorporated in 2006.

Brent Hallock - Executive Vice President and Director

Brent Hallock has been one of our Directors since we were organized in 1992, serving initially as Vice President, then as Senior Vice President, and, since 1996, as Executive Vice President. Mr. Hallock has also served as a Director and Executive Vice President of HFC and Tailored Living since their inception.

Tony Forbes - Executive Vice President and Director

Tony Forbes has been one of our Directors since 1992, serving initially as our Vice President and then, since 1996, as our Executive Vice President. In addition, he

has been a Director and Executive Vice President of HFC and Tailored Living in Orange since they were organized in 2006.

Shirin Behzadi - Chief Financial Officer

Ms. Behzadi has worked with us in Orange, California, since 1999, becoming our Chief Financial Officer in January 2003. Ms. Behzadi has also served as Chief Financial Officer for HFC and for Tailored Living since their incorporation in 2006.

Jonathan Thiessen - Vice President of Franchise Licensing

Jonathan Thiessen joined us as Licensing Advisor in September 2003, became our Director of Franchise Licensing in June 2006 and then, in 2011, became our Vice President of Franchise Licensing. He holds the same position with Tailored Living.

ITEM 3. LITIGATION

Budget Blinds, Inc. v. Waqar Mahmood, et al., Case No. 2:10-CV-552, United States District Court, Central District of California, filed on January 28, 2010. On January 28, 2010, we filed an action against a former franchisee for breach of written contract, service mark infringement, false designation/unfair competition, unfair business practices, unjust enrichment, an accounting and injunctive relief. The complaint seeks an award of damages in an amount to be proven at trial, but at least \$316,213, plus late payment charges, reasonable attorneys' fees, court costs and expenses, and an injunction for specific performance of the post-termination obligations imposed by the franchise agreement.

The franchisee filed a counter-claim for breach of contract, breach of implied covenant of good faith and fair dealing, fraud in the inducement, negligent misrepresentation, unfair competition, unfair trade practices, injunctive relief and declaratory relief. The counter-claim seeks monetary damages according to proof, rescission, attorneys' fees, cost of suit, and special and punitive damages according to proof.

Prior to trial the parties participated in a voluntary mediation. On April 1, 2011 the parties entered into a Settlement Agreement and Mutual General Release under which we agreed to pay the costs of the mediation and to forgive unpaid and future royalties and advertising fees resulting from the premature termination of the franchise agreement in exchange for the franchisee's agreement to comply with the noncompetition covenant in the franchise agreement and to cease using our Marks.

Budget Blinds, Inc. v. Josh LeClair, et. al., JAMS Case No. 1200044791, Binding Arbitration before JAMS, filed on May 6, 2011 ("JAMS Arbitration"). On May 6, 2011, we filed a demand for arbitration against a current franchisee for a determination that we were entitled to terminate the franchise agreement as a result of the franchisee's operation of a competing business and that the franchisee was bound by

the post-termination obligations of the franchise agreement, including the noncompetition covenant. The demand further sought damages for breach of contract and misappropriation of trade secrets and an injunction for specific performance of the post-termination obligations imposed by the franchise agreement.

The franchisee filed a counterclaim for breach of contract, breach of the implied duty of good faith and fair dealing, and violation of Chapter 135 of the Wisconsin Statutes. The counterclaim sought damages, an award of costs and attorneys' fees.

On April 16, 2012, the Arbitrator issued a final award. The franchisee was awarded damages of \$275,234.58, including interest and costs and our request for a permanent injunction restraining the franchisee from operating a competing business was granted.

Budget Blinds, Inc. v. Josh LeClair, Case No. SACV12-1101 DOC (MLGx), United States District Court, Central District of California, filed on July 5, 2012. We filed this action, a Petition to Vacate Award of Arbitrator, to have the Arbitrator's award in the JAMS Arbitration (above) vacated. The franchisee filed an Opposition to our Petition on July 30, 2012. On January 7, 2013 the Court denied our Petition and confirmed the Arbitrator's award.

We filed the following ~~actions~~action against former franchisees during ~~2012~~2013:

~~Budget Blinds, Inc. v. Josh LeClair, et. al., John Davis and Lindy Davis, Case No. SACV12-1100 DOC (RNBx), 2:13-cv-01699-NVW, United States District Court, Central for the District of California Arizona, filed on July 5, 2012.~~August 16, 2013. We filed this action to restrain ~~the~~a former franchisee from operating a competing business.

~~Budget Blinds, Inc. v. Mark Parker and Seemore 45, LLC, et. al., Ronald Richard Ford and Shannon Nora Ford, Case No. SACV 12-00989-CJC (ANx), United States District 10,500, Chancery Court, Central District of California Southern Division for Scott County Tennessee, filed on June October 18, 2012~~2013. We filed this action to restrain ~~the~~a former franchisee from operating a competing business.

Budget Blinds, Inc. v. ~~Melissa Anne Wilson~~Eric David Paulson, Case No. ~~12-GA-7706-ES/Y, Circuit 13A27272, Superior Court of the 6th Judicial Circuit in and State of California for Pascothe County, FL of Los Angeles, filed on December 18, 2013.~~ We filed this action to recover payment of fees from a former franchisee.

Other than these six 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

You will pay us an initial franchise fee of \$14,950 when you sign the franchise agreement for your first Territory. There is no initial franchise fee under a subsequent franchise agreement. ~~You will also pay an initial~~ Unless you are a veteran, active service member or spouse of a veteran or active service member of the United States Armed Forces, you will also pay us a Territory fee of \$60,000 for the Territory you obtain under your first franchise agreement when you sign the franchise agreement. If you are a veteran, active service member or spouse of a veteran or active service member of the United States Armed Forces, you will pay us a discounted (as explained below) Territory Fee of \$25,000. If you enter into a second franchise agreement for a second Territory at the same time, the Additional Territory fee will be \$50,000. Otherwise, for any subsequent franchise agreement and Territory, the Additional Territory fee will be equal to the then-current initial Territory fee.

~~Under~~ For a separate Veterans Program offering limited time, under the International Franchise Association's VetFran program, we discount the Territory fee by \$35,000 to qualified new franchisees who are honorably-discharged veterans of the United States Armed Forces, active service members and their respective spouses. Apart from this discount, the initial franchise fee, Territory fee and Additional Territory fees are uniform for all franchises currently being granted.

If you are preparing to sign your first franchise agreement and you wish to reserve an assigned Territory for a brief specified term (usually 60 days or less) before you sign the franchise agreement, you may sign a Deposit Receipt and pay a "Deposit Fee" of \$10,000 for a single Territory or \$20,000 for two Territories reserved simultaneously. If you already own a BUDGET BLINDS® Franchised Business, you may not reserve an additional Territory through payment of a Deposit Fee. If you pay a Deposit Fee and later enter into a franchise agreement, the Deposit Fee is fully applicable against the Territory Fee under the franchise agreement. The Deposit Fee is uniform as to all franchises currently being granted.

We will generally not grant more than two Territories to a single franchisee unless the franchisee submits a business plan that shows, in our sole judgment, that the franchisee has the ability to properly provide service within all Territories to be acquired.

None of the fees described in this Item are refundable under any circumstances.

Please see Item 10 for information about financing of these fees.

ITEM 6. OTHER FEES

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Royalty ²	Monthly payment: \$300 - months 1-6 \$700 - months 7-12 \$1,100 - months 13 - 24 \$1,500 from then on	Payable by the 5 th of each month, in advance, beginning on the "Operating Date."	
Advertising Fee ³	Monthly payment: \$1,000 until we have 1500 franchise agreements. \$1,500 from then on	Same as royalty	During 2013, we will collect only \$750 per month. The fee will increase to \$1,000 in April 2014.
Technology Fee	Currently \$49.50 per month	Same as royalty	Covers our web-based application and toll free telephone number. Amount may increase but will not exceed \$99.50 per month.
Initial Training	First 2 attendees are free. Each additional attendee pays \$100 per day.	One week before training begins	
Additional Territory Fee	\$50,000 if you simultaneously buy two Territories when you sign your first franchise agreement. An amount equal to the then-current initial Territory fee if you buy an Additional Territory at a later time.	When you purchase additional Territories	Availability of additional territories is at our discretion.
Encroachment Payment	60% of your gross sales (revenue less cost of goods) in another franchisee's territory	When you make sales in another franchisee's territory	As an alternative to termination of your franchise for operating in another franchisee's territory, we may require you to compensate the other franchisee instead.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Key Account Commissions and Fees ⁴	We negotiate each program individually with the Key Account.	No more often than monthly.	In some cases, you make payments directly to Key Accounts while in other cases we collect the Key Account fees. You may opt out of any Key Account program.
Fees for Optional Referral Programs ⁵	Not yet determined	Payable monthly by the 5th of each month, for leads or sales during prior month.	The specific details of a customer referral program have not yet been set.
Transfer Fee	Our then-applicable transfer fee, currently \$5,000 for each Territory transferred.	Before transfer	Payable when you sell your franchise. No charge if your franchise is assigned to a corporation or similar entity that you control.
Transfer Lead Referral Fee	Our then-applicable transfer lead referral fee, currently \$10,000, plus all broker fees we incur.	Upon a transfer of your franchise agreement to a buyer who was already listed in our sale database at the time you and the buyer began discussing a sale.	Intended to partially reimburse us for our costs in developing leads who then purchase from existing franchisees.
Renewal Fee	\$1,000	When you sign a renewal franchise agreement.	
Late Charges	\$100 late fee for royalties and advertising fees plus interest at 18% or the maximum legal rate, whichever is less.	Date when payment was due	Payable only if there are insufficient funds in your account to cover withdrawal of amounts due
Insufficient Funds Fee	\$25	Immediately upon notice of insufficient funds	Assessed if we must reprocess debit from your bank account or resubmit a check

1. All fees are imposed and collected by and payable to us. You must sign any document necessary to authorize us to withdraw continuing royalties, advertising fees and any other ongoing fees directly from your bank account. All fees are non-refundable and are uniformly imposed.
2. If you purchase your business from an existing BUDGET BLINDS® franchisee, you will pay the royalty paid by the former franchisee instead of the amount described in this section. If the former franchisee you buy from was paying a royalty equal to a percentage of sales, you will start paying at the rate that most closely approximates the average rate paid by the former franchisee during the last six months. Your royalty payment will thereafter increase according to the schedule in the "Amount" column.

No phase-in will apply upon renewal, except that if you were paying a royalty based on a percentage of your sales, you will start paying at the rate which most closely approximates the rate paid during the last 12 months of the initial term. Your royalty payment will thereafter increase according to the schedule in the "Amount" column.
3. In 2005, we offered a special program that allowed existing franchisees to acquire additional franchises on advantageous terms in return for making higher advertising fund payments than other franchisees pay. If one of these franchises is transferred to you, you must continue making the higher advertising fund payments. The monthly advertising fund payment for franchises in this category is \$1,500, but we are only collecting ~~\$900~~1,000 per month in ~~2013~~2014.
4. Although the amount may vary, in most cases you will pay a percentage commission ranging from 0 to 15%, depending on the plan, or a flat fee ranging from \$25 to \$50 per lead. Under some programs, you may be expected to pay a set-up fee. Set-up fees vary from program to program.
5. We may develop customer referral programs, such as a web site referral program, under which franchisees or third-party operators of web sites may make customer referrals to franchisees in exchange for compensation. Fees will vary from program to program.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Initial Franchise Fee ²	\$14,950	\$14,950	Lump sum or financed	When you sign the franchise agreement	Us

TYPE OF EXPENDITURE ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Combined Initial Territory Fee and Additional Territory Fee ³	\$60,000	\$110,000	Lump sum	When you sign the franchise agreement	Us
Excess costs of training ⁴	\$250	\$500	As incurred	During Training	Restaurants
Work Vehicle ⁵	\$350	\$32,000	Lease or finance	Upon opening	Vehicle lessor or dealer
Computer	\$0	\$3,000	Lease, finance or lump sum	Upon acquisition	Vendor
MasterCard/ VISA terminal	\$30	\$500	Lease, finance, or lump sum	Upon opening	Vendor
Telephone Equipment	\$60	\$120	As negotiated	Before opening	Vendor
Auto insurance <u>insurance</u> ⁶	\$1,000	\$2,000	Lump sum or monthly installments	Before opening and during the year	Insurance company or broker
Commercial general liability insurance <u>insurance</u> ⁷	\$500	\$1,000	Lump sum or monthly installments	Before opening	Insurance company or broker
Contractor's License and Bond ⁸	\$0	\$1,500	Lump sum	As required by applicable law	Bonding or insurance company, Government agencies
Additional Tools and Supplies ⁹	\$100	\$1,500	Lump sum	Before opening	Vendor
Additional Funds - first three months ¹⁰	\$12,000	\$20,000	As incurred	As incurred	Various
TOTAL	\$89,240	\$187,070			

- None of the fees or payments you make to us are refundable. Whether payments to others are refundable depends upon the arrangements you make with them.
- Payable only with your first franchise agreement.
- When you sign a franchise agreement, you must buy your Territory from us and pay us either (a) an initial Territory Fee of \$60,000, or (b) an Additional Territory Fee or, (c) if you are buying two territories simultaneously, both. If you buy your first and second territories simultaneously, the Additional Territory Fee is \$50,000. If you buy your Additional Territory at a later time, it is equal to the then-current initial Territory fee. The "Low" figure assumes you have purchased only one Territory. The "High" figure assumes you have purchased two Territories simultaneously. The initial Territory Fee is discounted by \$35,000 if you are a veteran, active service member or spouse of a veteran or active service member of the United States Armed Forces, as more particularly described in Item 5.

4. If you buy your franchise from us, we will train you and your manager (or you and one additional attendee, if you will be manager) for 11 days at our facilities in Orange, California. Subject to space availability, we will allow additional people associated with you to attend at your request. We do not charge for the initial training for you and one other attendee, but may charge a training fee of up to \$100 per day for additional trainees. We will pay up to \$500 in the aggregate for airfare for you and one other person to attend training. We will also pay for one hotel room (but not any charges to your room for telephone, internet and similar expenses) of our choice. You must pay any additional costs of transportation, lodging, meals and other incidental expenses that you and your employees incur during training as well as any wages of your employees for their time during training.
5. This is a new or used white commercial-grade cargo van, extended van, or mini-van type vehicle on which the BUDGET BLINDS® Marks are placed. The vehicle may be bought or leased. We give you the logotypes as part of the start-up package and you have them installed, at your expense, on your vehicle by a capable vendor you choose.
6. Such policy must be on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than \$1,000,000. We must be named as an additional insured.
7. Such policy must be on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than \$2,000,000. We must be named as an additional insured.
- ~~6-8.~~ A contractor's license and bond is required only in states that require a contractor's license. Contractor's licensing laws of which we are aware are listed in Exhibit G. We do not guarantee that Exhibit G is complete or accurate.
- ~~7-9.~~ As part of the start-up package, we give you some product samples and sample books from selected suppliers at no additional charge. We only provide a start-up package if you buy your franchise from us, rather than from another franchisee, and if it is your first franchise agreement with us. We do not provide additional samples and sample books when you sign a subsequent franchise agreement. If you want more or additional sample books from other approved suppliers or samples of other products, you must obtain them from the supplier.
- ~~8-10.~~ This category estimates an additional cash reserve available to cover initial operating expenses during the first three months of operation. It includes marketing expenditures ranging from \$10,000 to \$15,000. The amount of additional funds that you may need varies based on a variety of factors, including whether you choose to have an office outside your home, the number of employees you choose to hire and the salary and other benefits you choose to pay, gasoline purchases and vehicle maintenance expenses, the extent to which you are actively involved in operating your business, your skill, experience and business acumen, local competition, local economic conditions (including rent and wage scales and the cost of supplies), and the actual sales levels that you reach during the initial 3-month period. The "Additional Funds" category is not the only source of cash, but is in addition to cash flow from operations. We cannot estimate your cash flow from operations and encourage you to contact our existing franchisees to evaluate this on your own.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may purchase the products you sell only from approved suppliers. Additionally, you must obtain any materials, other than stationery and business cards, containing BUDGET BLINDS® marks only from us or from suppliers that we have approved.

Approved suppliers are listed in the Confidential Operating Manual ("Manual"). We approve suppliers after careful review of the quality of the products they provide to us and our franchisees. If you would like us to consider another supplier, you or the supplier must submit a written request to us for approval and you or the supplier must provide us with samples of the supplier's products or work. If the supplier meets our standards and specifications, we will approve it as an additional supplier. We typically complete a review of a new proposed supplier within 30 days after receiving all necessary information and materials. We will not unreasonably withhold our approval of a supplier. We will furnish our standards and specifications, as well as our criteria for supplier approval, to you or suppliers on request, but only on a confidential basis.

None of our officers owns an interest in any of our approved suppliers.

You must purchase or lease a van before you begin operating the Franchised Business. The van must be a new or used white, commercial-grade cargo van, extended van, or mini-van model.

Your computer equipment, software and Internet access must meet our specifications, as described in Item 11 of this disclosure document.

You must at all times maintain a policy of comprehensive liability insurance that meets specifications stated in the Manual and which names us as an additional insured.

The stationery and business cards you use must meet our standards and specifications for use of our Marks. Our standards and specifications for use of our Marks will be provided to you in the Manual, on our intranet, or otherwise in writing.

Neither we nor our affiliates currently supply you with products for resale. We are an approved supplier of advertising and promotional materials using our marks. Our total revenues for the year ended December 31, ~~2012~~2013, were ~~\$27,714,886~~\$31,644,905. Our revenue from the purchase by Budget Blinds franchisees of advertising and promotional material was ~~\$110,725~~\$141,515, or about 0.445% of total revenues.

Your purchases from approved or designated suppliers during the start-up phase of your business will be negligible, because most of the goods and services you will need are in the Start-Up Package that is included in your initial franchise fee. We anticipate that materials you must purchase from us or approved suppliers on an ongoing basis will be approximately 55% to 75% of your monthly expenses in operating your Franchised Business.

We negotiate discounted prices with approved suppliers of inventory for our franchisees. We do not provide material benefits to our franchisees based on their purchase of particular products or services or use of designated or approved sources.

Some approved suppliers of inventory give us rebates or cooperative advertising dollars based on purchases by our franchisees. In our last full fiscal year, revenue from this source totaled about ~~\$7,621,002~~29,436,220, or approximately ~~27.5~~29.8% of our total revenues of ~~\$27,714,886~~31,644,905. Most of these payments were between 3.0% and 6.0% of the purchase price. However, a small group of vendors that generated 5% of our total revenues in this category paid as high as 10% of the purchase price. We use these payments to help offset the cost of administering the advertising fund or for general marketing support and promotion of the BUDGET BLINDS® system. Additionally, some approved suppliers of inventory pay us transaction fees on orders placed by our franchisees. In our last full fiscal year, revenue from this source totaled \$546,757, or approximately 1.7% of our total revenues. We applied some of these revenues to develop our customer relations management (CRM) order entry system which enables franchisees to place orders with vendors directly.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	2.1, 2.4-2.6	8
b. Pre-opening purchases/leases	8.1, 8.4	7, 8
c. Site development and other pre-opening requirements	2.6, 8.1	7, 11
d. Initial and ongoing training	7.1-7.5	7, 11
e. Opening	8.1	11
f. Fees	Article 4, 5.2(a)(iii), 9.2(b)(vii)	5, 6 and 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
g. Compliance with standards and policies/operating manual	Article 4, 8.1, 8.2, 8.7	11
h. Trademarks and proprietary information	2.3, Article 6, 7.6	13, 14
i. Restrictions on products/services offered	1.12, 2.4, 6.7, 8.1(c), 8.8(a-b)	16
j. Warranty and customer service requirements	13.1	Not applicable
k. Territorial development and sales quotas	2.4, 2.5	12
l. Ongoing product/service purchases	8.1(c), 8.3, 8.4	8
m. Maintenance, appearance and remodeling requirements	Not applicable	17
n. Insurance	8.1(b), 8.4	6
o. Advertising	4.8, 8.3	6, 11
p. Indemnification	13.2	13
q. Owner's participation/management/staffing	8.1(a, f)	11, 15
r. Records and reports	8.5	6
s. Inspections and audits	8.5, 8.6	6
t. Transfer	Article 9	17
u. Renewal	5.2	17
v. Post-termination obligation	12.1	17
w. Non-competition covenants	8.8	17
x. Dispute resolution	Article 11	17
y. Other - Additional signatories to franchise-related documents	7.1, 8.8, 9.2, Schedule 1	15, 22

ITEM 10. FINANCING

If you meet our credit standards, we will, at your request, provide financing as shown below. Financing is not available if you receive a discounted Territory Fee under the VetFran program.

To obtain financing, you must sign a Promissory Note and General Security Agreement substantially in the form of Exhibits B and C to this disclosure document. No separate personal guaranty is required to obtain financing. Payments begin with the first royalty due date. The note can be prepaid without penalty at any time during its term. The General Security Agreement grants us a security interest in substantially all of your assets to secure your payments under the Secured Promissory Note. You waive your right to notice of a collection action and to assert any defenses to collection against us.

Key terms are as follows:

Item Financed	Amount Financed	Minimum Down Payment	Term (months)	Rate of Interest Plus Finance Charge	Monthly Payment	Prepay Penalty	Liability Upon Default	Loss of Legal Right
Initial Franchise Fee and Territory Fee	\$35,000	\$0	60	10%	\$743.65	None	Lose franchise, pay unpaid balance, attorney fees, and costs	Waive notice

We do not receive any direct or indirect payments or other consideration from any person for the placement of financing.

Although we have never done so, we have a right to sell your promissory note at a discount rate to a third party which may be immune under the law to any defenses to payment you may have against us. We do not guarantee any notes, leases, or obligations.

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 Services

Training

With the first franchise you buy from us, we will train you and one other person without charge at our headquarters in Orange, California (Franchise Agreement § 7.1).

Operations Manual

We will lend you one copy of the Manual and other applicable manuals at initial training (Franchise Agreement § 8.2(c)). Exhibit I to this disclosure document includes a copy of the table of contents of the Manual as of ~~January 25, 2013~~ February 21, 2014. The Manual had ~~507~~584 pages on that date.

Start-Up Package

If you pay us the initial franchise fee in full, we will give you, with your first franchise, a Start-Up Package that includes airfare (up to a total of \$500 for this purpose) and one hotel room (but not incidental expenses charged to your room, such as telephone and internet charges) during training for up to two people, a personalized website, pertinent window covering samples, vehicle logos, yard signs, marketing materials, stationery and four polo shirts embroidered with the BUDGET BLINDS® mark (Franchise Agreement §7.2, Schedule 3).

Site Selection and Time to Opening

You may use your own home as an office/warehouse facility even if you do not live in your Territory. If you decide to purchase or lease separate office/warehouse space for your business, you do not need our approval of the site as long as it is located within your Territory and the only sign is a small sign to direct deliveries.

You do not have to establish a showroom site, but if you choose to do so, you must obtain our prior written approval. We do not help you select a showroom site. We will have 14 days within which to indicate our approval or disapproval of a showroom site. We will require that the showroom be located at least one mile within the borders of your Territory.

The typical length of time between the signing of the franchise agreement and beginning operation of the Franchised Business is 30 to 60 days. Factors that may affect this time period include the satisfactory completion of initial training by you or your manager and availability of our materials for you to begin operating the Franchised Business. If you do not begin operating on the date specified in your franchise agreement and do not obtain a written extension of time from us, we have the right to terminate your franchise agreement upon 30 days' written notice and opportunity to cure the default.

Post-Opening Services

During the operation of your Franchised Business, we will provide the following services and assistance to you:

Advertising

We will administer the advertising fund. We will spend advertising fees for local, regional and/or national advertising, development of marketing support, public relations, Internet marketing, market research, and promotional campaigns designed to promote and enhance the value of the BUDGET BLINDS® service marks and their general public recognition and acceptance (Franchise Agreement § 4.8(e)).

Meetings and Conferences

We may hold annual conferences to discuss the window covering industry, sales techniques, personnel training, accounting, performance standards, and advertising programs (Franchise Agreement § 7.3).

Additional Support

Our representatives will be available on an ongoing basis during normal business hours at our headquarters for consultation and guidance with respect to the operation and management of your Franchised Business (Franchise Agreement § 7.5).

Toll-Free Number

We will operate a toll free number to be used by all our franchisees (Franchise Agreement § 8.3).

Web Site

We have established a web site on the internet that provides information about the BUDGET BLINDS® System and identifies you and our other franchisees (Franchise Agreement § 8.9).

Intranet

We have an intranet to enable private communication for use by authorized members of the BUDGET BLINDS® network (Franchise Agreement § 8.11).

Advertising

The money in the advertising fund is used primarily for local, regional and national advertising, to enhance the BUDGET BLINDS® image, and to develop marketing support. During the year ending December 31, ~~2012~~2013, we spent the advertising fund as follows:

0.4419% **Production**

94.4316% **Media Placement** (cost of placing national consumer advertising, almost entirely on the Internet, including "skyscraper" ads, banner ads, links, sponsorship of key relative sites, Internet Yellow Pages, and "pay per click")

5.4565% **Other** (including Internet management, marketing consulting, public relations, advertising reporting, tracking, and monitoring, and various agency fees)

0% **Administrative** (although we were entitled to a 15% administrative fee, we waived that fee during the past year to maximize the impact of the advertising fund).

As long as we have fewer than 1500 franchises granted nationwide, the advertising fund contribution is \$1000 per month under most of our franchise agreements. ~~During 2013, we will waive any amount above \$750 per month for most franchisees. The advertising fund contribution will increase to \$1,000 in March 2014.~~ There are some franchisees who must pay at a higher rate because, under a special program that was formerly in effect, they agreed to contribute higher advertising fees in exchange for territory fee waivers. If you buy your franchise from one of these franchisees, the monthly advertising fee is \$1500. ~~During 2013, For 2014 we will waive~~ have waived any amount above ~~\$900~~ \$1,000 for these franchisees ~~but the fee will increase to \$1,000 from March 2014.~~

The monthly contributions of our franchisees to the advertising fund vary, depending upon the terms of our franchise agreements at the time they bought their franchises. Any businesses operated by our shareholders may contribute at a lesser rate or not at all.

We alone will determine all matters involving advertising, public relations, and promotional campaigns. On a national or regional basis, we may impose an additional assessment on affected franchisees for special advertising or promotional activities if two thirds of those affected agree in writing.

Some local advertising is funded by the advertising fund. You may also place your own local advertising and we encourage you to do so, but do not require it. You may purchase advertising materials from us or develop advertising materials for your own use, at your own cost, but we must approve the advertising materials in advance and in writing.

We do not have an advertising council composed of franchisees that advises us on advertising.

We are not, in any way, required to spend any advertising fees in your Territory. However, all advertising funds are spent to benefit all BUDGET BLINDS® franchisees generally, including you. If we do not spend all Advertising Fees collected during the year, the remaining money is retained for future years. Advertising fees are not refundable or rebated to you. None of the advertising fees are used primarily to solicit franchise sales. Our advertising may include a telephone number to call about franchising opportunities.

We will deposit advertising fees into a separate advertising operating account. No interest is credited for your benefit or paid to you (Franchise Agreement § 4.8(f)). The advertising fund is not in a trust, fiduciary relationship, or any other similar special arrangement.

Upon your request, we will provide you with a statement of annual receipts and expenditures from the advertising fund during the prior calendar year on or before March 31 (Franchise Agreement § 4.8(h)). The advertising fund is not separately audited from our general funds audit.

In the future, we may establish a national support services network providing qualified representatives to handle customer problems. The cost of that service may be paid partially or wholly from the advertising fund.

You will not have to participate in an advertising cooperative.

You may not develop, own, lease or use any computer medium or electronic medium (including any Internet home page, e-mail address, web site, bulletin board, newsgroup or other Internet-related medium) which uses or displays the Marks or any words, symbols or terms confusingly similar to them without our express prior written consent (Franchise Agreement § 6.7).

Computer System and Software

You must have a computer operating on a Microsoft Windows XP platform or newer, with at least 500 megabytes of RAM. We recommend Windows 7 Professional or better. Microsoft Office software, preferably Office 2007 Standard or better, must be installed. **If your computer system deviates from these specifications, it will be incompatible with our hardware and software and we will be unable to provide you with technical support.** Your computer must have high-speed (broadband, DSL, FIOS) Internet access. Currently, we provide to all franchisees, without additional charge, access to our custom designed web-based application, "Symphony." The Symphony Franchise Management System provides customer relationship

management, price configuration, and order placement, tracking and reporting. It is housed at a data center that is accessible nearly 24/7. Currently, your monthly Technology Fee, disclosed in Item 6, pays for upgrades and support for the software. We can require you to use any web-based application or proprietary software that we develop and can require you to enter into any software license and maintenance agreements for the software that we prescribe. We also can require you to sign or assent to a "terms of use" agreement with respect to all software that we designate. You must acquire any computer hardware necessary for the software we designate (Franchise Agreement §§ 8.1(d), 8.10, and 8.11).

We estimate that the cost to you of acquiring the system will not exceed \$3,000. There are no contractual limitations on the frequency or cost of required upgrades. There are no optional or mandatory maintenance, updating, upgrading or support contracts.

We have independent access to the data that you generate and store in the Symphony Franchise Management System.

Training

The training program lasts for 11 days. Our current curriculum is shown in the table below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome and Business Orientation	7.5	0	Orange, CA
Marketing and Canvassing	5.5	0	Orange, CA
Sales, Warehouse Set-up and Installation	7.5	0	Orange, CA
Product Knowledge and Installation	7.5	0	Orange, CA
Measuring/Pricing and Installation	7.5	0	Orange, CA
Installation School	3.5	0	Orange, CA
Product Knowledge/ Soft Treatments, Discounts & Multipliers	7.5	0	Orange, CA
Office Flow, Daily Procedures and Installation Specialties	7.5	0	Orange, CA
Advanced Sales Training	7.5	0	Orange, CA

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Shutters/Vendor Alliance	7.5	0	Orange, CA
Graduation, Business Representative Hand-off	7.5	0	Orange, CA
TOTAL	76.5	0	

Our training program is supervised by Todd Jackson, our Executive Vice President, who has been responsible for our training program for ~~47~~18 years. Before he helped form our company in 1992, he operated a small window covering sales and installation business for two years together with Chad Hallock, Brent Hallock, Tony Forbes and Dave Lewis. These five people all teach in our training program. The remaining modules are presented by employees with at least five years of industry experience who have been with us for over a year.

The fee for training up to two people is included in the Initial Franchise Fee of the first franchise you buy from us. For the first franchise you buy from us, we will also pay for one hotel room (single or double occupancy for 15 nights) for a trainee at a hotel we select and airfare in the maximum total amount of \$500 for two people to attend the initial training program. We do not pay incidental expenses, such as telephone and Internet, that you charge to your hotel room.

If we have room at a training session, you may send additional people to training. Additional people may attend either the same or later training sessions, subject to class availability, by paying a charge of \$100 per person per day. Only one person, you or your manager, will be allowed to participate in field trips or vendor visits. You must pay all other costs associated with training, including lodging and airfare in excess of the amounts described above, meals, and wages for your employees during training.

You or your manager must complete the initial training program to our satisfaction before you begin operating the Franchised Business. At the initial training program, we give you proprietary information for use in training your staff. The materials we provide remain our sole property. We also may make available to you for purchase recorded, third-party materials relevant to the BUDGET BLINDS® System and the Franchised Business. Initial training is conducted as needed, usually every other month.

Upon reasonable notice and at no charge to you, we may require you or your designated personnel to attend additional training courses, seminars, conferences or other programs that we consider to be relevant or appropriate to the successful operation of the System. You must pay all costs associated with attending any additional training programs, including travel, hotel and meal expenses for your attendees.

ITEM 12. TERRITORY

We grant you an exclusive Territory in which we will not establish a company-operated or franchised business that sells and installs window coverings using our System and Marks. Your Territory will be described by United States Postal Service ZIP Codes in your franchise agreement. Each Territory will begin with approximately 30,000 households. The ZIP codes making up your territory will not change even if their boundaries are expanded or contracted by the Postal Service or if the population within them decreases or increases.

We negotiate agreements with Key Accounts, such as home developers, to offer our franchisees' goods and services to their customers under programs that require commissions or other types of payments to the Key Accounts in exchange for the business they provide. Information regarding these programs is disclosed in Item 6 of this disclosure document. You are considered to have opted in to all such agreements unless and until you expressly advise us that you opt out of one or more agreements that we present to you. If you choose to opt out with respect to any Key Account in your Territory, or if you do not provide sales, installations, or other services to a particular Key Account in your Territory on any two occasions in a 12-month period, we may provide or grant others the right to provide sales, installations, or other services with respect to that particular Key Account in your Territory. There is no requirement that we compensate you for soliciting or accepting these orders if you elect not to participate.

In addition, some Key Accounts are designated "Significant Key Accounts" which are Key Accounts that we determine, in our sole judgment, to potentially be of substantial benefit to the System as a whole. Examples are national "big box" stores. Significant Key Accounts may require only certain franchisees meeting the Significant Key Account's qualifications service the Significant Key Account. This means that you may not be authorized by the Significant Key Account to service the Significant Key Account in your Territory at the time you purchase the Territory. If your Territory is one in which another franchisee is the Qualifying Franchisee for the Significant Key Account at the time you purchase the Territory, that Qualifying Franchisee will continue to be permitted to do jobs for the Significant Key Account in your Territory until such time as you qualify as a Qualifying Franchisee in your own right. Until then, the Qualifying Franchisee will be required to compensate you on the same terms and conditions as it compensates other franchisees who have previously given the Qualifying Franchisee consent to service Significant Key Accounts in their territories.

We may also, in the future, arrange other referral programs, such as web site referral programs, under which you pay fees to referral sources in return for business in your Territory. We will give you information about these programs as they are

developed and you may decide whether to opt out of them. If you do not expressly opt out of a referral program, you will be considered to have opted in.

You must promote, market, and engage in the Franchised Business diligently and effectively, develop to the best of your ability the potential of the Franchised Business within your Territory, and devote and focus your full time attention and efforts to its promotion and development.

We will not approve relocation of your Territory. You do not need our approval for the location of your franchised business within your Territory, but if you decide to have a retail showroom our prior written approval is required and it must be located at least one mile within the borders of your territory.

Because the Franchised Business consists of the sale and related installations of window coverings within your Territory, alternative means of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing media, used to generate sales without performing installations (except on an occasional or incidental basis), whether they are directed to customers inside or outside your Territory, are not permitted without our prior consent. You may not intentionally target other franchisees' territories in your advertising, regardless of whether your advertising uses the Internet, catalog sales, telemarketing or other direct marketing channels of distribution.. You must obtain our prior written approval before selling window coverings for installation outside your assigned Territory.

Generally, we will grant permission for you to operate in unassigned territories known as "gray areas" adjoining your Territory. If we give you permission to operate in a gray area, we have the right to sell or assign it, or part of it, at any time, without notice to you. You will not have a right of first refusal or option to buy the territory that was formerly a gray area.

Although we will not grant anyone else the right to operate in your Territory, except as permitted under a customer referral program or the joint marketing provisions contained in section 2.2(c) of the Franchise Agreement, we do not promise that another franchisee will not violate his or her franchise agreement and conduct business in your Territory.

You may increase your Territory only by entering into a franchise agreement for an available additional Territory for the fee described in Item 5 of this disclosure document. An Additional Territory must generally be close to your first Territory. We will grant an additional Territory to you only if you are not in default of your first franchise agreement.

If you buy an additional Territory within six months after you buy your first Territory, you may have up to six months after signing the agreement for your first

Territory to begin operating in the additional Territory. Otherwise, you must begin providing service to customers in the additional Territory immediately upon signing the franchise agreement. If you do not start operating by the deadline, we may terminate the franchise agreement for the additional Territory and keep your Additional Territory Fee.

We have the right to operate or establish businesses similar to your Franchised Business, using the same Marks you will use and providing service to customers anywhere outside your Territory, regardless of how close they are to your Territory.

We have the right to make sales using our principal mark within your Territory by means of the Internet, catalog sales, direct marketing or any other means that does not involve both sale and installation of window coverings. We do not have to compensate you for making such sales.

We have the right to establish businesses similar to the Franchised Business that operate under a different trade name and marks within your Territory without compensating you. ~~However, we do not have any plans to do so. We~~

In addition, we and our affiliates may (a) manufacture window coverings or other products for sale to other retailers and wholesalers who will sell the window coverings or other products under different trademarks, and (b) sell window coverings and other products at retail, without custom measuring or installation, under different trademarks. As of the date this Disclosure Document was issued, our affiliate, M2O Blinds, LLC, has plans to launch and operate a website under the name M2O Blinds that will offer retail customers window coverings that customers can order and install themselves. Alternatively, customers can hire their own installers. Because the M2O Blinds business is Internet-based, our affiliate may solicit and accept orders from customers in your Territory. M2O Blinds does not have plans for franchised operations as of the date this Disclosure Document was issued. The Company does not anticipate there will be conflicts between franchisees and the Company's affiliate because the do-it-yourself market is different from the market the Company's franchisees serve. The Company's and its affiliate's current plans, which are subject to change and to mutual agreements between the Company's affiliate and the Company's franchisees, are to share M2O Blinds revenues with the Company's franchisees, refer M2O Blinds customers to the Company's franchisees if an M2O Blinds customer requests a referral to an installer in a franchisee's territory or if an M2O Blinds customer requests an in-home consultation. The principal business address of M2O Blinds, LLC is the same as that of the Company, and the Company does not plan to maintain physically separate offices or training facilities.




We may respond to customer complaints in your Territory, which we may resolve in our discretion.

You will not have any options or rights of first refusal or similar rights within your Territory or adjacent Territories. You will not have the right to acquire additional BUDGET BLINDS® franchises anywhere.

Under the franchise agreement, your territorial exclusivity will not depend upon the volume of sales generated nor on your penetration of the potential market.

ITEM 13. TRADEMARKS

You will have the right to operate your business under the Marks described below.

REGISTRATION OR SERIAL NUMBER	MARK	REGISTRATION/FILING DATE
Registration No. 1,813,191	BUDGET BLINDS	Registered December 21, 1993 Renewed January 15, 2013
Registration No. 2,688,527		Registered February 18, 2003 Renewed August 10, 2012
<u>Serial Registration No. 855131934, 393, 124</u>	<u>INSPIRED DRAPES</u>	<u>Filed January 10, 2012</u> <u>Registered August 27, 2013</u>
<u>Registration No. 4,318,315</u>		<u>Registered April 9, 2013</u>
<u>Registration No. 4,444,760</u>	<u>BB COMMERCIAL SOLUTIONS</u>	<u>Registered December 2, 2013</u>
<u>Registration No. 4,485,900</u>		<u>Registered February 18, 2014</u>

We have filed all required affidavits.

You must follow our rules when you use our Marks. You cannot use all or any part of our name or Marks as all or part of your company's legal name. You may not use any modifying words, designs or symbols with our Marks. You may use the phrase "Budget Blinds of _____" as a fictitious business name. You may not

use our Marks or name in connection with the sale of unauthorized product or service or in a manner we have not authorized in writing.

No agreements limit our rights to use or license the use of our Marks.

You must notify us immediately if you learn about an infringement of or challenge to your use of our Marks. We will take the action we think appropriate. We will defend and indemnify you against any claim against you because of your authorized use of our Marks or any judgment resulting from a claim, suit or demand arising from your use of the Marks according to the terms of the Agreement except a claim by a prior user of the name "Budget Blinds." We control any administrative proceedings or litigation involving a trademark we license to you.

You must modify or discontinue the use of our Marks if we modify or discontinue them. You may not directly or indirectly contest our right to our Marks.

We do not know of any prior rights or infringing uses in your Territory or of any material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of this state, or any court, or any pending infringement, opposition, or cancellation proceeding, that could materially affect your use of our Marks. We do not know of any litigation involving the Marks.

We cannot prevent anyone who began using the name "Budget Blinds" before our use of it from continuing their use of that name in the area of prior use. The name "Budget Blinds" may be in use by other businesses in the United States who are not our franchisees or in any way affiliated with us. You are responsible for finding out whether the name "Budget Blinds" is already being used in the Territory.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Although we have not filed a copyright registration application for the Manual, we claim a copyright in its contents. The information contained in the Manual is proprietary. Except for your right to use the Manual, you do not receive the right to use any item covered by a patent or copyright. You must promptly tell us when you learn about unauthorized use of any of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses recovered by a third party because of claims of infringement or misappropriation of proprietary information, patents, or copyrights based on your authorized use of this information.

We do not own any rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications that are material to the franchise.

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

We prefer franchisees who plan to participate actively in the direct operation and daily affairs of the Franchised Business. We do not want to grant franchises to people who are merely seeking a passive investment. If you do not operate the Franchised Business yourself, you must employ at least one manager on a full time basis. If the franchisee is a company, the manager does not have to have an equity interest in the company. You must disclose the identity of the manager to us and, should the identity of the manager change, you must notify us in writing. The manager must complete our initial training program, devote his or her entire time during normal business hours to the management, operation, and development of the Franchised Business, maintain confidentiality of our trade secrets and conform to covenants not to compete.

If the franchisee is a company, anyone who has direct or indirect control of the company or a direct or indirect beneficial interest in the company, must sign the Personal Covenant and Guarantee attached to the franchise agreement as Schedule 1. If you are married, your spouse must also sign the Personal Covenant and Guarantee.

ITEM 16. RESTRICTION ON WHAT FRANCHISEE MAY SELL

You may offer and sell in the Franchised Business only goods and services that we have authorized you to sell. You do not have to sell all the products and services we authorize, but we suggest that you do so.

We have the right to change the authorized goods and services. The investment you must make in equipment, supplies and initial inventory because of these changes will not exceed \$5,000 per year without your prior approval.

Unless we approve otherwise in writing, you may only provide sales and services with respect to windows located within your Territory. Unless we instruct otherwise, you may operate in "gray areas" adjoining your Territory. Any operations in gray areas are subject to sale of a territory comprising or including former gray areas to another franchisee, to initiation of "company-owned" operations in the gray area, and to our rules and regulations, including that any advertising in gray areas (including telephone directories) may include only our toll-free telephone number, and not your local telephone number.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document as Exhibit A.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	5.1	The initial term is 10 years, beginning on the date you are scheduled to start operating.
b. Renewal or extension of the term	5.2	If you meet conditions described in 17c, you may add an additional 10-year term.
c. Requirements for franchisee to renew or extend	5.2	Pay renewal fee, sign franchise agreement in our then-current form and not be in default. The new franchise agreement may have materially different terms and conditions from our current franchise agreement.
d. Termination by franchisee	None	Not applicable
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	10.1	We can terminate (i) if you commit a material default or (ii) if a condition occurs, the non-occurrence of which was presumed.
g. "Cause" defined - curable defaults	10.3	You have 7 days to cure service mark violations (must begin the cure within 24 hours after notice). You have 30 days to cure past due payments to us and any other default not listed in Section 10.2.
h. "Cause" defined - non-curable defaults	10.2	Non-curable grounds for termination include: conviction of felony, repeated defaults even if cured, loss of insurance, abandonment, trademark misuse, unapproved transfers, adjudication as a bankrupt in a voluntary bankruptcy, filing of an involuntary bankruptcy petition against you that is not dismissed within 30 days, an assignment for the benefit of your creditors, appointment of a receiver or trustee in a bankruptcy or similar officer for you or your property, a dissolution action is commenced by or against you if you are a corporation or partnership, or a final judgment against you for the lesser of more than \$50,000 or 10% of your gross sales for the prior year.

PROVISION	SECTION IN AGREEMENT	SUMMARY
i. Franchisee's obligations on termination/non-renewal	12.1	Obligations include removal of BUDGET BLINDS® marks and payment of amounts due us. You must assign all telephone numbers relating to the business to us. (see r. below)
j. Assignment of contracts by franchisor	9.1	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	1.11, 9.2	Includes transfer of contract or assets or any ownership change.
l. Franchisor approval of transfer	9.2(b)	You must obtain our approval of transfers but we will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	9.2(b)(i)-(vii)	New franchisee qualified, transfer fee paid, purchase agreement approved, training arranged, release signed, all debts to us paid and current agreement signed by new franchisee
n. Franchisor's right of first refusal to acquire franchisee's business	9.3	We can match any offer for your Franchised Business.
o. Franchisor's option to purchase	Not applicable	Not applicable
p. Death or disability of franchisee	9.6	Heir or successor must complete initial training.
q. Non-competition covenants during the term of the franchise	8.8	No involvement in competing business anywhere in U.S. or in any other country where we have applied to register our trademarks.
r. Non-competition after the franchise is terminated or expires	8.8, 12.1	You may not engage in any competing business for 2 years within a 25 mile radius of any BUDGET BLINDS® territory. You must totally de-identify when your franchise rights have ended.
s. Modification of the agreement	14.3	No modifications generally, but Manual is subject to change.
t. Integration/merger clause	14.2	Only the terms of this franchise disclosure document, the franchise agreement and Manual are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	11.3 - 11.4	Except for certain claims for injunctive or equitable relief, all disputes must be mediated and arbitrated in Orange County, California.

PROVISION	SECTION IN AGREEMENT	SUMMARY
v. Choice of forum	11.6	Subject to applicable state law, claims for equitable or injunctive relief must be conducted in California.
w. Choice of law	14.1	Federal law applies to arbitration and trademark issues. The law of your state applies to amendment of your franchise agreement, the maximum rate of interest that can be charged, and post-termination non-competition issues. Except as required by applicable state law, California law applies to all other issues.

Note: Please see "Specific State Disclosures" attached to this disclosure document as an addendum immediately following Item 23.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following is information concerning the reported annual sales and other financial measures of those franchisees who were open for business for all of calendar year ~~2012~~2013 and who responded to a survey that we conducted in February ~~2013~~2014. The survey was sent to all our franchisees, and franchisees representing ~~57~~52% of territories returned fully completed surveys. We do not have data to establish whether the experiences of the franchisees who responded are typical of all franchisees, so you must consider the possibility that these data may not be typical. The questions asked as part of the survey and the results are described below.

A. Annual Sales Levels

The following table shows annual gross sales reported by franchisees with a single territory, with two territories, and with three or more territories, that were in business throughout calendar year ~~2012~~2013. Figures for franchisees that had two or more territories are total sales for all territories – not average per territory. All gross sales figures are presented without regard to the size of the territory. Although we currently grant territories that include approximately 30,000 households, not all territories are that size. These variations in size arise both because we formerly sold territories of differing sizes and because territories can experience either growth or contraction after a franchise is sold.

During ~~2012~~2013 there were ~~258~~199 franchisees responding to the survey who operated a single territory throughout the year, ~~72~~41 franchisees responding to the survey who operated two territories each throughout the year and 14 franchisees responding to the survey who operated three or more territories each throughout the year.

These sales results are based upon sales reported to us by the franchisees. We occasionally audit sales figures of franchisees and may verify sales to franchisees by vendors, but generally depend upon the franchisees to report their sales accurately. We do not have information concerning how our franchisees maintain their records, or

whether those records are kept in accordance with generally-accepted accounting principles.

MEASURE	<u>2012</u>2013	<u>2011</u>2012	EXPLANATION
Average Sales – One Territory	\$ 389,199 <u>451,410</u>	\$ 351,633 <u>389,199</u>	Equals total sales by all franchisees owning one or two territories, divided by the number of franchisees with that number of territories. ¹
Average Sales – Two Territories	\$ 679,783 <u>888,839</u>	\$ 627,175 <u>679,783</u>	
Average Sales – Three or More Territories	\$ 1,160,614 <u>1,384,866</u>	\$ 961,928 <u>1,160,614</u>	
Median Sales – One Territory	\$ 322,250	\$ 305 <u>322,250</u>	Shows mid-point of annual sales by franchisees with indicated number of territories. ²
Median Sales – Two Territories	\$ 600 <u>350,000</u>	\$ 600 <u>,000</u>	
Median Sales – Three or More Territories	\$ 1,125 <u>685,000</u>	\$ 496,886	
	\$ 1,340,000	\$ 930 <u>1,125,000</u>	

Although some of our franchisees have higher sales, and some have lower sales, the following table includes only information about the middle 50% of our franchisees – that is, disregarding the top 25% and the bottom 25%.

MEASURE	<u>2012</u>2013	<u>2011</u>2012	EXPLANATION
75 th Percentile – One Territory	\$ 500 <u>550,000</u>	\$ 412 <u>500,000</u>	Reported sales by the 75 th percentile of franchisees; only 25% of franchisees reported sales higher than this level (during 2012, 642013, 50 single territory franchisees, 4810 two territory franchisees and
75 th Percentile – Two Territories	\$ 792,055 <u>960,018</u>	\$ 799,000 <u>792,055</u>	
75 th Percentile – Three or More	\$ 1,498,000 <u>726,250</u>	\$ 1,400 <u>498,000</u>	

Territories			34 three or more territory franchisees).
Average Sales of Middle 50% - One Territory	\$339,310 <u>366,529</u>	\$313,385 <u>339,310</u>	Equals the mean (average) annual gross sales of those franchisees whose reported sales levels fell between the top 25% and the bottom 25%. ³
Average Sales of Middle 50% - Two Territories	\$622,324 <u>702,498</u>	\$541,962 <u>622,324</u>	
Average Sales of Middle 50% - Three or More Territories	\$1,145,625 <u>253,290</u>	\$929,400 <u>1,145,625</u>	
25 th Percentile – One Territory	\$232,883	\$220 <u>232,883</u>	Reported sales by the 25 th percentile of franchisees; only 25% of franchisees (64 <u>49</u> single territory franchisees, 48 <u>11</u> two territory franchisees and 3 three or more territory franchisees) reported sales lower than this level.
25 th Percentile – Two Territories	\$494 <u>260,000</u>	\$494 <u>,000</u>	
25 th Percentile – Three or More Territories	\$800,000 <u>549,500</u>	\$432,036	
	\$914,250	\$716,100 <u>800,000</u>	

1. Of our franchisees responding to the survey who were in operation for all of 2012, ~~128~~2013, 199 or ~~49~~78% of the franchisees with a single territory, ~~29~~41 or ~~40~~16% of the franchisees with two territories, and ~~7~~14 or ~~50~~6% of the franchisees with three or more territories had total annual sales that equaled or exceeded the mean sales figure stated.
2. One-half of all franchisees in each category (~~428~~100 single territory franchisees, ~~35~~20 two territory franchisees and 7 three or more territory franchisees) had greater sales than the median figure, and the other half had lower sales.
3. The calculation of this average disregards the franchisees that had sales lower than the 25th percentile or higher than the 75th percentile.

The sales of new franchisees are likely to start out lower than these figures. In addition, your total sales will be affected by a variety of factors, including the number and nature of competitors in your territory, how well you follow our system, how hard you work, the number of people buying and selling homes in your territory, the general economy in your territory, and other factors (some of which are beyond the control of both you and us). You should conduct your own research into the situation in your potential territory, including investigating the number and nature of competitors in your area, the prices charged by those competitors for sales and installation of window coverings, and information about home sales in the area.

B. Cost of Goods Sold

As part of the survey, we asked our franchisees to report their experiences concerning average cost of goods sold (that is, the cost to franchisees of window coverings sold by the franchisees) as a percentage of the price at which the franchisees sold those same window coverings to their customers. According to that survey, the average cost of goods sold was 48.47% of the gross (retail) sales price. We have not independently verified this amount, but that figure is consistent with information concerning suggested mark-ups taught to franchisees in our training class. Your cost of goods sold may vary from this average, depending upon the number and nature of competitors in your area, the prices at which they sell similar window coverings, your abilities and efforts, and other factors.

In addition to the cost of goods sold, you will also incur other expenses that are not included in this calculation, such as monthly payments (lease or financing) for the required van, labor costs for anyone you hire, rent for office/warehouse space (especially if you do not work out of your home), telephone and other utility expenses, automobile, general liability, and other types of insurance, royalties and advertising expenses, federal, state and local taxes, and financing expenses (see Item 10) if you finance any part of your investment. You may also incur other expenses, depending upon the manner in which you operate the business. You should consult with your advisors and with other business owners concerning the other types and amounts of expenses you will incur.

C. Closing Rate

As part of the survey referred to above, we also asked our franchisees about their “closing rate” (that is, the number of sales calls that result in an actual sale). More franchisees reported that 70% to 74% of their sales calls typically lead to a sale than any other percentage range. We have not independently verified this amount. Your closing rate may vary from this average, depending upon how well you follow our system, the number and nature of competitors in your area, the prices at which your competitors sell similar window coverings, your abilities and efforts, and other factors. We offer substantially the same services to all franchisees. Additionally, all literature and marketing materials we have developed are available to all franchisees. A franchisee is not limited in the amount or type of efforts it may make to sell window coverings. However, these actions must comply with the standards and guidelines we have outlined in the Manual or otherwise. Consequently, your annual gross sales, sales per transaction, expenses, and closing rate may be directly affected by the amount, type, and effectiveness of the business development efforts you conduct.

D. ~~Average Number of Monthly Sales~~ Amount Spent on Advertising

As part of the survey, we also asked our franchisees to tell us, ~~on average~~, how ~~many sales~~ much they ~~closed in~~ spent on advertising each month. ~~The average of all responses was 29 sales per territory, including their monthly advertising fee.~~ More franchisees reported spending \$1,001 - \$2,000 than any other dollar range.

E. Employees

As part of the survey, we asked our franchisees how many employees were employed in their Franchised Business and received the following responses:

EMPLOYEES	% FRANCHISEES
Sole owner/operator	<u>2623</u>
Partnership including with spouse	<u>1821</u>
One additional employee	<u>2417</u>
Two additional employees	<u>1615</u>
Three additional employees	<u>10</u>
Four additional employees	<u>4</u>
Five or more additional employees	<u>39</u>

The franchisees with additional employees reported that they held the following positions:

<u>POSITION</u>	<u>% ADDITIONAL EMPLOYEES</u>
<u>Installers</u>	<u>31</u>
<u>Salespersons</u>	<u>28</u>
<u>Administrators</u>	<u>22</u>
<u>Management</u>	<u>18</u>

F. Office Locations

As part of the survey we asked our franchisees where their office was located and received the following responses:

LOCATION	% FRANCHISEES
Home office	<u>7067</u>
Showrooms	<u>19</u>
Retail stores	<u>23</u>
Office/warehouse <u>Other</u>	<u>911</u>

G. Average Years In Business

As part of the survey we asked our franchisees how long they had been operated their Franchised Businesses.

<u>YEARS IN BUSINESS</u>	<u>% FRANCHISEES</u>
<u>1-2</u>	<u>7</u>
<u>2-3</u>	<u>19</u>
<u>4-5</u>	<u>12</u>
<u>6-10</u>	<u>43</u>
<u>10+</u>	<u>19</u>

H. Repeat or Referral Customers

As part of the survey we asked our franchisees about their repeat or referral rate of business. The average of all and received the following responses was 7 years.

<u>REPEAT OR REFERRAL RATE</u>	<u>% FRANCHISEES</u>
<u>Under 10%</u>	<u>9</u>
<u>11 – 20%</u>	<u>11</u>
<u>21 – 30%</u>	<u>13</u>
<u>31 – 40%</u>	<u>21</u>
<u>41 – 50%</u>	<u>11</u>
<u>51 – 60%</u>	<u>18</u>
<u>61 – 70%</u>	<u>7</u>
<u>71 – 80%</u>	<u>6</u>
<u>81% and over</u>	<u>4</u>

I. Residential vs. Commercial Sales

As part of the survey we asked our franchisees about their percentage of residential versus commercial sales. Respondents' average sales were 85% residential and 15% commercial.

Your financial results may differ from the results shown above.

Written substantiation for this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chad Hallock at 1927 North Glassell Street, Orange, California 92865, telephone (714) 637-2100, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

SYSTEMWIDE OUTLET SUMMARY FOR YEARS ENDING DECEMBER 31, ~~2010~~, 2011, 2012 AND ~~2012~~ 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010 <u>2011</u>	752 <u>687</u>	687	-650
	2011 <u>2012</u>	687	687 <u>724</u>	0 <u>+37</u>
	2012 <u>2013</u>	687 <u>724</u>	724 <u>776</u>	+37 <u>+52</u>
Company-Owned	2010 <u>2011</u>	0	0	0
	2011 <u>2012</u>	0	0	0
	2012 <u>2013</u>	0	0	0
Total Outlets	2010 <u>2011</u>	752 <u>687</u>	687	-650
	2011 <u>2012</u>	687	687 <u>724</u>	0 <u>+37</u>
	2012 <u>2013</u>	687 <u>724</u>	724 <u>776</u>	+37 <u>+52</u>

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS OTHER THAN BUDGET BLINDS FOR YEARS ENDING DECEMBER 31, ~~2010~~, 2011, 2012 AND ~~2012~~ 2013

State	Year	Number of Transfers
Arizona	2010 <u>2011</u>	0
	2011	0
	2012	1

State	Year	Number of Transfers
	<u>2013</u>	<u>2</u>
California	2010 <u>2011</u>	1 <u>4</u>
	2011	4
	2012	3
	<u>2013</u>	<u>1</u>
Colorado	2010 <u>2011</u>	2 <u>3</u>
	_____ 2014	_____ 3
	2012	1
	<u>2013</u>	<u>1</u>
Connecticut	2010 <u>2011</u>	0
	_____ 2014	_____ 0
	2012	0
	<u>2013</u>	<u>1</u>
Delaware	2010 <u>2011</u>	0
	_____ 2014	_____ 0
	2012	0
	<u>2013</u>	<u>0</u>
Florida	2010 <u>2011</u>	3 <u>1</u>
	_____ 2014	_____ 4
	2012	3
	<u>2013</u>	<u>0</u>
Georgia	2010 <u>2011</u>	0
	_____ 2014	_____ 0
	2012	0
	<u>2013</u>	<u>1</u>
Idaho	2010 <u>2011</u>	0
	_____ 2014	_____ 0
	2012	1
	<u>2013</u>	<u>0</u>

State	Year	Number of Transfers
Illinois	2010 <u>2011</u>	<u>4</u> <u>2</u>
	_____ 2014 _____	_____ 2 _____
	2012	2
	<u>2013</u>	<u>0</u>
Indiana	2010 <u>2011</u>	0
	_____ 2014 _____	_____ 0 _____
	2012	0
	<u>2013</u>	<u>2</u>
Louisiana	2010 <u>2011</u>	<u>0</u> <u>1</u>
	_____ 2014 _____	_____ 1 _____
	2012	0
	<u>2013</u>	<u>3</u>
Maryland	2010 <u>2011</u>	<u>5</u> <u>1</u>
	_____ 2014 _____	_____ 4 _____
	2012	0
	<u>2013</u>	<u>6</u>
Massachusetts	2010 <u>2011</u>	0
	_____ 2014 _____	_____ 0 _____
	2012	0
	<u>2013</u>	<u>0</u>
Michigan	2010 <u>2011</u>	0
	_____ 2014 _____	_____ 0 _____
	2012	0
	<u>2013</u>	<u>0</u>
Minnesota	2010 <u>2011</u>	0
	_____ 2014 _____	_____ 0 _____
	2012	0
	<u>2013</u>	<u>1</u>
Mississippi	2010 <u>2011</u>	0

State	Year	Number of Transfers
	2011 2014	0 0
	2012	2
	<u>2013</u>	<u>0</u>
Missouri	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>3</u>
Montana	2010 <u>2011</u>	1 <u>0</u>
	2011	0
	2012	0
	<u>2013</u>	<u>0</u>
Nevada	2010 <u>2011</u>	0
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>
<u>New Hampshire</u>	2011	0
	2012	0
	<u>2013</u>	<u>1</u>
New Jersey	2010 <u>2011</u>	0
	2011	0
	2012	2
	<u>2013</u>	<u>2</u>
New York	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>1</u>
North Carolina	2010 <u>2011</u>	0 <u>1</u>
	2011	4
	2012	2
Ohio	2010 <u>2013</u>	1 <u>0</u>

State	Year	Number of Transfers
<u>Ohio</u>	2011	0
	2012	1
	<u>2013</u>	<u>2</u>
Oklahoma	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>0</u>
Oregon	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>2</u>
Pennsylvania	2010 <u>2011</u>	0
	2011	0
	2012	2
	<u>2013</u>	<u>2</u>
Rhode Island	2010 <u>2011</u>	0
	2011	0
	2012	1
	<u>2013</u>	<u>0</u>
South Carolina	2010 <u>2011</u>	1
	2011	4
	2012	0
	<u>2013</u>	<u>0</u>
South Dakota	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>0</u>
Tennessee	2010 <u>2011</u>	0 <u>3</u>
	2011	3

State	Year	Number of Transfers
	2012	1
Texas	2010 <u>2013</u>	4 <u>0</u>
<u>Texas</u>	2011	5
	2012	4
Utah	2010 <u>2013</u>	0 <u>5</u>
<u>Utah</u>	2011	0
	2012	0
	<u>2013</u>	<u>0</u>
Virginia	2010 <u>2011</u>	0
	2011	0
	2012	0
	<u>2013</u>	<u>0</u>
Washington	2010 <u>2011</u>	1
	2011	4
	2012	0
	<u>2013</u>	<u>1</u>
Wisconsin	2010 <u>2011</u>	0 <u>1</u>
	2011	4
	2012	0
Total	2010 <u>2013</u>	17 <u>1</u>
<u>Total</u>	2011	24
	2012	26
	<u>2013</u>	<u>38</u>

**STATUS OF FRANCHISED OUTLETS FOR YEARS ENDING
DECEMBER 31, ~~2010~~, 2011, 2012 AND ~~2012~~2013**

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
AL	2010 <u>2011</u>	7	40	40	0	0	0	7
	2011 <u>2012</u>	7	01	01	0	0	0	7
	2012 <u>2013</u>	7	43	40	0	0	0	710
AK	2010 <u>2011</u>	40	01	40	0	0	0	01
	2011 <u>2012</u>	01	40	0	0	0	0	1
	2012 <u>2013</u>	1	01	0	0	0	0	42
AR	2010 <u>2011</u>	4	40	42	0	0	0	42
	2011 <u>2012</u>	42	01	20	0	0	0	23
	2012 <u>2013</u>	23	40	0	0	0	0	3
AZ	2010 <u>2011</u>	4412	0	20	0	0	0	12
	2011 <u>2012</u>	12	02	0	0	0	0	4214
	2012 <u>2013</u>	4214	21	0	0	0	0	4415
CA	2010 <u>2011</u>	9585	42	444	0	0	0	8583
	2011 <u>2012</u>	8583	23	41	0	0	0	8384
	2012 <u>2013</u>	8384	311	44	02	0	0	8490
CO	2010 <u>2011</u>	2724	02	32	0	0	0	24
	2011 <u>2012</u>	24	21	23	0	01	0	2421
	2012 <u>2013</u>	2421	44	30	0	40	0	2425
CT	2010 <u>2011</u>	98	0	1	0	0	0	87

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
	2011 <u>2012</u>	87 <u>79</u>	02 <u>21</u>	40 <u>0</u>	0	0	0	79 <u>910</u>
	2012 <u>2013</u>	79 <u>4</u>	21 <u>40</u>	0	0	0	0	910 <u>4</u>
DE	2010 <u>2011</u>	4	40 <u>0</u>	40 <u>0</u>	0	0	0	4
	2011 <u>2012</u>	4	0	0	0	0	0	4
	2012 <u>2013</u>	4	0	01 <u>0</u>	0	0	0	43 <u>4</u>
FL	2010 <u>2011</u>	4542 <u>4245</u>	43 <u>36</u>	30 <u>01</u>	0	0	0	42⁴45 <u>4551²</u>
	2011 <u>2012</u>	4245 <u>4551</u>	36 <u>610</u>	01 <u>42</u>	0	0	0	4551² <u>54³59</u>
	2012 <u>2013</u>	4551 <u>1311</u>	610 <u>02</u>	42 <u>32</u>	0	0	0	54³59 <u>44¹11</u>
GA	2010 <u>2011</u>	1311	02 <u>2</u>	32 <u>21</u>	0	0	0	44 ¹ 11
	2011 <u>2012</u>	11	2	21	0	0	0	44 ¹ 12
	2012 <u>2013</u>	44 ¹ 12	2	40 <u>01</u>	0	0	01 <u>0</u>	4213 <u>4213</u>
HI	2010 <u>2011</u>	21 <u>1</u>	0	40 <u>0</u>	0	0	0	1
	2011 <u>2012</u>	1	01 <u>0</u>	0	0	0	0	42 <u>5</u>
	2012 <u>2013</u>	42 <u>5</u>	40 <u>0</u>	0	0	0	0	2
ID	2010 <u>2011</u>	76 <u>65</u>	0	1	0	0	0	65 <u>5</u>
	2011 <u>2012</u>	65 <u>5</u>	0	40 <u>01</u>	0	0	0	5 <u>54</u>
	2012 <u>2013</u>	5	0	01 <u>0</u>	0	0	0	54 <u>3235</u>
IL	2010 <u>2011</u>	3432 <u>3235</u>	03 <u>3</u>	20 <u>0</u>	0	0	0	3235 <u>3538</u>
	2011 <u>2012</u>	3235 <u>3</u>	3	0	0	0	0	3538 <u>3538</u>

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
	<u>2012</u> <u>2013</u>	<u>3538</u>	<u>32</u>	<u>01</u>	<u>01</u>	0	0	38
IN	<u>2010</u> <u>2011</u>	<u>4615</u>	<u>01</u>	<u>42</u>	0	0	0	<u>4514</u>
	<u>2011</u> <u>2012</u>	<u>4514</u>	<u>43</u>	<u>20</u>	<u>01</u>	0	0	<u>4415</u> ²
	<u>2012</u> <u>2013</u>	<u>4415</u>	<u>30</u>	<u>01</u>	<u>40</u>	0	0	<u>45</u> ³ <u>14</u>
IA	<u>2010</u> <u>2011</u>	4	0	0	0	0	0	4
	<u>2011</u> <u>2012</u>	4	<u>01</u>	0	0	0	0	<u>45</u>
	<u>2012</u> <u>2013</u>	<u>45</u>	1	0	0	0	0	<u>56</u>
KS	<u>2010</u> <u>2011</u>	<u>449</u>	0	<u>20</u>	0	0	0	9
	<u>2011</u> <u>2012</u>	9	0	0	0	0	0	9
	<u>2012</u> <u>2013</u>	9	0	<u>01</u>	0	0	0	<u>08</u>
KY	<u>2010</u> <u>2011</u>	<u>34</u>	1	0	0	0	0	<u>45</u>
	<u>2011</u> <u>2012</u>	<u>45</u>	1	<u>01</u>	0	0	0	5
	<u>2012</u> <u>2013</u>	5	<u>40</u>	<u>40</u>	0	0	0	5
LA	<u>2010</u> <u>2011</u>	<u>4412</u>	1	<u>01</u>	0	0	0	12
	<u>2011</u> <u>2012</u>	12	<u>40</u>	<u>40</u>	0	0	0	12
	<u>2012</u> <u>2013</u>	12	0	0	0	0	0	12
ME	<u>2010</u> <u>2011</u>	6	<u>40</u>	<u>40</u>	0	0	0	6
	<u>2011</u> <u>2012</u>	6	0	0	0	0	0	6
	<u>2012</u> <u>2013</u>	6	0	0	0	0	0	6

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
MD	<u>2010</u> <u>20</u> <u>11</u>	<u>25</u> <u>23</u>	0	<u>20</u>	0	0	0	23
	<u>2011</u> <u>20</u> <u>12</u>	23	<u>01</u>	0	0	0	0	<u>23</u> <u>24</u>
	<u>2012</u> <u>20</u> <u>13</u>	<u>23</u> <u>24</u>	<u>40</u>	0	0	0	0	24
MA	<u>2010</u> <u>20</u> <u>11</u>	<u>46</u> <u>15</u>	<u>01</u>	1	0	0	0	15
	<u>2011</u> <u>20</u> <u>12</u>	15	<u>40</u>	1	0	0	0	<u>45</u> <u>14</u>
	<u>2012</u> <u>20</u> <u>13</u>	<u>45</u> <u>14</u>	<u>02</u>	1	0	0	0	<u>44</u> <u>15</u>
MI	<u>2010</u> <u>20</u> <u>11</u>	<u>45</u> <u>14</u>	<u>42</u>	<u>20</u>	0	0	0	<u>44</u> <u>16</u>
	<u>2011</u> <u>20</u> <u>12</u>	<u>44</u> <u>16</u>	<u>20</u>	<u>01</u>	0	0	0	<u>46</u> <u>15</u>
	<u>2012</u> <u>20</u> <u>13</u>	<u>46</u> <u>15</u>	<u>01</u>	1	0	0	0	<u>45</u> <u>16</u> ³
MN	<u>2010</u> <u>20</u> <u>11</u>	<u>28</u> <u>24</u>	1	<u>51</u>	0	0	0	24
	<u>2011</u> <u>20</u> <u>12</u>	24	1	1	0	0	0	24
	<u>2012</u> <u>20</u> <u>13</u>	24	1	<u>40</u>	0	0	0	<u>24</u> <u>25</u>
MS	<u>2010</u> <u>20</u> <u>11</u>	<u>43</u>	0	<u>40</u>	0	0	0	3
	<u>2011</u> <u>20</u> <u>12</u>	3	0	0	0	0	0	3
	<u>2012</u> <u>20</u> <u>13</u>	3	0	0	0	0	0	3
MO	<u>2010</u> <u>20</u> <u>11</u>	12	<u>01</u>	<u>02</u>	0	0	0	<u>12</u> <u>11</u>
	<u>2011</u> <u>20</u> <u>12</u>	<u>12</u> <u>11</u>	1	<u>20</u>	0	0	0	<u>44</u> <u>12</u>
	<u>2012</u> <u>20</u> <u>13</u>	<u>44</u> <u>12</u>	<u>40</u>	0	0	0	0	12
MT	<u>2010</u> <u>20</u> <u>11</u>	5	0	0	0	0	0	5

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
	<u>2011</u> <u>2012</u>	5	0	0	0	0	0	5
	<u>2012</u> <u>2013</u>	5	0	0	0	0	0	5
NE	<u>2010</u> <u>2011</u>	3	0	0	0	0	0	3
	<u>2011</u> <u>2012</u>	3	0	0	0	0	0	3
	<u>2012</u> <u>2013</u>	3	<u>0</u> <u>1</u>	0	0	0	0	<u>3</u> <u>4</u>
NV	<u>2010</u> <u>2011</u>	<u>5</u> <u>2</u>	0	<u>3</u> <u>0</u>	0	0	0	2
	<u>2011</u> <u>2012</u>	2	0	0	0	0	0	2
	<u>2012</u> <u>2013</u>	2	0	0	0	0	0	2
NH	<u>2010</u> <u>2011</u>	6	0	<u>0</u> <u>2</u>	0	0	0	<u>6</u> <u>4</u>
	<u>2011</u> <u>2012</u>	<u>6</u> <u>4</u>	0	<u>2</u> <u>0</u>	0	0	0	4
	<u>2012</u> <u>2013</u>	4	0	0	0	0	0	4
NJ	<u>2010</u> <u>2011</u>	<u>24</u> <u>18</u>	1	<u>4</u> <u>2</u>	0	0	0	<u>48</u> <u>17</u>
	<u>2011</u> <u>2012</u>	<u>48</u> <u>17</u>	<u>4</u> <u>3</u>	<u>2</u> <u>1</u>	0	0	0	<u>47</u> <u>19</u>
	<u>2012</u> <u>2013</u>	<u>47</u> <u>19</u>	<u>3</u> <u>5</u>	<u>4</u> <u>0</u>	0	0	0	<u>49</u> <u>24</u>
NM	<u>2010</u> <u>2011</u>	5	0	0	0	0	0	5
	<u>2011</u> <u>2012</u>	5	0	<u>0</u> <u>1</u>	0	0	0	<u>5</u> <u>4</u>
	<u>2012</u> <u>2013</u>	<u>5</u> <u>4</u>	0	<u>4</u> <u>0</u>	0	0	0	4
NY	<u>2010</u> <u>2011</u>	<u>34</u> <u>28</u>	<u>0</u> <u>1</u>	3	0	0	0	<u>28</u> <u>26</u>
	<u>2011</u> <u>2012</u>	<u>28</u> <u>26</u>	<u>4</u> <u>2</u>	<u>3</u> <u>1</u>	0	0	0	<u>26</u> <u>27</u>

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
	<u>2012</u> <u>2013</u>	<u>2627</u>	<u>25</u>	<u>40</u>	0	0	0	<u>2732</u>
NC	<u>2010</u> <u>2011</u>	<u>2017</u>	0	<u>30</u>	0	0	0	17
	<u>2011</u> <u>2012</u>	17	<u>05</u>	<u>01</u>	0	<u>01</u>	0	<u>1720</u>
	<u>2012</u> <u>2013</u>	<u>1720</u>	<u>53</u>	<u>40</u>	0	<u>40</u>	0	<u>2022</u> ⁴
ND	<u>2010</u> <u>2011</u>	3	0	0	0	0	0	3
	<u>2011</u> <u>2012</u>	3	0	0	0	0	0	3
	<u>2012</u> <u>2013</u>	3	0	0	0	0	0	3
OH	<u>2010</u> <u>2011</u>	<u>2625</u>	<u>03</u>	<u>42</u>	0	0	0	<u>2526</u>
	<u>2011</u> <u>2012</u>	<u>2526</u>	<u>32</u>	<u>20</u>	0	0	0	<u>2628</u>
	<u>2012</u> <u>2013</u>	<u>2628</u>	<u>21</u>	0	0	0	0	<u>2828</u> ³
OK	<u>2010</u> <u>2011</u>	<u>21</u>	0	<u>40</u>	0	0	0	1
	<u>2011</u> <u>2012</u>	1	<u>02</u>	0	0	0	0	<u>43</u>
	<u>2012</u> <u>2013</u>	<u>43</u>	<u>21</u>	0	0	0	0	<u>34</u>
OR	<u>2010</u> <u>2011</u>	12	<u>01</u>	0	0	0	0	<u>1213</u>
	<u>2011</u> <u>2012</u>	<u>1213</u>	<u>42</u>	<u>01</u>	0	0	0	<u>1314</u>
	<u>2012</u> <u>2013</u>	<u>1314</u>	2	<u>40</u>	0	0	0	<u>1416</u>
PA	<u>2010</u> <u>2011</u>	<u>3128</u>	<u>02</u>	<u>21</u>	0	0	<u>40</u>	<u>2829</u>
	<u>2011</u> <u>2012</u>	<u>2829</u>	2	<u>40</u>	0	0	0	<u>2931</u>
	<u>2012</u> <u>2013</u>	<u>2931</u>	<u>23</u>	0	0	0	0	<u>3134</u>

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
RI	2010 <u>2011</u>	4	0	0	0	0	0	4
	2011 <u>2012</u>	4	0	0	0	0	0	4
	2012 <u>2013</u>	4	0	0	0	0	0	4
SC	2010 <u>2011</u>	429	0	30	0	0	0	98 ¹
	2011 <u>2012</u>	98	0	0	0	0	0	8 ²
	2012 <u>2013</u>	8	0	0 ¹	0	0	0	8 ⁴
SD	2010 <u>2011</u>	5	0	0	0	0	0	5
	2011 <u>2012</u>	5	0	0	0	0	0	5
	2012 <u>2013</u>	5	0	0	0	0	0	5
TN	2010 <u>2011</u>	16	1	4	0	0	0	16 ¹⁷
	2011 <u>2012</u>	16 ¹⁷	1	0	0	0	0	17 ¹⁸
	2012 <u>2013</u>	17 ¹⁸	4 ²	0	0	0	0	18 ²⁰
TX	2010 <u>2011</u>	464 ²	5 ³	4 ²	0	0	0	42 ⁴³
	2011 <u>2012</u>	42 ⁴³	3 ⁹	2	0	0 ¹	0	43 ⁴⁹
	2012 <u>2013</u>	43 ⁴⁹	9 ⁵	2 ¹	0	4 ⁰	0	49 ⁵³
UT	2010 <u>2011</u>	5 ⁶	4 ⁰	0	0	0	0	6
	2011 <u>2012</u>	6	0	0	0	0	0	6
	2012 <u>2013</u>	6	0	0	0	0	0	6
VA	2010 <u>2011</u>	18	0	0 ¹	0	0	0	18 ¹⁸ ¹

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
	<u>2011</u>	18	<u>03</u>	1	0	0	0	<u>18</u>
	<u>2012</u>	<u>1820</u>	<u>31</u>	<u>40</u>	0	0	0	<u>2021</u>
WA	<u>2011</u>	<u>2925</u>	0	<u>30</u>	0	0	<u>40</u>	25
	<u>2012</u>	25	0	0	<u>01</u>	0	0	<u>2524</u>
	<u>2013</u>	<u>2524</u>	<u>02</u>	0	<u>40</u>	0	0	<u>2426</u>
WA, DC	<u>2011</u>	0	0	0	0	0	0	0
	<u>2012</u>	0	0	0	0	0	0	0
	<u>2013</u>	0	0	0	0	0	0	0
WV	<u>2011</u>	3	0	0	0	0	0	3
	<u>2012</u>	3	0	0	0	0	0	3
	<u>2013</u>	3	0	0	0	0	0	3
WI	<u>2011</u>	<u>2725</u>	<u>40</u>	<u>21</u>	0	0	<u>40</u>	<u>2524</u>
	<u>2012</u>	<u>2524</u>	0	<u>40</u>	0	0	0	24
	<u>2013</u>	24	<u>02</u>	<u>01</u>	<u>01</u>	0	0	24
WY	<u>2011</u>	4	0	0	0	0	0	4
	<u>2012</u>	4	0	0	0	0	0	4
	<u>2013</u>	4	0	0	0	0	0	4
Totals	<u>2011</u>	<u>752687</u>	<u>2033</u>	<u>8233</u>	0	0	<u>30</u>	687
	<u>2012</u>	687	<u>3361</u>	<u>3319</u>	<u>02</u>	<u>03</u>	0	<u>687724</u>

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
	2012 <u>2013</u>	687 <u>724</u>	61 <u>73</u>	19 <u>16</u>	2 <u>4</u>	3 <u>0</u>	0 <u>1</u>	724 <u>776</u>

- 1: ~~One franchise territory was relocated from Florida~~South Carolina to ~~Georgia~~Virginia
- 2: ~~One franchise territory was relocated from South Carolina~~Indiana to ~~Virginia~~Florida
- 3: ~~One franchise territory was relocated from Indiana~~Ohio to ~~Florida~~Michigan
- 4: ~~One franchise territory was relocated from North Carolina~~to South Carolina

**STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ENDING
DECEMBER 31, ~~2010~~, ~~2011~~, ~~2012~~ AND ~~2012~~2013**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2010 <u>2011</u>	0	0	0	0	0	0
	2011 <u>2012</u>	0	0	0	0	0	0
	2012 <u>2013</u>	0	0	0	0	0	0
Totals	2010 <u>2011</u>	0	0	0	0	0	0
	2011 <u>2012</u>	0	0	0	0	0	0
	2012 <u>2013</u>	0	0	0	0	0	0

PROJECTED OPENINGS AS OF DECEMBER 31, ~~2012~~2013

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	<u>21</u>	0
Alaska	<u>4</u>	0	0
Arizona	0	<u>34</u>	0
California	4	<u>54</u>	0

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Colorado	<u>42</u>	<u>41</u>	0
Connecticut	1	<u>23</u>	0
Florida	<u>53</u>	<u>83</u>	0
Georgia	1	<u>64</u>	0
Hawaii	0	0	0
Illinois	<u>40</u>	3	0
Indiana	<u>01</u>	1	0
Iowa	<u>40</u>	<u>02</u>	0
<u>Kansas</u>	<u>2</u>	<u>0</u>	<u>0</u>
Kentucky	<u>01</u>	<u>40</u>	0
Louisiana	<u>01</u>	<u>30</u>	0
Maryland	<u>40</u>	<u>42</u>	0
Massachusetts	<u>45</u>	<u>32</u>	0
Michigan	<u>01</u>	<u>31</u>	0
Minnesota	<u>02</u>	<u>31</u>	0
Mississippi	0	0	0
Missouri	<u>01</u>	2	0
Nebraska	<u>40</u>	0	0
Nevada	0	<u>23</u>	0
New Jersey	<u>43</u>	3	0
New York	<u>31</u>	<u>34</u>	0
North Carolina	<u>20</u>	<u>21</u>	0
Ohio	1	2	0
Oklahoma	<u>40</u>	1	0
Oregon	<u>01</u>	1	0
Pennsylvania	0	<u>32</u>	0
Rhode Island	0	0	0

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
South Carolina	<u>01</u>	<u>01</u>	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	<u>52</u>	<u>54</u>	0
Virginia	0	2	0
Washington	2	2	0
Washington, DC	0	<u>01</u>	0
<u>Wisconsin</u>	<u>3</u>	<u>0</u>	<u>0</u>
Totals	<u>3339</u>	<u>8062</u>	0

Attached to this disclosure document as Exhibit E is a list of all current franchisees with the address and telephone number of each of their Businesses as of ~~January~~March 4, ~~2013~~2014.

Attached to this disclosure document as Exhibit F is the name, last known city and state, and telephone number of each franchisee whose franchise has, during the most recently completed fiscal year, been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business or who has not communicated with us within ten weeks of the issuance date of this disclosure document. Exhibit F lists ~~2521~~ terminated franchises and ~~2638~~ transferred franchises.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees signed confidentiality clauses within the past three fiscal years. In some instances current and former franchisees signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all of such franchisees will be able to communicate with you.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit D are our audited financial statements for the years ended December 31, ~~2013, 2012, and 2011, and 2010~~.

ITEM 22. CONTRACTS

The following agreements are proposed for use in this state in connection with the franchise we offer:

TITLE OF AGREEMENT	EXHIBIT/ SCHEDULE #	SIGNED BY
Franchise Agreement	Exhibit A	Franchisee and Budget Blinds
Personal Covenant and Guarantee	Schedule 1	All people having direct or indirect "Control"* over Franchisee or a direct or indirect beneficial ownership interest in Franchisee.
Secured Promissory Note	Exhibit B	Franchisee (Obligor)
General Security Agreement	Exhibit C	Franchisee (Pledgor) and Budget Blinds
Consent to Credit Investigation	Exhibit J	Applicant
Deposit Receipt	Exhibit K	Applicant and Budget Blinds
Consent to Transfer and Assumption of Franchise Agreement	Exhibit L	Existing franchisee, new franchisee and Budget Blinds
Software License Agreement	Exhibit M	Franchisee and Budget Blinds
<u>Veterans' Addendum to Franchise Agreement</u>	<u>Exhibit N</u>	<u>Franchisee and Budget Blinds</u>

***"Control" means possession of the direct or indirect power to direct or cause the direction of your management and policies, whether through the ownership of voting securities, by contract, or otherwise.*

ITEM 23. RECEIPT

Attached, as the last page of this disclosure document is a receipt. Please sign it, date it **as of the date you receive the disclosure document** and return it to us. A duplicate of the receipt is attached for your records.

ADDENDUM TO DISCLOSURE DOCUMENT: SPECIFIC STATE DISCLOSURES

California

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

California Business and Professions Code 20000 through 20043 (the "Franchise Relations Act") provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete that continues after the termination of the franchise. This provision may not be enforceable under California law.

Under both the California Franchise Relations Act and the Franchise Investment Law, a provision in a franchise agreement that requires you to waive your rights under either or both of these laws is void. Any release of claims that the franchisor asks you to sign does not apply to claims under these franchise laws.

Unless the transaction is exempt under the statute, Section 31125 of the California Corporations Code requires the franchisor to give the franchise a special disclosure document before soliciting a proposed material modification of an existing franchise.

The franchise agreement requires binding arbitration. The arbitration will occur in Orange County, California, with the costs being determined according to the rules of the American Arbitration Association.

The franchise agreement contains a liquidated damages clause. Under Civil Code Section 16711 certain liquidated damages clauses are unenforceable.

OUR WEBSITE ADDRESS IS WWW.BUDGETBLINDS.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Illinois

Many states have statutes concerning the relationship between franchisor and franchisee. These statutes deal with such matters as renewal and termination of franchises. Provisions of this sort will prevail over inconsistent terms in a franchise agreement. Illinois has such a statute (815 ILCS 705/19 and 705/20).

The franchise agreement provides for termination upon bankruptcy. A provision in a franchise agreement that terminates the franchise upon bankruptcy of the franchisee may not be enforceable under Title 11, U.S. Code 101.

Item 17v (Choice of Forum) is amended to state "none" under the heading for "Section in franchise agreement" and "none" under the heading for "Summary."

The franchise agreement requires you to sign a release of claims as a condition of transfer of the franchise. Under the law of Illinois, any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise disclosure law of Illinois is void. Accordingly, insofar as the franchise agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the franchise agreement. This provision will not prevent the franchisor from requiring you to sign a release of claims as part of a negotiated settlement of a dispute.

Maryland

Amendment to Item 17 of the disclosure document:

Item 17m (Transfer) is amended to add the following statement:

The general release required as a condition of transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17v (Choice of Forum) is amended to read as follows:

Other than for claims subject to arbitration, a franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

Minnesota

Amendments to Item 17 of the Disclosure Document:

Item 17v (Choice of Forum) is amended to state "none" under the heading for "Section in franchise agreement" and "none" under the heading for "Summary."

The franchise agreement requires binding arbitration. The arbitration will occur in a state other than Minnesota, with costs being borne by the non-prevailing party. Under Minnesota Statutes 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

The franchise agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes 80C.21 and Minnesota Rule Part 2860.4400J, this may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement.

The franchise agreement requires you to sign a release of claims as a condition of transferring a franchise. Minn. Rule 2860.4400J prohibits us from requiring you to sign a release of claims arising under the Minnesota Franchise Law. Therefore, any release we require you to sign does not apply to claims arising under the Minnesota Franchise Law.

New York

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

Except as stated in Item 3 of this prospectus, neither the franchisor, its predecessor or predecessors nor any person or sales agent identified in Item 2 of this prospectus: (i) has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a felony, 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 10-year period immediately preceding the application

for registration, 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, (iii) is subject to any injunctive or restrictive order or decree relating to franchises 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.

Neither the franchisor, its affiliate, its predecessor, officers, nor general partner during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

The introduction to Item 17 is amended to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

The Summary column of Item 17d is amended to read: "You may terminate upon any grounds permitted by law."

The Summary column of Item 17j is amended to read: "We may assign only to a financially responsible assignee that we reasonably believe capable of performing its obligations under the franchise agreement and which expressly assumes these obligations in writing."

The Summary column of Item 17s is amended to add the following: "Revisions to the Manual will not unreasonably affect your obligations, including your economic obligations, under the franchise agreement."

The Summary column of Item 17w is amended to add the following: The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

This disclosure document does not knowingly omit any material fact or contain any untrue statement of material fact.

North Dakota

In North Dakota, the disclosure document is amended as follows to conform to North Dakota law:

Item 17r is amended to add the following: "To the extent that covenants not to compete apply to periods after the term of the franchise, they are generally considered unenforceable in the State of North Dakota."

Item 17u (Dispute Resolution by Arbitration or Mediation) is amended to omit any reference to the location of mediation or arbitration.

Item 17v (Choice of Forum) is amended to state "none" under the heading for "Section in franchise agreement" and "none" under the heading for "Summary."

Item 17w (Governing Law) is amended to state "none" under the heading for "Section in franchise agreement" and "none" under the heading for "Summary."

The franchise agreement includes a waiver of the right to a jury trial. That requirement will not apply to North Dakota franchises and is deemed deleted in each place it appears in the disclosure document and franchise agreement.

The franchise agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchises and is deemed deleted in each place it appears in the disclosure document and franchise agreement.

Rhode Island

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

In spite of the provisions of Item 17v and Item 17w of the disclosure document, any litigation arising under the franchise agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor.

To the extent required by 19-28.1-14 of the Rhode Island Franchise Investment Act, the Agreements will be governed by the laws of the State of Rhode Island.

South Dakota

The franchise agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. The franchise agreement provides for arbitration in a state other than South Dakota. Under South Dakota law, arbitration must be conducted at a mutually agreed upon site in accordance with 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The franchise agreement designates the law of a state other than South Dakota as the governing law, except that the arbitration clause is to be construed under the Federal Arbitration Act and trademark issues are to be construed under the Lanham Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but contractual and all other matters will be subject to application, construction, enforcement, and interpretation under the governing law specified by the franchise agreement.

Under South Dakota law, any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the disclosure document and franchise agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination. Under SDL 37-5B-21, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order under it is void.

Any acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota franchise law or a rule or order under the South Dakota franchise law.

Virginia

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute

"reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Washington

The State of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor, including the areas of termination and renewal of the franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

In Washington, provisions of the franchise agreement which unreasonably limit the statute of limitations or remedies under the Washington Franchise Investment Act, such as the right to jury trial, may not be enforceable.

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

BUDGET BLINDS® FRANCHISE AGREEMENT

EXHIBIT A

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STATE ADDENDUM TO FRANCHISE AGREEMENT

SCHEDULES:

- 1: Personal Covenant and Guarantee
- 2: Description of Territory
- 3: Budget Blinds Start-Up Package
- 4: Schedule of Names and Addresses of Sole Proprietor, Shareholders, Partners and/or Principal Officers, as Applicable

FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made as of _____ (the "Effective Date"), by Budget Blinds, Inc., a California corporation _____ ("Franchisor"), and _____ a(n) _____ proposing to do business in the state of _____ as Budget Blinds of _____ ("Franchisee"), beginning said operation on _____ (the "Operating Date") with the first payment of monthly Fees due on _____, with reference to the following facts:

As a result of its expenditure of time, skill, effort and money, Franchisor has developed and will supervise the System under certain Marks operated according to the provisions of this Agreement and Franchisor's Manual, as amended from time to time. Franchisor is the owner of the Marks.

Franchisor is engaged in the administration and development of programs for the operation of retailers of window coverings, such as shutters, mini blinds, wood blinds, vertical blinds, draperies, pleated shades, duettes, and silhouettes, using the Marks, operational techniques, know-how, service concepts and proprietary information owned or authorized to be used by and identified with Franchisor. Franchisor's activities in general, and its window coverings franchise program in particular, are undertaken to develop, maintain and enhance the Marks and Franchisor's reputation for total service in the field of window coverings retail sales and related services.

Franchisee would like to be franchised by the Franchisor to use the System, Marks and goodwill of Franchisor to conduct the "Franchised Business" (as defined in Article 1 of this Agreement). Franchisor is willing to grant to Franchisee a franchise for the System and the Marks, according to the provisions of this Agreement and the Manual, for the Term stated below. Franchisee acknowledges that, in the administration of this Agreement and in taking actions with respect to its relationship with Franchisee, Franchisor must take into account the needs of the System, and the effect upon the System as a whole, and the need to protect the Marks for the benefit of the System.

1. DEFINITIONS

1.1. Control

The term "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.2. Electronic Commerce

The term "Electronic Commerce" means offering and selling merchandise and services associated with the Proprietary Marks, and receiving and accepting orders and payment for that merchandise and services, directly or indirectly, through any means of electronic communication, including receiving and accepting orders over the Internet.

1.3. Franchised Business

The term "Franchised Business" means "a retail operation for the sale to customers located in the Territory of window coverings, all according to Franchisor's unique and valuable plans, methods, systems and techniques and using the goodwill and proprietary marks of Franchisor, including "Budget Blinds", upon the terms and conditions stated in this Agreement. For purposes of this Agreement, a customer is located in the Territory if the affected window(s) (that is, the window(s) for which the window coverings will be installed) are located in the Territory).

1.4. Initial Training

The term "Initial Training" means training in the System provided by Franchisor, as described in Section 7.1 of this Agreement.

1.5. Key Account

The term "Key Account" means any (a) potential or existing commercial customer that has multiple sites, offices, or retail premises, at least one of which is located outside the Territory, (b) any home improvement retail or wholesale outlet, construction company, contractor, or similar business whose clientele includes potential customers for window coverings, and (c) operators of web sites (or similar referral sources) that offer to refer customers to Franchisor and its Franchisees for a fee.

1.6. Manager

The term "Manager" means the employee or agent of Franchisee who has been designated by Franchisee as the person responsible for the day-to-day operation of the Franchised Business and who has successfully completed the initial training program (if Franchisee is an individual, Franchisee may be the Manager).

1.7. Manual

The term "Manual" means Franchisor's Confidential Operating Manual and the collection of policies and procedures (regardless of title) to be adhered to by Franchisee in performing under this Agreement. In Franchisor's discretion, the Manual may be delivered to Franchisee in one or more printed volumes or may be made available on Franchisor's Intranet. Regardless of the form of presentation, the Manual includes all amendments and supplements prescribed by Franchisor from time to time. In the event of any doubt, the copy of the Manual maintained by Franchisor at its headquarters will conclusively be considered to be the "official" version of the Manual.

1.8. Marks

The term "Marks" means those proprietary marks registered or pending with the United States Patent and Trademark Office, as well as all common law trademarks and service marks, trade names, logotypes, insignias, designs and other commercial symbols which Franchisor now or in the future is authorized to use and does use or authorizes others to use to identify the Franchised Business.

1.9. System

The term "System" means a comprehensive marketing and operational system prescribed by Franchisor to be used in the conduct of the Franchised Business, as stated in this Agreement and the Manual, as amended from time to time. The System will include, among other things, the Marks and certain advertising, marketing and sales programs and techniques, Franchisor controlled telephone numbers, training programs and materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that Franchisor makes available to Franchisee. Franchisor, in its sole discretion, may improve and/or change the System from time to time (including adding to, deleting or modifying elements of the System, establishing categories or classifications of Franchisees and amending the Manual) for the intended purpose of making the System more effective, efficient, economical or competitive, adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions, enhancing the reputation or public acceptance of the System, and/or better serving the public.

1.10. Territory

The term "Territory" means that geographic area described in Schedule 2 attached to this Agreement.

1.11. Transfer

The term "Transfer" means to sell, assign, transfer, convey, pledge, mortgage, encumber, abandon, eliminate or give away, voluntarily or involuntarily, by operation of law or otherwise.

1.12. Work Vehicle

The term "Work Vehicle" means a commercial van, extended van, or mini-van meeting Franchisor's standards (as stated in the Manual) to be used in the conduct of the Franchised Business and upon which will be affixed Franchisor's Marks. (See Section 8.1(b) of this Agreement)

2. THE FRANCHISED BUSINESS

2.1. Grant of Franchise

Franchisor grants to Franchisee, and Franchisee accepts, a franchise to participate in and use the System by conducting the Franchised Business solely within the Territory described in Schedule 2 to this Agreement in strict accordance with this Agreement and the Manual, from the Operating Date until the end of the Term of this Agreement unless sooner terminated. Franchisor will help Franchisee analyze existing and available market areas, using informal procedures, and generally will assist Franchisee in choosing an authorized Territory to be reflected on Schedule 2 attached and incorporated in this Agreement by reference. While Franchisor will use its experience in approving the Territory, nothing contained in this Agreement may be interpreted as a guarantee of success. Final Territory selection will be subject to approval of Franchisor, which approval will not be unreasonably withheld. Franchisee will retain the right to conduct businesses and perform services other than the Franchised Business, but subject to the restrictions on engaging in competitive activities under Section 8.8 of this Agreement, subject to the prior written consent of Franchisor in respect of certain other activities which may be related to the Franchised Business, and subject to all other applicable provisions of this Agreement and the Manual, provided, however, Franchisee may not use the Marks (as defined in this Agreement), operational techniques, or proprietary information in the other businesses or services without the express prior written permission of the President or other executive officer of Franchisor, which permission, if granted, will bring the other businesses or services within the scope of the Franchised Business.

2.2. Limited Exclusivity

(a) Except as provided in paragraphs (b), (c), (d) and (e) of this section, during the Term, Franchisor will not establish or operate within the Territory, or franchise any third party (other than Franchisee) to establish or operate within the Territory, any other business that both sells and installs window coverings using the System and the Marks.

(b) Franchisee agrees that, from time to time, Franchisor may enter into agreements with Key Accounts, or permit other franchisees (on terms and conditions more specifically described in the Manual) to enter into agreements with Key Accounts that contemplate performance in the Territory of sales or installations of, or other services regarding, window coverings. Franchisee is deemed to have opted in to all Key Account agreements unless and until Franchisee expressly opts out of one or more agreements that Franchisor presents to Franchisee. If Franchisee chooses to opt out with respect to any Key Account in the Territory, or if Franchisee fails to provide sales, installations, or other services to a particular Key Account in the Territory on any two occasions in a 12-month period, Franchisor may provide or grant others the right to provide sales, installations, or other services with respect to that particular Key Account in the Territory for the remainder of the term.

In exceptional cases, Franchisor may determine that a particular Key Account is of such significance that it represents a potentially substantial benefit to the System as a whole. Such significant Key Accounts will be designated "Significant Key Accounts" in the Manual. Significant Key Accounts may require only certain franchisees meeting the Significant Key Account's qualifications for participation ("Qualifying Franchisees") service customers of the Significant Key Account. In such cases, the Qualifying Franchisee may nonetheless only service customers in another franchisee's territory with that franchisee's prior written consent in the form prescribed by Franchisor. If the Qualifying Franchisee services "gray areas" (as defined in Section 2.4 of this Agreement) and such gray area is later sold as part of a new territory to another franchisee, Qualifying Franchisee may continue servicing customers of Significant Key Accounts in the formerly gray area until the new franchisee qualifies as a Qualifying Franchisee in its own right. Until then, the Qualifying Franchisee will be required to compensate the franchisee of the formerly gray area on the same terms and conditions as it compensates other franchisees who have previously given Qualifying Franchisee consent to service Significant Key Accounts in their territories.

(c) Franchisee agrees that, from time to time, opportunities may arise to participate in joint marketing efforts (such as home shows and Yellow Pages advertising) with other Budget Blinds franchisees. If Franchisee is afforded the opportunity to participate in these joint marketing efforts but declines to do so, the participating Budget Blinds franchisee(s) will be required to offer any leads for the Territory generated as a result of the joint marketing effort to Franchisee on reasonable terms and conditions (including maximum lead fees per referral) specified from time to

time in the Manual. If the participating franchisee(s) comply with Franchisor's guidelines on the offering terms for the leads and Franchisee declines to accept the lead on the terms offered, then the participating franchisee will not be required to turn over the lead to Franchisee and the participating franchisee may instead work the lead in the Territory without compensation to Franchisee.

(d) Franchisee agrees that if, as a result of Franchisee's default of this Agreement and as an alternative to termination, Franchisor withholds customer leads generated on Franchisee's behalf by Franchisor as described in sections 8.9(e) and 10.6 of this Agreement, Franchisor may provide or grant other franchisees the right to provide sales, installations, or other services with respect to those customer leads in the Territory until Franchisee cures the breach.

(e) Except to the limited extent expressly provided in paragraph (a) of this section, the rights granted to Franchisee under this Agreement are non-exclusive and Franchisor expressly reserves all other rights, including the exclusive, unrestricted rights, directly and indirectly, itself and through its employees, representatives, licensees, franchisees, assigns, agents, and others: (i) to own and operate, and to franchise others to own and operate, businesses that sell and install window coverings using the System and the Marks at any location outside the Territory, (ii) to solicit, sell to, and service Key Accounts and the clients of those Key Accounts, wherever located (including within the Territory), subject to compliance with paragraph (b) of this section and Section 8.13, (iii) to acquire or be acquired by a company that operates and/or licenses businesses that sell and/or install window coverings within the Territory without using the System and the Marks, (iv) to acquire or be acquired by a manufacturer of window coverings, (v) to sell window coverings through any other means that do not involve both the System and the Marks, and (vi) to advertise and promote the System and the Marks at any location within or outside the Territory.

2.3. Reserved Rights

Nothing contained in this Agreement will accord Franchisee any right, title or interest in or to the Marks, System, operational techniques, service concepts, proprietary information, or goodwill of Franchisor, except any rights that may be granted by this Agreement.

2.4. Area and Scope of Operation

Unless otherwise approved in writing by Franchisor, Franchisee may conduct its Franchised Business only within the Territory. Unless Franchisee will operate out of its own home, its office/warehouse facility must be located within the Territory. Franchisee does not have to establish a showroom, but if it decides to do so, the showroom must be located within the Territory and requires Franchisor's prior written approval.

Except as to "gray areas," described below, Franchisee may provide sales and service only with respect to windows located within the Territory even if Franchisee's home office is not located within the Territory. Franchisee must (i) diligently and effectively promote, market, and engage in the Franchised Business within the Territory, (ii) develop, to the best of its ability, the potential for the Franchised Business from within the Territory, and (iii) devote and focus its full-time attentions and efforts to that promotion and development.

Unless otherwise instructed by Franchisor, Franchisee may operate in unassigned territories known as "gray areas" adjoining the Territory (for this purpose, a "gray area" is an area that is not part of any other franchisee's territory, nor an area served by Franchisor's "company-owned" operations). Any operations in gray areas are subject to sale of the areas to other franchisees, to initiation of "company-owned" operations in the gray area, and to Franchisor's rules and regulations. Any advertising in gray areas, including in telephone directories, may include only Franchisor's toll-free telephone number, not Franchisee's local telephone number.

Franchisee does not receive any right of first refusal or other rights of any type to a gray area by virtue of operations in that gray area. Franchisor may sell any gray area territory at any time, without advance notice to Franchisee. Upon notice from Franchisor, Franchisee must immediately cease all marketing activities in the gray area. Franchisor may give a notice to cease marketing without regard to whether the gray area has been sold to another franchisee. After Franchisor gives notice to cease marketing, Franchisee may (for a maximum of 30 days) complete installations of window coverings for which orders were completed before Franchisor gave Franchisee notice to cease marketing in the area.

Franchisee's Initials: _____

2.5. Additional Territory

Franchisee may purchase rights to additional geographical areas (each, an "Additional Territory") by signing an additional franchise agreement and paying an "Additional Territory Fee," as described in section 4.4. The then-current Initial Territory Fee may be higher than the Initial Territory Fee under this Agreement. To purchase an Additional Territory, the Additional Territory must be available at the time of purchase (that is, cannot be the subject of a franchise agreement or deposit receipt between Franchisor and another franchisee or be operated as a "company-owned" territory by Franchisor) and must be close to the Territory. Franchisor, in its sole discretion, may sell any areas that are contiguous or close to the Territory prior to the time Franchisee purchases an Additional Territory from Franchisor. Franchisee must be current in all payments due Franchisor under this Agreement, and not otherwise in default under this Agreement. Franchisor may refuse to sell an Additional Territory to Franchisee unless

Franchisee presents to Franchisor a business plan (according to Franchisor's standards) that shows how Franchisee will adequately serve all areas.

Franchisee must begin operating the Franchised Business in each Additional Territory by the latter of (a) the date Franchisee signs the Franchise Agreement for the Additional Territory and (b) six (6) months after the date Franchisee began operating under its first franchise agreement or license agreement from Franchisor. If Franchisee does not begin operating in the Additional Territory within this period of time, Franchisee may return the Additional Territory to Franchisor. However, the Additional Territory Fee is not refundable.

2.6. Office and/or Warehouse

The franchise granted by this Agreement contemplates that Franchisee will operate a business that is primarily mobile. Franchisee may, without further approval from Franchisor, use an office and/or warehouse, provided that the office/warehouse is located within the Territory (unless Franchisor consents in writing to the office/warehouse being located outside the Territory). Franchisee may not operate a fixed retail location for the sale of window coverings, whether inside or outside the Territory, without Franchisor's written consent, which may be withheld in its sole discretion.

3. LOCATION OF BUSINESS

Franchisee's principal place of business is at the following location:

4. PAYMENTS BY FRANCHISEE

4.1. Franchise Fee

If Franchisee is not a party to another franchise agreement with Franchisor, Franchisee will pay Franchisor an Initial franchise fee of \$14,950. There is no initial franchise fee for existing franchisees.

4.2. Territory Fee

Subject to Section 2.5, above, Franchisee also will pay Franchisor a territory fee of \$60,000.

4.3. Payment of Initial Franchise and Territory Fees

The initial franchise fee and territory fee are payable in a lump sum in lawful money of the United States of America upon Franchisee's signing of this Agreement,

but Franchisor may finance up to \$35,000 over five years if, in Franchisor's sole discretion, Franchisee qualifies for financing.

4.4. Additional Territory Fee

If Franchisee acquires an Additional Territory as contemplated by Section 2.5, Franchisee will pay an additional territory fee of \$50,000 if the Additional Territory is purchased at the same time as the initial Territory or the then-current initial Territory fee if the Additional Territory is purchased at a later time. The Additional Territory fee is payable in a lump sum, all in lawful money of the United States of America, concurrently upon signing of the new franchise agreement by Franchisee. The Additional Territory fee is not refundable.

4.5. Royalty

(a) Throughout the Term of this Agreement, Franchisee will pay a monthly royalty, as described below. Franchisor may change the frequency of payment and reporting, and if Franchisor does so, the royalty will be adjusted accordingly.

The standard monthly royalty under this Agreement is \$1,500. However, if this is Franchisee's first term under a BUDGET BLINDS® franchise agreement and the franchise was purchased from Franchisor, rather than from another franchisee, Franchisee will pay a reduced royalty during the first two years of the Term, as follows:

MONTHS FROM THE OPERATING DATE	ROYALTY
1 st through 6 th month	\$300
7 th through 12 th month	\$700
13 th through 24 th month	\$1,100

After the end of the two-year phase-in period, the royalty will be \$1,500 per month for the rest of the Term of this Agreement. When Franchisee renews this Agreement, Franchisee will not be entitled to any phase-in of the royalty described in the renewal franchise agreement.

(b) Any payment of royalties not received when due will be subject to a late penalty of \$100 and will bear interest at 18% per year or the maximum rate permitted by applicable law, whichever is less, from the date due until the date received by Franchisor. Payments not honored due to insufficient funds will be subject to a penalty of \$25. Payments of royalties are not refundable.

(c) In spite of the royalty rates described above, if Franchisee purchased an existing BUDGET BLINDS® business from another franchisee, as a result of which this Agreement was issued to Franchisee, then Franchisee will continue to pay the royalty

paid by the prior franchisee. For example, if the prior franchisee was in the 20th month of the Term, and was paying \$1,100, Franchisee will start paying a royalty of \$1,100, which will increase to \$1,500 on the 25th month after the prior franchisee's Operating Date. If the prior franchisee was on a form of franchise agreement that called for royalties to be paid based upon sales, then Franchisee will start paying a royalty at the amount that most-closely approximates the rate paid by the prior franchisee. For example, if the prior franchisee was paying a royalty of approximately \$1,000 per month, then Franchisee will begin paying a royalty at the rate of \$1,100, for the number of months that rate would otherwise be paid, after which the rate will increase according to the schedule above. In either event, the parties will sign a letter confirming the amounts and dates of increase of the royalty calculated according to this provision.

4.6. Advertising Fee

(a) Throughout the Term of this Agreement, Franchisee will pay Franchisor a monthly "Advertising Fee" in the amount specified below for each Territory. The amount of the Advertising Fee is as follows:

TIME PERIOD	MONTHLY ADVERTISING FEE
From Operating Date until there are 1500 franchised Territories Nationwide	\$1,000
Once there are 1500 franchised Territories Nationwide	\$1,500

(b) Any payment of Advertising Fees not received when due will be subject to a late penalty of \$100 and will bear interest at 18% per year or the maximum rate permitted by applicable law, whichever is less, from the date due until the date received by Franchisor. Payments not honored due to insufficient funds will be subject to a penalty of \$25. Payments of Advertising Fees are not refundable.

(c) Franchisor may in the future establish the BUDGET BLINDS® National Support Services Network, under which qualified representatives will be able to respond to inquiries from customers of BUDGET BLINDS® Franchisees. The costs for these services may be reimbursed partially or wholly from the Advertising Fee.

(d) On a national or regional basis, Franchisor may impose an additional assessment upon all (or those affected) of its franchisees and licensees for special designated advertising or promotional activities (so long as the assessment is not in substance merely an increase in the general advertising fee referred to in Section 4.4(a) of this Agreement) if 2/3 of all BUDGET BLINDS® franchisees that are affected by the additional assessment agree to that assessment by affirmative vote, confirmed in writing by each respective BUDGET BLINDS® franchisee's manager. Franchisee covenants to

vote in favor of any special assessment proposed by Franchisor according to this provision.

(e) Franchisor will spend for the purposes of national, regional or local advertising, market research, advertising production costs, public relations and promotional campaigns designed to promote and enhance the value of the Marks and their general public recognition and acceptance, an amount equal to (i) the aggregate Advertising Fees collected from all of its Franchisees less (ii) an administrative fee of 15% of the annual aggregate Advertising Fees received by Franchisor.

(f) No interest on unexpended Advertising Fees will be imputed for the benefit of or payable to Franchisee and no interest on Franchisor expenditures in excess of Advertising Fees collected will be imputed for the benefit of, or payable to, Franchisor.

(g) Franchisor will determine the cost, form of media, content, format, production, timing, location (including regional or local concentration and seasonal exposure) and all other matters relating to advertising, public relations and promotional campaigns.

(h) On or before March 31 of each year, if requested in writing by Franchisee, Franchisor will deliver to Franchisee a statement of receipts and expenditures of the aggregate Advertising Fees relating to the preceding calendar year, certified to be correct by an officer of Franchisor.

(i) Neither the Advertising Fee nor any matter related to it may in any way be construed as a "trust," "fiduciary relationship," or any other similar special arrangement, nor may the payment of the Advertising Fee or any matter related to it be construed to create same.

4.7. Technology Fee

Throughout the Term of this Agreement, Franchisee will pay Franchisor a monthly Technology Fee in the amount specified in the Manual at the time of each payment. The amount of the Technology Fee may change from time to time. The fee compensates the franchisor for the cost of operating the toll free number described in section 8.3 below and upgrades and support for the BUDGET BLINDS® Symphony™ customer relations management software.

4.8. Means and Time of Payment of Continuing Fees

Franchisee must authorize Franchisor to withdraw all payments due under this Agreement, including Royalties, Advertising Fees and any other fees, directly from Franchisee's bank account. Funds to cover fees must be available for withdrawal from Franchisee's bank account from the first day of each month in which payment is due.

Franchisee must make arrangements with its bank to authorize these withdrawals immediately upon signing this Agreement. Franchisee must sign any document requested by Franchisor to enable its payment to Franchisor of continuing royalties, advertising fees and any other ongoing fees by electronic funds transfer, pre-arranged draft, sweep of its bank account, or any other method prescribed by Franchisor in the future.

4.9. Interest on Delinquent Payments

All delinquent payments of any sums due Franchisor will bear interest at 18% per year or the maximum rate permitted by law, whichever is less.

4.10. Insufficient Funds Charge

All payment withdrawals not completed or checks not honored or payments that must be reprocessed because there were insufficient funds in the bank will be subject to an insufficient funds charge of \$25.

4.11. No Accord or Satisfaction

If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount provided for under this Agreement for any payment due under this Agreement, the payment or receipt will be applied against the earliest amount due Franchisor. Franchisor may accept any payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No statement on any payment or in any letter accompanying any payment or elsewhere will constitute or be construed as an accord or satisfaction.

4.12. Fees For Optional Referrals

Unless Franchisee has advised Franchisor in writing of its election not to participate in a particular referral program or Key Account program, Franchisee must pay the referral fees required by the program for any customer referrals Franchisee receives from the program. All referral fees payable as a result of Franchisee's participation in a particular referral program managed by Franchisor are payable to Franchisor at the times specified for the program, but no more frequently than monthly.

5. TERM

5.1. Initial Term

The initial term of this Agreement (the "Term") is ten (10) years from the Operating Date of this Agreement, unless sooner terminated according to the provisions of this Agreement.

5.2. Additional Term

(a) Subject to the terms and conditions contained in this section, Franchisee may extend its franchise relationship for one additional ten-year term, upon the following conditions:

- (i) Franchisor will notify Franchisee of the expiration date of the Term of this Agreement and will transmit to Franchisee a copy of its then current franchise agreement and disclosure document not less than 180 days before the expiration of the Term.
- (ii) After receipt by Franchisee of the then current franchise agreement complete in all material respects, but not later than 30 business days after receipt by Franchisee of the notice, franchise agreement and franchise disclosure document, Franchisee will sign and return the then current franchise agreement. Upon receipt, Franchisor will sign the agreement and return a fully signed copy to Franchisee. The new agreement will become effective concurrently upon expiration of the Term of this Agreement. If Franchisee fails or refuses to sign and return to Franchisor the new franchise agreement within the time frame stated in this section, all of Franchisee's rights and options to enter into an additional franchise agreement will expire.
- (iii) Franchisee will pay a \$1,000 renewal fee at the time the new franchise agreement is signed by Franchisee.
- (iv) At the time of beginning of the new franchise agreement, Franchisee will not be in default and will have fully performed all of its obligations under this Agreement.

(b) If Franchisor ceases granting Licenses in the state in which the Franchised Business is operating, Franchisor will notify Franchisee at least 180 days prior to the expiration of the Term of the cessation, whereupon Franchisee's right to enter into a new franchise agreement will be terminated in its entirety at the end of the Term.

(c) If Franchisor determines not to grant an additional franchise agreement by reason of a default by Franchisee which is incurable or has not been cured by Franchisee within the applicable time period or failure of Franchisee to fully perform its obligations under this Agreement, then and in that event, Franchisor must give Franchisee notice of its intention not to grant an additional term (i) within the minimum time required by the jurisdictional authorities or (ii) in the absence of a specific period, within 30 days after Franchisee gives its notice of intention to enter into a new franchise agreement but not less than 90 days prior to the termination date of this Agreement.

(d) Subsequent to the signing by Franchisee of a subsequent franchise agreement, and prior to the effective date of the new franchise agreement, Franchisee will bring its Franchised Business into full compliance with the standards then applicable to new BUDGET BLINDS® franchisees.

5.3. Notice of Expiration Required by Law

If applicable law requires that Franchisor give a longer period of notice to Franchisee than provided in this Agreement prior to the expiration of the Term, Franchisor will give the additional required notice. If Franchisor does not give the required additional notice, this Agreement will remain in effect on a month-to-month basis only until Franchisee has received the required additional notice.

6. SERVICE MARKS

6.1. Franchise

(a) Franchisor grants to Franchisee the right during the Term of this Agreement to use and display the Marks according to the provisions contained in this Agreement and in the Manual, solely in the operation of the Franchised Business. Franchisee acknowledges that Franchisor prescribes minimum standards respecting the nature and quality of the goods and services used by Franchisee in which the Marks are used. Franchisee agrees to be responsible for and supervise all of its employees and agents to insure the proper use of the Marks in compliance with this Agreement. Franchisee will use the Marks solely in connection with the Franchised Business and may not use or display the Marks in connection with the operation of any business, the performance of any other service or the conduct of any other activity outside the scope of the Franchised Business. Franchisee agrees that all of Franchisee's use of the Marks under this Agreement benefits Franchisor. Nothing in this Agreement will give Franchisee any right, title or interest in or to any of the Marks, except a mere privilege and franchise during the Term of this Agreement to display and use the same strictly according to the limitations provided in this Agreement and the Manual. Franchisee agrees that all art work, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with, the Marks which may be created by Franchisee, its employees, agents and subcontractors and any other party with whom it may contract to have the materials produced according to this Agreement will become the sole property of Franchisor, including copyright and trademark rights, and Franchisee agrees on behalf of itself, its employees, its agents, its subcontractors and any other party with whom it may contract to have the materials produced, to promptly sign any and all appropriate documents in this regard. Franchisee agrees to join with Franchisor in any application to enter Franchisee as a registered or permitted user, or the like, of the Marks with any appropriate governmental agency or entity. Upon termination of this Agreement for any reason whatsoever, Franchisor may immediately apply to cancel Franchisee's status as a registered or permitted user and Franchisee will consent in writing to the cancellation and will join in any cancellation petition. The expense of any of the foregoing recording activities will be borne by Franchisor.

(b) Franchisor has advised Franchisee that the name "BUDGET BLINDS®" may have been used by others in the conduct of a window coverings business prior to Franchisor's registration of its service mark and that those prior users may have the

legal right to continue to use the name "BUDGET BLINDS®" in the geographical area in which they have used it. Franchisor has further advised Franchisee that the mechanisms for determining whether a particular trade name is being used by another (i) vary substantially from locale to locale and Franchisor cannot assure Franchisee that the name "BUDGET BLINDS®" is not currently being used in the Territory, (ii) may require a search of local trademark and service mark registration records, fictitious business name filings, or both, or some other records maintained by city, county, or state agencies or entities, and (iii) may be imperfect and fail to reveal some protected uses. Franchisee understands and agrees that prior to signing this Agreement and accepting the Territory Franchisee should have obtained advice from local counsel regarding the appropriate search and protection mechanisms and have conducted an appropriate search and investigation in the Territory to determine whether there is any prior user of the name "BUDGET BLINDS®".

(c) As a material part of the consideration for the grant of a franchise on the terms stated in this Agreement, Franchisee releases Franchisor from any and all claims, causes of action arising out of or related to any prior use of the name "BUDGET BLINDS®" in the Territory and waives any and all claims, actions, or causes of action it might otherwise have against Franchisor arising out of or related to any loss, claims, costs, liability, expenses, actions, causes of action, or obligations to which Franchisee may become subject because of any prior use of the name "BUDGET BLINDS®" in the Territory. Nothing in the preceding sentence, however, will be considered to limit a party's respective obligations under Section 6.6 below.

6.2. Acts in Derogation of the Marks

(a) Franchisee agrees that as between Franchisor and Franchisee, the Marks are the exclusive property of Franchisor. Franchisee now asserts no claim and will from now on assert no claim to any goodwill, reputation or ownership of them by virtue of Franchisee's licensed use of it or otherwise. It is expressly understood and agreed that ownership and title of the Marks and Franchisor's manuals, bulletins, instruction sheets, forms, methods of operation and goodwill are and, as between Franchisor and Franchisee, will remain vested solely in Franchisor, and the use of it is only co-extensive with the Term of this Agreement. Franchisee acknowledges that the material and information now and from now on provided and/or revealed to Franchisee according to this Agreement (including the contents of the Manual) are confidential trade secrets of Franchisor and are revealed in confidence, and Franchisee expressly agrees to keep and respect the confidences so reposed, both during the Term of this Agreement and thereafter. Franchisor expressly reserves all rights with respect to the Marks, confidential trade secrets, methods of operation and other proprietary information, except as may be expressly granted to Franchisee or in the Manual. Franchisor will disclose its trade secrets to Franchisee by loaning to Franchisee for the Term of this Agreement manuals and other written materials containing the trade secrets, through training and assistance provided to Franchisee under this Agreement,

and by and through the performance of Franchisor's other obligations under this Agreement. Franchisee acknowledges that Franchisor is the sole owner of all proprietary information and trade secrets, that the information is being imparted to Franchisee only by reason of its special status as a Franchisee of the System, and that the trade secrets are not generally known to the window covering industry or public at large and are not known to Franchisee except by reason of the disclosure. Franchisee further acknowledges that it will acquire no interest in the trade secrets, other than the right to use them in the development and operation of the Franchised Business during the Term of this Agreement. In addition, Franchisee acknowledges that the use or duplication of the trade secrets except as expressly permitted by this Agreement will constitute an unfair method of competition and that Franchisor will suffer irreparable injury by it. Franchisee agrees that it will not do or permit any act in derogation of any of the rights of Franchisor in connection with the Marks, either during the Term of this Agreement or thereafter, and that it will use same only for the uses and in the manner franchised under this Agreement and as provided in this Agreement. Furthermore, Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

(b) In the operation of the Franchised Business, Franchisee agrees that at all times and in all advertising, promotions, signs and other display materials, on its letterheads, business forms, and at all authorized business sites, in all of its business dealings related to them and to the general public, it will identify the Franchised Business under an Assumed Name, approved by Franchisor, together with the words "AN INDEPENDENTLY OWNED AND OPERATED LICENSEE" or any other similar designation as from now on prescribed by Franchisor, all in the form, size and style as prescribed in the Manual. In its sole discretion, Franchisor retains the right to deny the use of certain words or phrases in the fictitious business name. Franchisee will file and keep current a "Fictitious Business Name Statement" (or similar document) with respect to its fictitious business name in the county or other designated region in which Franchisee is conducting business and at any other places as may be required by law. Prior to beginning business under the Marks, Franchisee will supply evidence satisfactory to Franchisor that Franchisee has complied with relevant laws regarding the use of fictitious or assumed names. Franchisor must approve in advance the total appearance of the fictitious business name (and other identifying words). Franchisee further agrees that it will not identify itself as (i) Franchisor, (ii) a subsidiary, parent, division, shareholder, partner, joint venturer, agent or employee of Franchisor or other owner of the Marks or (iii) any of Franchisor's other Franchisees. If Franchisee is a corporation, Franchisee will not use in its corporate name either the Marks or any words confusingly similar thereto.

6.3. Use and Modification of Marks

Franchisor may add to, substitute or modify any or all of the Marks from time to time, by directive in the Manual. Franchisee will accept, use, display, or cease using,

as may be applicable, the Marks, including any modified or additional trade names, trademarks, service marks, logo types and commercial symbols, and will within 30 days of receiving notification, begin to implement the changes and use its best efforts to complete the changes as soon as practicable. On the expiration or sooner termination of this Agreement, Franchisor may, if Franchisee does not do so, sign in Franchisee's name and on Franchisee's behalf any and all documents necessary, in Franchisor's judgment, to end and cause a discontinuance of the use by Franchisee of the Marks and fictitious business name registrations and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so.

6.4. Use of Other Trademarks

Franchisee will not use or display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the fictitious business name (i) in any advertisement that contains the words "BUDGET BLINDS®" or any other Marks, (ii) in or on any place of business of Franchisee in any manner that is reasonably visible from outside the place of business, or (iii) in any computer system used at any place of business of Franchisee, or otherwise in connection with the Franchised Business, in any manner that could lead any person to believe that the other trademarks, trade names, service marks, insignias or logo types or the products or services with which they are associated are owned or offered by the Franchisor or its affiliates, except as otherwise expressly permitted in this Agreement or in the Manual.

6.5. Prohibition Against Disputing Franchisor's Rights

Franchisee agrees that it will not, during or after the Term of this Agreement, in any way, dispute or impugn the validity of the Marks franchised under this Agreement, or the rights of Franchisor to them, or the right of Franchisor or other Franchisees of Franchisor to use the same during the Term of this Agreement or thereafter.

6.6. Service Mark Infringement Claims and Defense of Marks

If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand against it by any party other than Franchisor, or its affiliates, on account of any alleged infringement, unfair competition or similar matter arising from its use of the Marks according to the terms of this Agreement, Franchisee will promptly notify Franchisor of any claim, suit or demand. Franchisee will have no power, right or authority to settle or compromise any claim, suit or demand by a third party without the prior written consent of Franchisor. Subject to Section 6.1 of this Agreement, Franchisor will defend, compromise or settle at its discretion any claim, suit or demand at Franchisor's cost and expense, using attorneys selected by Franchisor or the owner of the Marks, and Franchisee agrees to cooperate fully in the matter, and Franchisor will indemnify and hold harmless Franchisee from and against any and all judgments

resulting from the claim, suit or demand arising from Franchisee's use of the Marks according to the terms of this Agreement. Franchisor will have the sole discretion to determine whether a similar trademark or service mark being used by a third party is confusingly similar to the Marks being used by Franchisee and whether and what subsequent action, if any, should be undertaken with respect to the similar trademark or service mark.

6.7. Use of Marks on the Internet

(a) Franchisee may not develop, create, generate, own, franchise, lease or use in any manner any computer medium or electronic medium (including any Internet home page, e-mail address, web site, bulletin board, newsgroup or other Internet-related medium) which in any way uses or displays, in whole or part, the Marks, or any of them, or any words, symbols or terms confusingly similar to them without Franchisor's express prior written consent, and then only in the manner and according to the procedures, policies, Standards and Specifications as Franchisor may establish from time to time. Without limiting the generality of the foregoing, Franchisee will not cause, permit or allow the Marks, or any of them, or any words, symbols or terms confusingly similar to them, be used or displayed in whole or part: (i) as, or as a part of, an Internet domain name, (ii) as, or as a part of, a URL (at any level or address), or (iii) on or in connection with any Internet home page, web site, bulletin board, newsgroup, chat-group, buddy list, instant messenger, meta-tag (or the comparable identifier in any future technology) or other Internet-related activity, without Franchisor's express prior written consent, and then only in the manner and according to the procedures, policies, standards and specifications as Franchisor may establish from time to time. Franchisee may not link to or frame Franchisor's web site (including the Franchisee Page, if any) to any other web site or authorize any third party to link to or frame the web site (including the Franchisee Page, if any) without Franchisor's express prior written consent, and then only in the manner and according to the procedures, policies, standards and specifications as Franchisor may establish from time to time.

(b) Except as provided below, Franchisee may not use, nor authorize any third party to use, the Marks to advertise, promote, offer or sell any goods or services through the Internet, if those goods or services are the same as or similar to those (i) which are offered at or from the Franchised Business, (ii) which bear any of the Marks, or (iii) which are otherwise offered or sold under the Marks. Franchisee may, however, use the Marks to sell goods or services through the Internet in compliance with the Manual or with Franchisor's prior written consent, but then only in the manner and according to the procedures, policies, standards and specifications as Franchisor may establish from time to time.

(c) Franchisor is the owner of, and will retain all right, title and interest in and to the domain name "BUDGET BLINDS®", the URL: "www.budgetblinds", all existing and future domain names, URLs, future addresses and subaddresses (including the

Franchisee Page subaddresses), all Software, all content prepared for, or used on, Franchisor's web site, and all intellectual property rights in or to any of them.

7. INSTRUCTION AND OPERATING ASSISTANCE

7.1. Initial Training Program

7.1.1. Training Program

Unless the Initial Franchise Fee was waived pursuant to Section 4.1, Franchisor will provide an initial training program in the System (including instruction in measuring and installation of window coverings, sales and marketing techniques, advertising techniques, availability and differences of window covering products, and Franchisor's policies and procedures) to the Manager before the Operating Date, for the duration and at the time and place that Franchisor determines. The Manager must complete the initial training program prior to the Operating Date. Prior to beginning training, the Manager must deliver to Franchisor a signed confidentiality agreement in the form included in the Manual.

7.1.2. Incidental Costs

As part of the BUDGET BLINDS® Start-Up Package delivered under section 7.2 of this Agreement, Franchisor will pay up to \$500 in transportation costs for Franchisee or Franchisee's Manager to attend the initial training program, and charges for one room for 15 nights at a hotel of Franchisor's choice. Franchisee (or its Manager) is responsible for car rental, meals, and entertainment during training.

7.1.3. Additional Attendees

Provided there is sufficient room in an initial training program class, Franchisor will allow additional responsible management people designated by Franchisee to attend the initial training program. People attending the initial training program must have a demonstrable relationship to the management and operation of the Franchised Business by Franchisee. Prior to beginning training, each person must deliver to Franchisor a signed confidentiality agreement in the form included in the Manual. Franchisor will not assess a training fee for you and your Manager. Franchisor reserves the right to assess a reasonable charge (not to exceed \$100 per day) for training additional attendees. Any additional trainees will not be allowed to participate in field trips or vendor visits during the initial training program.

If there is sufficient room available in the same session of the initial training program that Franchisee's Manager attends, then one other responsible management person designated by Franchisee may attend that same session at no additional

charge. No credit or refund for the tuition or transportation will be made if only one attendee participates in the initial training program.

7.2. Start-Up Package

Franchisee will receive the BUDGET BLINDS® Start-Up Package described in Schedule 3 to this Agreement if the initial franchise fee is paid in full or if Franchisee is purchasing the franchise under the International Franchise Association's VetFran program for honorably discharged veterans of the United States armed forces

7.3. Staff Training Courses

(a) Franchisor may make available to Franchisee, from time to time, optional staff training courses, seminars, conferences, or other programs, in a suitable location in Franchisor's discretion. Following the initial training program, Franchisor reserves the right to exclude prospective trainees from any further training courses who have not attended prior Franchisor training courses which Franchisor believes to be necessary for the trainee to have taken first.

(b) Upon reasonable notice, Franchisor may require attendance of designated personnel of Franchisee at training courses, seminars, conferences or other programs other than the initial training program that are considered by Franchisor to be relevant or appropriate to the successful operation of the System. Franchisor will charge no fees for required training courses, seminars, conferences or other programs.

(c) In any staff training courses described in Sections 7.3(a) and 7.3(b) above, Franchisee will pay the travel, hotel and meal expenses for Franchisee's attendees.

7.4. Continuing Assistance

Representatives of Franchisor will be available on an ongoing basis during normal business hours at Franchisor's headquarters for consultation and guidance with respect to the operation and management of the Franchised Business. Franchisor will provide technical support in regard to Franchisee's use of proprietary software used in the Franchised Business only if Franchisee has computer equipment that meets Franchisor's written specifications. In addition to the Manual, Franchisor may from time to time provide Franchisee with additional materials and/or training relating to the Franchised Business.

7.5. Proprietary Materials

At the initial training program or other training programs, if any, Franchisor will provide to Franchisee proprietary information for use in connection with the training of Franchisee's staff. At the initial training program, Franchisor will lend Franchisee, for his,

her or its use during the Term of this Agreement, one copy of the Manual, which is and will at all times remain the property of Franchisor. Franchisor may also from time to time make available to Franchisee for purchase certain materials relevant to the System and the Franchised Business. Franchisee may not, and may not allow its employees or others, to copy, reproduce, disseminate or otherwise reveal to third parties any of the foregoing proprietary information and related materials without Franchisor's express prior written consent.

8. OPERATION OF BUSINESS

8.1. Franchisee Operational and Staff Requirements

(a) Franchisee will employ or engage the services of, on a full time basis, at least one Manager who will devote his or her entire time during normal business hours, as defined in the Manual, to the management, operation and development of the Franchised Business and will not engage in any other business activity requiring his or her active participation during normal business hours.

(b) At any time after the Effective Date, but before the Operating Date, Franchisee must purchase or lease at Franchisee's expense a Work Vehicle for use in the Franchised Business. As part of the BUDGET BLINDS® Start-Up Package, Franchisor provides vehicle signage displaying the BUDGET BLINDS® logo. Franchisee must retain (at Franchisee's expense) a capable vendor to affix the vehicle signage to the Work Vehicle (placement of the signage on the Work Vehicle must be according to the specifications of Franchisor as set forth in the Manual). Any subsequent modifications to the Service Mark and distinctive logo on the side of the Work Vehicle will be at Franchisee's expense. Franchisee will be responsible for all operating and other expenses associated with the Work Vehicle. Franchisee will deliver to Franchisor a copy of the Bill of Sale for the Work Vehicle within ten (10) days after Franchisee purchases it. Franchisee must at all times maintain a policy of comprehensive liability insurance that meets specifications stated by Franchisor in the Manual, as modified from time to time, listing Franchisor as an additional named insured. The insurance requirements of the preceding sentence will survive so long as Franchisee uses the Work Vehicle in any business operating under the fictitious business names. If this Agreement is terminated, for whatever reason, Franchisee will immediately remove the name and logo of BUDGET BLINDS from the Work Vehicle and cease any further use of that name and logo.

(c) Franchisee may purchase window coverings only from vendors designated by Franchisor (which may include affiliates of Franchisor). Each vendor will have an account number assigned to it by Franchisor. All purchases by Franchisee will be coded to the specific account number corresponding to that vendor, and all records of all purchases by Franchisee each month will be forwarded by the vendor to Franchisor. Any purchases by any Franchisee from any vendor other than as designated by

Franchisor, unless approved in advance by Franchisor, will be considered a material breach of the Franchise Agreement, in which event the termination provisions of this Agreement will apply. In addition, Franchisee will be required to purchase from designated vendors or approved suppliers sample books, marketing materials, or other items necessary to sell the window coverings, as well as stationery and business cards containing Franchisor's proprietary service marks.

(d) Franchisee will purchase or lease and use in the Franchised Business a MasterCard/Visa terminal and other necessary items of office equipment and furnishings.

Franchisee must purchase and use in the Franchised Business computer equipment and software that meet Franchisor's written specification, as updated from time to time. Franchisor reserves the right to develop proprietary business application software and to require Franchisee to use that software in operating Franchisee's BUDGET BLINDS® business. If Franchisor develops proprietary business application software, Franchisor will notify Franchisee. Upon notice, Franchisee will sign a "terms of use" agreement governing use of the software and will acquire (by purchase or lease) the necessary computer hardware and software and Internet connections to make the proprietary business application software usable.

(e) Franchisee will pay any and all personal property, income, sales, use, excise, ad valorem and other taxes, regardless of source or nature, which may be imposed, levied, assessed or charged on, against, or in connection with, the Franchised Business or any product or service sold or furnished by Franchisee under this Agreement or otherwise, by any federal, state, county, municipal, or other governmental agency or subdivision which may have jurisdiction over the Franchised Business or the products or services offered in connection with it.

(f) From time to time, Franchisee will hire the additional full-time and part-time staff that Franchisee considers necessary to operate the Franchised Business properly. Although Franchisor may make recommendations to Franchisee (in the Manual or otherwise) concerning employees, Franchisee will be solely responsible for all hiring, firing, and discipline issues concerning its employees. Franchisee will indemnify Franchisor (according to Section 13.2, below) for all claims arising out of or relating to Franchisee's employees and Franchisee's hiring, firing, and discipline decisions concerning those employees.

8.2. Manual

(a) Franchisee will operate the Franchised Business according to the Manual. Franchisor will have the right to modify the Manual at any time by the addition, deletion or other modification of the provisions of it. Franchisor agrees that although the modifications to the Manual may be material in that they may have an effect on the

operation of the Franchised Business, they may not conflict with or materially alter the terms of this Agreement. All additions, deletions or modifications will be effective (i) five business days after Franchisor has deposited notification to Franchisee with the United States Postal Service properly addressed, or (ii) the next business day after verified receipt by Franchisee of electronic mail notification, or (iii) the next business day after notification is posted on Franchisor's web site if Franchisee has password protected access to the web site for the notifications.

(b) All additions, deletions or modifications to the Manual will be equally applicable to all similarly situated Franchisees. The Manual, as modified or amended from time to time, will not alter Franchisee's fundamental status and rights under this Agreement. As modified from time to time, the Manual will be considered to be an integral part of this Agreement and references to the Manual made in this Agreement, or in any amendments or exhibits to this Agreement, will be considered to mean the Manual, as amended from time to time.

(c) If Franchisor produces a printed version of the Manual, Franchisor will lend to Franchisee at no additional charge one copy of the Manual. All copies of the Manual will at all times remain the sole, confidential and trade secret property of Franchisor. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee will immediately return all printed copies of the Manual to Franchisor. Except as specifically permitted by Franchisor, at no time may Franchisee, or its employees or agents, make, or cause to be made, any copies or reproductions of all or any portion of the Manual or disclose the terms of it to any other person except employees and agents of Franchisee when required in the operation of the Franchised Business.

8.3. Telephone Numbers and Directory Advertising

(a) Franchisor will operate a toll free telephone number to be used for the conduct of the Franchised Business. All advertising relating to the Franchised Business in the Territory will include this toll free number.

(b) At its expense, Franchisee will obtain and maintain telephone service for the Franchised Business. Franchisee may insert this number in its directory listings, business cards, and stationery in conjunction with the Franchised Business, but may otherwise advertise this telephone number only upon Franchisor's prior written consent. If Franchisee operates the Franchised Business from Franchisee's residence, the business line obtained by Franchisee must be separate and distinct from Franchisee's personal (residential) telephone number. If Franchisee is engaged in businesses other than the Franchised Business, Franchisee must maintain different telephone numbers and may make no reference to the Franchised Business in any "white pages" or "yellow pages" listings in respect of the other businesses. At the time of termination of this Agreement, for any reason, with respect to telephone numbers, Franchisee will comply with the provisions of Section 12.1(b) below.

(c) Upon termination of this Agreement, for any reason, Franchisor will retain or change any listed telephone numbers relating to the Franchised Business in its sole discretion, and Franchisee will do all things necessary or appropriate to transfer those telephone numbers to Franchisor, including paying any outstanding accounts with "white pages" and "yellow pages" directories and telephone service providers, and will not provide a call forwarding or telephone number referral with respect to any retained or disconnected telephone number. Furthermore, upon termination, Franchisee will not indicate in any manner it was previously affiliated with Franchisor.

(d) Franchisor may impose other requirements concerning telephones and telephone numbers in the Manual. Among other requirements that may be imposed in the Manual, Franchisor may require that Franchisee's telephones be answered by a live person (either an employee of Franchisee or an answering service) during regular business hours, rather than using a telephone answering machine.

8.4. Insurance

Franchisee will have in effect on the Operating Date and maintain during the Term of this Agreement a commercial general liability insurance policy and all other insurance in the types and amounts as are specified in the Manual. All policies of insurance to be maintained by Franchisee will contain a separate endorsement naming the Franchisor, and if required, its affiliated companies, as additional insured parties. The policies of insurance will not be subject to cancellation or modification except with 30 days prior written notice to the Franchisor. Franchisee will cause certificates of insurance showing compliance with the above requirements to be delivered to the Franchisor annually upon renewal and at any other times that Franchisor requests. If Franchisee does not maintain the insurance coverage required in the Manual, Franchisor may purchase the policies of insurance it considers to be required and Franchisee will reimburse Franchisor for all costs of the insurance.

8.5. Records and Rights of Inspection

(a) Franchisee covenants and agrees that it will keep and maintain during the Term of this Agreement, and for a period of 36 months following expiration or termination for any reason, full, true and complete records of all revenues and expenditures respecting Franchisee, whether related to the Franchised Business or otherwise, in the form and manner specified by Franchisor in its Manual and will permit Franchisor or its representatives or agents selected in the sole discretion of Franchisor, during normal business hours, to examine or audit the books of accounts, bank statements, documents, records, papers, and federal, state and local tax return records relating to the Franchised Business or individual officers, directors, owners, partners, or affiliated or related entities or shareholders. If Franchisee's records require a substantial effort (as determined in the sole judgment of Franchisor, exercised in good faith) on

behalf of Franchisor's auditors to be placed in a condition readily conducive to audit, Franchisee will be required to immediately pay to Franchisor the entire cost of the audit, otherwise, the cost of the audit will be borne by Franchisor. Franchisee will furnish the Franchisor with a copy of any and all certified financial statements respecting Franchisee's business, without any cost or expense to Franchisor.

(b) Within 90 days after the end of each of Franchisee's fiscal years, Franchisee will furnish Franchisor with (i) a Profit and Loss Statement and Balance Sheet of the Franchised Business for the previous fiscal year, (ii) a statement of Gross Sales for the previous fiscal year, and (iii) a list of Franchisee's business offices (including the addresses and telephone numbers of each), along with any further information Franchisor reasonably requests. All of the financial statements and information will be prepared according to the guidelines prescribed by Franchisor in the Manual, and will be certified by Franchisee, or in the case of a corporate Franchisee, by Franchisee's Chief Executive Officer or Chief Financial Officer, as being true and correct.

(c) Franchisor may, at any time, use any financial report or statement, or any information derived from them, relating to the Franchised Business, in aggregate form, as part of Franchisor's franchise disclosure document or similar disclosure document.

8.6. Review

Upon reasonable prior written notice, Franchisor will have the right to send representatives at reasonable intervals during normal business hours, into Franchisee's principal place of business or other offices to inspect Franchisee's other records, operations, business methods, service, management and administration, to determine the quality of it and the faithfulness of Franchisee's compliance with the provisions of this Agreement and the Manual.

8.7. Compliance with Laws

Franchisee will (i) operate the Franchised Business in compliance with all applicable laws, rules and regulations of all governmental authorities, (ii) comply with all applicable wage, hour and other laws and regulations of the federal, state or local governments, (iii) prepare and file all necessary tax returns, (iv) pay promptly all taxes imposed upon Franchisee or upon its business or property, and (v) at all times comply with the applicable licensing requirements if any, of a State Contractor's License Board (or its equivalent) and other appropriate organizations. Franchisee represents and warrants that it will obtain and maintain all necessary permits, certificates and/or licenses necessary to conduct the Franchised Business in the Territory. Franchisee will immediately notify Franchisor of any litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving Franchisee, or any entity affiliated with Franchisee, or any agent, employee, owner,

director or partner of Franchisee, which notification will include all relevant details in respect of it, according to the procedures set forth in the Manual.

8.8. No Other Window Covering Businesses

(a) Franchisee acknowledges that, according to this Agreement, Franchisee will receive valuable specialized training, trade secrets, and confidential information, including information regarding the operational, sales, promotional and marketing methods and techniques of the System. Franchisee acknowledges that this specialized training, trade secrets, and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to this specialized training, trade secrets and confidential information is, therefore, a primary reason why it is entering into this Agreement.

(b) In consideration for this specialized training, trade secrets, confidential information, and rights, Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee will not during the Term, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any people, partnership, or corporation:

- (i) Divert, or attempt to divert, any business or customer of the Franchised Business to any "Competitor" (as defined below), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System. For purposes of this Agreement, a "Competitor" is a business that derives revenues from the direct or indirect retail sale of window coverings or other products similar to those sold by the Franchisor and its franchisees.
- (ii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations, or joint ventures), advise, assist, or make loans to, any Competitor located within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor has used, sought registration of, or registered the Marks or similar marks, or operates or licenses others to operate a business under the Marks or similar marks.

(c) For a continuously uninterrupted period of two years, beginning with the "beginning date" specified below, Franchisee will not, directly or indirectly, for itself, or through, on behalf of or in conjunction with any other person:

- (i) Divert, or attempt to divert, any business or customer of the Franchised Business to any Competitor, by direct or indirect inducement or otherwise, or

do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

- (ii) Employ, or seek to employ, any person who is at that time, or has been within the preceding six months, employed by Franchisor or by any other franchisee or developer of Franchisor, or otherwise directly or indirectly induce those people to leave their employment, except as permitted under any existing franchise agreement between Franchisor and Franchisee.
- (iii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist, or make loans to, any Competitor that is, or is intended to be, located within the Territory or within a 25 mile radius of any BUDGET BLINDS® business in existence or under development as of the beginning date of this section.

For purposes of this section, the "beginning date" is the date that this Agreement expires without renewal or is terminated (regardless of the reason for termination), or that Franchisee transfers all of its interest in this Agreement.

(d) Franchisee acknowledges that each of the covenants contained in this section are reasonable limitations as to time, geographical area, and scope of activity to be restrained, and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each of the covenants in this section will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this section. This Section will not apply to the ownership of less than a 1% beneficial interest in the outstanding equity securities of any publicly held company.

(e) Franchisee understands and acknowledges that Franchisor will have the right, in its sole discretion, to reduce the scope of any covenant stated in this section in this Agreement, or any portion of it, without its consent, effective immediately upon notice to Franchisee, and Franchisee agrees that it will comply with any covenant as so modified, which will be fully enforceable.

(f) Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to the enforcement by Franchisor of the covenants in this section.

(g) Franchisee must require and obtain signing of covenants similar to those set forth in this section (including covenants applicable upon the termination of a person's employment with Franchisee) from its Manager. Additionally, at Franchisor's request, Franchisee will require and obtain signing of similar covenants to those identified in the preceding sentence from any personnel of Franchisee who have received or will have access to training from Franchisor. Franchisee will also require all people owning (directly or indirectly) 10% or more of Franchisee to sign similar covenants. Any covenants required under this section will be substantially in the form of Section 8.8, but with signature lines for those making these covenants.

8.9. Franchisor's Web Site

(a) Franchisor has established and will maintain from time to time the Franchisor's web site. Franchisor has sole discretion and control over the design and content of Franchisor's web site. Franchisor may, at its sole option, from time to time, without prior notice to Franchisee: (i) change, revise, or eliminate the design, content and functionality of Franchisor's web site, (ii) make operational changes to Franchisor's web site, (iii) change or modify the URL and/or domain name of Franchisor's web site, (iv) substitute, modify, or rearrange Franchisor's web site, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to, among other things, (A) comply with applicable laws, (B) respond to changes in market conditions or technology, and (C) respond to any other circumstances, (v) limit or restrict end-user access (in whole or in part) to Franchisor's web site, and (vi) disable or terminate Franchisor's web site without any liability to Franchisee.

(b) Franchisor may link Franchisor's web site to the web sites of third parties, including electronic service providers, Affiliates and other providers of goods and services. Franchisor may also permit third parties to link and frame any page on its web site. Franchisor may place legal notices, disclaimers, Franchisor's corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on Franchisor's web site, all of which may be modified, expanded, or eliminated at Franchisor's option. Further, Franchisor may establish or participate in programs whereby Franchisor refers end-users to other web sites, or Franchisor receives referrals from other web sites. All consideration (monetary and non-monetary) received by Franchisor on account of the placement or sale of advertisements, endorsements, and sponsorships on Franchisor's web site (including any Franchisee Page), and all consideration (monetary and non-monetary) received by Franchisor on account of affiliate programs, will belong only to Franchisor. Franchisor may also establish programs that encourage repeat business by end-users.

(c) Franchisor's web site may include one or more interior pages that identify BUDGET BLINDS® franchisees operating under the Marks, including the Franchised Business, by among other things, geographic region, address, telephone numbers, and other appropriate matters. Franchisor's web site may also include one or more interior pages dedicated to franchise sales by Franchisor and/or relations with Franchisor's investors.

(d) Franchisor may, from time to time, establish the Franchisee Page. Franchisor may permit Franchisee to customize or post certain information to the Franchisee Page, subject to Franchisee's signing of Franchisor's then-current participation agreement, and Franchisee's compliance with the procedures, policies, Standards and Specifications that Franchisor may establish from time to time. The participation agreement may require the Franchisee to pay a reasonable fee (not to exceed \$600 per year) for the privilege of having a Franchisee Page, and may include specifications and limitations for the data or information to be posted to the Franchisee

Page, customization specifications, the basic template for design of the Franchisee Page, parameters and deadlines specified by Franchisor, disclaimers, and other standards and specifications and rights and obligations of the parties as Franchisor may establish from time to time. Any modifications (including customizations, alterations, submissions or updates) to the content made by Franchisee for any purpose will be considered to be a "work made for hire" under the copyright laws, and therefore, Franchisor will own the intellectual property rights in and to the modifications. To the extent any modification does not qualify as a work made for hire as outlined above, Franchisee assigns those modifications to Franchisor for no additional consideration and with no further action required and will execute any further assignments as Franchisor may request.

(e) Without limiting Franchisor's general unrestricted right to permit, deny and regulate Franchisee's participation on Franchisor's web site in Franchisor's sole discretion, if Franchisee breaches this Agreement, or any other agreement with Franchisor or its affiliates, Franchisor may disable or terminate the Franchisee Page and remove all references to the Franchised Business on Franchisor's web site or redirect customer leads to other franchisees pursuant to section 2.2(d) until the breach is cured.

(f) Franchisor has no control over the stability or maintenance of the Internet generally, as a result, Franchisor is not responsible for damage or loss caused by errors of the Internet. Furthermore, Franchisor is not liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of the use of, or the inability to use, Franchisor's web site or the Internet, including loss of profits, goodwill, or savings, downtime, or damage to or replacement of programs and data, whether based in contract, tort, product liability, or otherwise.

8.10. Electronic Commerce

Franchisor may, at its sole option, use Franchisor's web site for the purpose of engaging in Electronic Commerce. Initially, Franchisor intends that Franchisor's web site will offer end-users the ability to place orders for products to be delivered from, franchised and non-franchised (e.g., company-owned) BUDGET BLINDS® businesses operating under the Marks. Upon Franchisor's request, Franchisee will be required to participate in Electronic Commerce and will execute Franchisor's then-current electronic commerce participation agreement, which will, among other things: (i) state the terms on which Franchisee and Franchisor will share program revenues and expenses, (ii) authorize Franchisor, from time to time, to establish, and thereafter modify, procedures, policies, protocols and standards and specifications that govern Electronic Commerce and use of end-user information, (iii) require specified computer (hardware and software) and communications equipment, and (iv) if Franchisee breaches this Agreement or any other agreement with Franchisor or its Affiliates, authorize Franchisor

to disable or terminate end-user's ability to place pick-up and delivery orders with Franchisee until the breach is cured.

8.11. Franchisor intranet/Extranet

(a) Franchisor may, at its option, establish and maintain, at its option, either a series of "private" pages on Franchisor's web site (described in Section 8.10) or an intranet through either of which Franchisor, franchisees of Franchisor, and their respective employees may communicate with each other, and through which Franchisor may disseminate the Manual, updates to it and other confidential information. Franchisor will have sole discretion and control over all aspects of the intranet/Extranet, including the content and functionality of it. Franchisor will have no obligation to maintain the intranet indefinitely, and may dismantle it at any time without liability to Franchisee.

(b) If Franchisor establishes an intranet, Franchisee will have the privilege to use the intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions (collectively, "Franchisor Protocols") that Franchisor may establish from time to time. The Franchisor Protocols may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) communications between or among Franchisees that endorse or encourage breach of any Franchisee's franchise or license agreement, (iii) confidential treatment of materials that Franchisor transmits via the intranet, (iv) password protocols and other security precautions, (v) grounds and procedures for Franchisor's suspending or revoking a Franchisee's access to the intranet, and (vi) a privacy policy governing Franchisor's access to and use of electronic communications that Franchisees post to the intranet. Franchisee acknowledges that, as administrator of the intranet, Franchisor can technically access and view any communication that any person posts on the intranet. Franchisee further acknowledges that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

(c) Upon receipt of notice from Franchisor that Franchisor has established the intranet, Franchisee will establish and continually maintain (during all times that the intranet will be established and until the termination of this Agreement) an electronic connection (the specifications of which will be specified in the Manual) with the intranet that allows Franchisor to send messages to and receive messages from Franchisee, subject to the Franchisor Protocols.

(d) If Franchisee breaches this Agreement or any other agreement with Franchisor or its Affiliates, Franchisor may disable or terminate Franchisee's access to the intranet without Franchisor having any liability to Franchisee, and in which case Franchisor will only be required to provide Franchisee a paper copy of the Manual and

any updates to it, if none have been previously provided to Franchisee, unless Franchisee is not otherwise entitled to the Manual.

8.12. Change in Status Processing

Requests for (i) change of fictitious business name, (ii) changes in designated Manager or (iii) other changes in status as may be specified from time to time by Franchisor, will be made on the form designated by Franchisor in the Manual.

8.13. Key Accounts

Franchisee acknowledges that to competitively attract and effectively service Key Accounts, Franchisor may need to establish policies governing the manner in which Key Accounts will be solicited and serviced, including reserving to Franchisor the exclusive right to solicit particular Key Accounts or types and/or categories of Key Accounts, and requiring Franchisee to obtain Franchisor's prior consent before soliciting Key Accounts. Franchisee will comply with all Key Account Policies.

Franchisee further acknowledges that Key Account policies to be established by Franchisor may obligate Franchisee to pay a fee (either a flat amount or a percentage of sales) in exchange for referral from the Key Account. Unless Franchisee has expressly opted out from a Key Account program, as described in section 2.2(b) of this agreement, it will deliver all goods, perform all services and pay all fees due under a Key Account program in a workmanlike and timely manner. If Franchisee declines to service a Key Account in the Territory, Franchisor may itself perform the services or may subcontract the services to another franchisee or an independent subcontractor. Franchisee acknowledges that Franchisor makes no representation or warranty that any specified amount of Key Account business will be provided within the Territory.

9. ASSIGNMENT

9.1. Assignment by Franchisor

Franchisor may sell or otherwise transfer ("Assign") this Agreement, and all of its rights and privileges under this Agreement to any other person, firm or corporation ("Assignee of Franchisor"), provided that, in respect to any sale or transfer ("Assignment by Franchisor") resulting in the subsequent performance by the Assignee of Franchisor of the functions of the Franchisor: (i) at the time of Assignment by Franchisor, Franchisor reasonably believes that the Assignee of Franchisor is financially responsible and economically capable of performing the obligations of Franchisor under this Agreement, and (ii) the Assignee of Franchisor expressly assumes and agrees to perform the obligations. Upon an assignment by Franchisor, Franchisor will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement.

9.2. Assignment by Franchisee

(a) This Agreement is being entered into in reliance upon and in consideration of the singular personal skills and qualifications of Franchisee and its principals and the trust and confidence reposed in Franchisee by Franchisor, or, in the case of a corporate Franchisee, its principal officers who will actively and substantially participate in the ownership and operation of the Franchised Business or, in the case of a partnership Franchisee, its partners who will actively and substantially participate in the ownership and operation of the Franchised Business. Therefore, neither all nor any part of Franchisee's interest in this Agreement and the franchise granted under this Agreement, nor all nor any part of the Territory, nor substantially all of Franchisee's assets nor any of its other rights or privileges under this Agreement may be assigned, transferred, shared or divided, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner, whether as a single transaction or as part of a series of transactions (collectively, "Assignment by Franchisee"), without the prior written consent of Franchisor and subject to Franchisor's right of first refusal provided for in Section 9.3 of this Agreement. Notwithstanding the foregoing, in the event of the death or legal incapacity of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, the transfer of Franchisee's or the stockholder's or the deceased partner's interest in this Agreement to his or her heirs, personal representatives or conservators, as applicable, will not be considered an Assignment by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at the initial training program) nor obligate Franchisee to pay any transfer fee nor give rise to the Franchisor's right of first refusal as described in Section 9.3 of this Agreement, although the refusal right or obligation to pay will apply as to any proposed transfer or assignment by the heirs, personal representatives or conservators, provided however, if Franchisor determines (i) there is no imminent sale to a qualified successor or (ii) there is no heir or other principal person capable of operating the franchise, Franchisor may immediately begin operating the franchise on behalf of Franchisee. For this management assistance, Franchisor may charge Franchisee a fee equal to 8% of the Gross Sales during Franchisor's operation of the franchise, plus the cost of wages for an interim Manager.

(b) Should Franchisor elect not to exercise its right of first refusal, or should the right of first refusal be inapplicable, as provided in this Agreement, Franchisor's consent to an Assignment by Franchisee will not be unreasonably withheld, provided, however, that it will not be unreasonable for Franchisor to impose, among other things, the following conditions precedent to its consent to any Assignment by Franchisee:

- (i) The assignee ("Assignee of Franchisee") will complete Franchisor's application for franchise, and in connection with it, Franchisee and Assignee of Franchisee will fully disclose in writing all of the terms and conditions of the Assignment by Franchisee,

- (ii) The Assignee of Franchisee or the principal officers, shareholders or directors of the Assignee of Franchisee in the case of a corporate Assignee of Franchisee, or the partners of the Assignee of Franchisee in the case of a partnership Assignee of Franchisee, demonstrate that it has or they have the skills, qualifications and economic resources necessary, in Franchisor's sole judgment, to conduct the business contemplated by this Agreement,
- (iii) Franchisee, Assignee and each shareholder of a corporate Assignee sign the then current form of our Consent to Transfer and Assumption of Franchise Agreement,
- (iv) The Assignee of Franchisee signs the then current form of franchise agreement being used by Franchisor,
- (v) Franchisee has complied fully as of the date of any Assignment by Franchisee with all of its obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor,
- (vi) The Assignee of Franchisee agrees that Franchisor's initial training program described in Section 7.1 hereof and any other training or orientation programs then required by Franchisor will be satisfactorily completed by necessary personnel within 30 days after the signing of the above described Franchise Agreement, provided, however, that Assignee of Franchisee agrees to pay for all of its expenses incurred in connection with it, including travel, hotel and meal expenses, and
- (vii) In all cases, Franchisor may require Franchisee to pay Franchisor a non-refundable transfer fee equal in the amount then being charged by Franchisor, in addition, if the Assignee of Franchisee was already in Franchisor's lead database at the time of first contact between Franchisee and the Assignee of Franchisee, then Franchisor may require Franchisee to pay the referral fee then being charged by Franchisor plus the amount of any broker fees that Franchisor must pay a third-party (not an employee of Franchisor).

(c) If Franchisee is a partnership or other business association, Franchisee will provide Franchisor at the Effective Date with a copy of Franchisee's partnership agreement or other agreement between the partners and members of the association. If Franchisee is a corporation or other entity that issues capital stock, Franchisee will provide Franchisor at the Effective Date with copies of Articles or certificate of incorporation or other corporate charter, bylaws and stock certificates. As a condition to entering into the franchise, a corporate Franchisee will be required to place the following legend on all stock certificates:

"The transfer of this stock is subject to the terms and conditions of a franchise agreement dated _____ between this corporation and Budget Blinds, Inc. Reference is made to any franchise agreement and the restrictive provisions contained in it and as may be otherwise stated in the Articles of incorporation and by-laws of this corporation."

(d) If Franchisee is a corporation, the cumulative transfer in any 12 consecutive month period of 25% or more of its capital stock or voting power will be considered to be an Assignment by Franchisee of this Agreement for purposes of this Article, provided, however, no transfer fee will be payable in respect of a transfer of the franchise from a sole proprietorship or partnership Franchisee to a corporation, all of the shares of which are owned by the sole proprietor or partners in the same proportionate amount. In spite of the foregoing, Franchisee may not in any event pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever, nor sub-franchise or otherwise transfer, or attempt to sub-franchise or otherwise transfer, this Agreement, or to transfer or sub-franchise a portion but not all of Franchisee's rights under this Agreement without the express prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole discretion. Any attempt by the Franchisee to assign or any purported assignment by the Franchisee in violation of this section will be void.

9.3. Right of First Refusal

The right of Franchisee to assign, transfer or sell its interest in the franchise granted by this Agreement, as provided in Section 9.2 of this Agreement, except for a transfer to the Franchisee's heirs, personal representatives or conservators in the case of his or her death or legal incapacity, will be subject to Franchisor's right of first refusal with respect thereto. Franchisor may exercise the right of first refusal in the following manner:

(a) Franchisee will serve upon Franchisor a written notice setting forth (i) all of the terms and conditions of any bona fide offer relating to a proposed Assignment by Franchisee, and (ii) all available information concerning the proposed Assignee of Franchisee.

(b) Within ten (10) days after Franchisor's receipt of the notice (or if Franchisor requests additional information, within ten (10) days after receipt of the additional information), Franchisor may either consent or withhold its consent to the Assignment by Franchisee, according to Section 9.2 of this Agreement or, at its option, may accept the Assignment by Franchisee itself or on behalf of its nominee upon the terms and conditions specified in the notice.

(c) If Franchisor elects not to exercise the right of first refusal and consents to the Assignment by Franchisee, Franchisee will for a period of 90 days, and subject to

the provisions of Section 9.2 of this Agreement, be free to assign this Agreement to the proposed Assignee of Franchisee upon the terms and conditions specified in the notice. If, however, the terms are materially changed, or if the 90-day period expires, Franchisor will again have the right of first refusal with respect to the offer and Franchisee will again be required to comply with Section 9.3(a) above.

9.4. Transfers to Family Members

An individual Franchisee or an owner (in this context, an "Equity Holder") of an interest in Franchisee, if Franchisee is an entity other than a natural person, may with Franchisor's consent, which will not be unreasonably withheld, Transfer the Franchised Business or an equity interest in Franchisee to the person's spouse, parent, sibling, niece, nephew, descendant or spouse's descendant ("Family Member") provided that adequate provision is made for the management of the Franchised Business and the transferor guarantees, in form and substance satisfactory to Franchisor, the performance of the transferee's obligations under this Agreement.

9.5. Transfers to Affiliated Corporations

Franchisee or an Equity Holder, if a natural person, a sole proprietorship or a partnership, may without the consent of Franchisor, upon 30 days prior written notice to Franchisor, Transfer the Franchised Business or an equity interest in Franchisee to a corporation entirely owned by the natural person, sole proprietorship or partnership, as the case may be, in the same proportionate amount of ownership as prior to the Transfer, provided that adequate provision is made for the management of the Franchised Business and that the transferor guarantees, in form and substance satisfactory to Franchisor, the performance of the transferee's obligations under this Agreement.

9.6. Transfers Upon Death, Incapacity

In spite of any of the foregoing, in the event of the death or legal incapacity of Franchisee or an Equity Holder, if a natural person, the person's interest in this Agreement or its equity interest in the Franchisee will Transfer according to the person's will or, if the person dies intestate, according to laws of intestacy governing the distribution of the person's estate, provided that adequate provision is made for the management of the Franchised Business and the transferee is a Family Member. A Transfer according to this section will be free from Franchisor's right of first refusal provided in Section 9.3 hereof.

9.7. Restrictions on Granting Security Interests and Sublicensing

Except as otherwise set forth below, Franchisee may not in any event pledge, encumber, hypothecate or otherwise give any third party a security interest in this

Agreement in any manner whatsoever, nor sublicense or otherwise Transfer, or attempt to sublicense or otherwise Transfer a portion but not all of Franchisee's rights under this Agreement without the express prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole discretion.

Notwithstanding anything contained in this Agreement to the contrary, Franchisee may pledge its accounts receivable without the prior written consent of Franchisor for the sole purpose of obtaining financing for the operation of the Franchised Business provided Franchisee is in full compliance with all of the terms and conditions of this Agreement, and any other agreement, arrangement or understanding with Franchisor.

9.8. Other Transfers

Except as otherwise provided in this Agreement and subject to Franchisor's right of first refusal provided in Section 9.3 of this Agreement, Franchisee or an Equity Holder may effect any Transfer of a direct or indirect interest in this Agreement, in the Franchised Business or in the economic benefits derived from them, or any equity interest in Franchisee, only after written notice to Franchisor and only with Franchisor's written consent, which may not be unreasonably withheld. Franchisor will exercise its good faith business judgment in determining whether to give or withhold its consent to a Transfer under this section. The exercise of good faith business judgment will include Franchisor's consideration of certain skills and qualifications of the prospective transferee which are of business concern to Franchisor, including the following: experience in or ability to learn the window covering business, financial and operational skills and qualifications, economic resources, reputation and character of the prospective transferees, the ability of the prospective transferee(s) to fully and faithfully conduct the Franchised Business as contemplated by this Agreement, and the effect that the Transfer and the prospective transferees will have or may reasonably be expected to have on the reputation or business operations of the Franchised Business, the System or Franchisor, or any of its affiliates.

10. DEFAULT AND TERMINATION

10.1. General

(a) Franchisor may unilaterally terminate this Agreement upon Franchisee's material breach of this Agreement or upon the occurrence of any of the conditions listed in Section 10.2. The listing in Section 10.2 of some conditions as constituting specific grounds for termination does not imply that other material breaches of this Agreement are not also good cause for termination, even though some of the conditions listed in Section 10.2 parallel obligations of Franchisee described elsewhere in this Agreement. Franchisor will exercise its right to terminate this Agreement in the manner described in this Article.

(b) In spite of anything contained in this Agreement to the contrary, in those circumstances under which Franchisor may terminate this Agreement, Franchisor may in its sole discretion, offer to Franchisee an alternative remedy to termination of this Agreement. If Franchisee declines Franchisor's alternative offer, Franchisor may proceed to terminate this Agreement.

(c) Notwithstanding anything to the contrary in this Agreement, in those circumstances under which Franchisor may terminate this Agreement for Franchisee's default, Franchisor may exercise all remedies available to it at law or in equity, including seeking specific performance and damages (including direct, indirect, special, incidental, or consequential damages). All rights and remedies provided in this Agreement are in addition to and not in substitution of the rights and remedies available to a party at law or in equity.

10.2. Termination Without Opportunity to Cure

The obligations of Franchisor under this Agreement are contingent upon the non-occurrence of each of the conditions stated below. Franchisor may terminate this Agreement immediately upon notice to Franchisee, without prior opportunity to cure, upon the occurrence of any of the following conditions, each of which constitutes grounds for immediate termination of this Agreement without notice or opportunity to cure (except as specifically stated in these conditions):

(a) To the extent permitted by law, Franchisee or the Franchised Business is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets of it are assigned to or for the benefit of any creditor, or Franchisee admits his inability to pay his debts as they come due.

(b) Franchisee abandons the Franchised Business by failing to operate the Franchised Business for seven consecutive days during which Franchisee is required to operate the Franchised Business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Business, unless any failure to operate is due to fire, flood, earthquake, or other similar causes beyond Franchisee's control.

(c) Franchisor and Franchisee agree in writing to terminate this Agreement.

(d) Franchisee makes any material misrepresentations relating to the acquisition of the Franchised Business or Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System.

(e) Franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business.

(f) Franchisee, after curing any breach according to Section 10.3 commits the same breach whether or not any breach is corrected after notice.

(g) Franchisee repeatedly fails to comply with one or more requirements of this Agreement, whether or not corrected after notice.

(h) The Franchised Business or business premises of the Franchisee are seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against Franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed), or a levy of signing has been made upon the franchise granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of any levy.

(i) Franchisee is convicted of a felony.

(j) Franchisee is convicted of non-felonious criminal misconduct which is relevant to the operation of the Franchised Business.

(k) Franchisee fails to pay any royalty or other amounts due to Franchisor within five days after receiving written notice that any fees are overdue.

(l) Franchisor makes a reasonable determination that continued operation of the Franchised Business by Franchisee will result in an imminent danger to public health or safety.

(m) Any other franchise agreement between Franchisor and Franchisee is terminated by Franchisor because of breach or default by Franchisee or failure of a condition to continued effect of the franchise agreement.

10.3. Termination Subject to Opportunity to Cure

Except for failure of the conditions listed in Section 10.2, above, or as otherwise expressly provided in this Agreement, Franchisee will have 30 days after Franchisor's written notice within which to cure any breach of this Agreement, and to provide evidence of the cure to Franchisor. If any default is not cured within that time period, or any longer time period that Applicable Law requires or that Franchisor specifies in the written notice, this Agreement and all rights granted by it will thereupon automatically terminate without further notice or opportunity to cure.

10.4. Description of Default

The description of any breach, default, or failure of a condition in any notice served by Franchisor upon Franchisee will in no way preclude Franchisor from specifying additional or supplemental breaches, defaults, or failures of conditions (including matters discovered after the termination is effective) in any action, arbitration, mediation, hearing, or suit relating to this Agreement or the termination of this Agreement.

10.5. Statutory Limitations

In spite of anything to the contrary in this Article 10, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties limits Franchisor's rights of termination hereunder or requires longer notice periods than those stated in this Agreement, and if the parties are prohibited by law from agreeing to the shorter periods stated in this Agreement, then Franchisor will conform to the requirements of those laws and regulations, but only to the extent necessary to bring Franchisor's actions within the requirements of the law or regulation.

10.6. Alternative Remedies

In those circumstances under which Franchisor may terminate this Agreement, Franchisor may in its sole discretion: (a) redirect customer leads generated by Franchisor on Franchisee's behalf to other franchisees as contemplated in section 2.2(d); and/or (b) grant to Franchisee, in lieu of immediate termination of this Agreement, (i) an extended period of time (not to exceed six months from the last day of the cure period otherwise applicable to the breach) to cure the breach which gave rise to Franchisor's right to terminate, (ii) an option to reimburse Franchisor up to \$1,000 for investigating the breach of this Agreement, or (iii) if the breach consists of the offer or sale of window coverings in the territory assigned to another franchisee of Franchisor, require Franchisee to pay, as liquidated damages, and not a penalty, an amount equal to 60% of the total gross sales generated by sales in the other franchisee's territory (which may exceed the out-of-pocket losses suffered by the other franchisee, but is intended to reimburse the other franchisee for the full value of the business diverted, including lost goodwill). Franchisee acknowledges that Franchisor's election to grant an extended cure period or to permit a reimbursement will not operate as a waiver of any of Franchisor's other rights under this Agreement.

11. DISPUTE RESOLUTION

11.1. Alternate Dispute Resolution

(a) Franchisor and Franchisee have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, in light of the overall best interests of the System, as contemplated by this Agreement. To that end, Franchisor and Franchisee acknowledge that they should attempt to resolve disagreements and disputes before the disagreements or disputes negatively affect the relationship. Good faith communications between Franchisor and Franchisee are an important aspect of that obligation. The provisions of this Article 11 are intended to facilitate this communication and the prompt resolution of any disagreements or disputes between the parties. To the extent any element or aspect of this Article 11 is

found, under applicable law, to be unenforceable in any way, it will not be considered void but, if possible, will be enforced to the fullest lawful extent and all other provisions of this Article 11 will remain in full force and effect.

(b) Except for the disputes described in Section 11.2 of this Agreement and except as otherwise specifically modified by this Article 11 any dispute between Franchisor and any of its Affiliates, on the one hand, and Franchisee and any of its Affiliates, on the other, arising out of, relating to or referencing this Agreement or its breach in any way, including any claim sounding in tort arising out of the relationship created by this Agreement, and any claim that this Agreement or any other of its parts is invalid, illegal or otherwise voidable or void, is subject to the dispute resolution provisions stated in Article 11 of this Agreement.

(c) "Affiliates", as used in this Agreement, includes all shareholders, partners, owners, direct and indirect parents and subsidiaries, all affiliates of it, and all officers, directors, employees and agents of the foregoing, acting in the course of conducting business activities related to Franchisor or Franchisee, as the case may be.

11.2. Disputes Not Subject To Alternate Dispute Resolution

Franchisee acknowledges that it is important to Franchisor and to the System that Franchisor be able to use reasonable efforts to protect the Marks, the System, and the integrity of the Marks and the System. To that end, Franchisor may, at its option, seek injunctive or other equitable relief to enforce the provisions of Article 6 (Marks), Section 7.5 (Proprietary Materials), Section 8.8 (No Other Window Covering Business), or Section 12.1 (Franchisee's Obligations Following Termination or Expiration) of this Agreement, or the provisions of any separate confidentiality or non-disclosure agreement between Franchisor (on the one hand) and Franchisee or its officers, directors, employees, or owners (on the other hand) in the Court specified by Section 11.6.

11.3. Option to Mediate Dispute

(a) If a dispute arises between the parties, either party may initiate a mediation procedure according to this section by making a written request for mediation with the Judicial Arbitration and Mediation Service ("JAMS"), the National Franchise Mediation Program administered by the CPR Center for Dispute Resolution of New York, or any other mediation service mutually agreed to by the parties. Any mediation will be conducted according to the procedures of the selected mediation service.

(b) The object of any mediation subject to this Section 11.3 is to assist the parties in reaching a mutually acceptable resolution of the dispute. The mediation will, in all circumstances, be consistent with the rights and obligations created by this Agreement and will not be premised on the derogation or diminution of those rights or

disregard of those rights. The mediation process will begin promptly and be concluded expeditiously, unless the parties mutually otherwise agree. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties made in connection with the mediation will be privileged and confidential and will not be admissible into evidence in any litigation or arbitration.

(c) All mediation proceedings will take place in Orange County, California, or if Franchisor so elects, in the county where the principal place of business of Franchisee is then located. The fees of the mediator will be borne equally by Franchisor and Franchisee, and all other expenses relating to the mediation will be borne by the party incurring them.

11.4. Arbitration

(a) Except disputes not subject to alternative dispute resolution as stated in Section 11.2 above, any dispute between Franchisor and its Affiliates (on the one hand) and Franchisee and its Affiliates (on the other hand) arising out of or relating to this Agreement or its breach, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved according to Section 11.3 above, will be resolved by submission to arbitration conducted by a single impartial arbitrator appointed by JAMS according to its Comprehensive Arbitration Rules and Procedures, or any other single impartial arbitrator mutually agreed to by the parties.

(b) All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) and the federal common law of arbitration. All hearings and other proceedings will take place in Orange County, California, or if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

(c) This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against the party by default or otherwise in spite of the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are waived.

(d) The provisions of this Section 11.4 are independent of any other covenant or provision of this Agreement, provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will

modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

11.5. Business Judgment

The parties recognize, and any arbitrator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of Franchisor to take (or refrain from taking) action in the exercise of its business judgment, based on its assessment of the overall best interests of the System. Where that discretion has been exercised, and is supported by the business judgment of Franchisor, neither an arbitrator nor a judge may substitute his or her judgment for the judgment exercised by Franchisor unless the arbitrator or judge finds that Franchisor has exercised its judgment or discretion without any reasonable business basis for it.

11.6. Venue, Submission to Court, Limitation of Damages

In view of the fact that the books, records and business personnel of Franchisor are located, for the most part, in Orange County, California, and in order to minimize disruption or interference with operation of the System as a whole, Franchisee and Franchisor agree as follows:

(a) All court proceedings arising out of or relating to this Agreement (including matters described in Section 11.2 above) will be brought in, and only in, the United States District Court for the Central District of California. No individual or entity (whether named or otherwise designated) will be joined as a party to those proceedings if that joinder has the effect of destroying federal court jurisdiction, unless that individual or entity is a necessary party to the proceeding as a matter of law. Where there is no United States District Court having jurisdiction over the dispute, the proceeding may be initiated in, and only in, a state court of competent jurisdiction in and for Orange County, California. In either case, Franchisor and Franchisee consent to the exclusive exercise of jurisdiction by those courts.

(b) The parties agree that all disputes submitted to the court according to Section 11.2 will be tried to the court sitting without a jury, in spite of any state or federal constitutional or statutory rights or provisions.

(c) No punitive or exemplary damages will be awarded against either Franchisor or Franchisee, or any affiliates of either of them, in any proceeding arising under Section 11.2, and all claims to punitive or exemplary damages are waived by both parties.

11.7. Independence of Provisions

If any part of this Article is held to be indefinite, invalid, unconscionable, or otherwise unenforceable by a court of competent jurisdiction, the indefinite, invalid, unconscionable, or unenforceable provision will be considered deleted, and the remaining parts of this Article will continue in full force and effect.

12. FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

12.1. Franchisee's Obligations following Termination or Expiration

(a) Except as otherwise stated in Section 9.1 with respect to assignment by Franchisor of any or all of its interest in this Agreement, in the event of termination or expiration of this Agreement whether by reason of Franchisee's breach, default, non-renewal, lapse of time, or other cause, in addition to any other obligations provided for in this Agreement, Franchisee will immediately discontinue the use and/or display of the Marks in any manner whatsoever and all materials containing or bearing same and will not thereafter operate or do business under the fictitious business name or any other name or in any manner that might tend to give the general public the impression that Franchisee is in any way associated or affiliated with Franchisor, or any of the businesses conducted by it or other owners of the Marks. In that event, Franchisee also will comply with Section 12.2 respecting the return to Franchisor of certain materials and will not thereafter use, in any manner, or for any purpose, directly or indirectly, any of Franchisor's trade secrets, procedures, techniques, or materials acquired by Franchisee by virtue of the relationship established by this Agreement, including (i) any training or other materials, manuals, bulletins, instruction sheets, or supplements to them, or (ii) any equipment, videotapes, videodiscs, forms, advertising matter, marks, devices, insignias, slogans or designs used from time to time in connection with the Franchised Business. At any time requested by Franchisor, Franchisee will make its books and records available to Franchisor's representatives who will conduct a termination audit.

(b) In the event of termination or expiration as described in Section 12.1(a) above, Franchisee will promptly:

- (i) Remove at Franchisee's expense identifying marks on the Work Vehicle and all other signs erected or used by Franchisee and bearing the Marks, or any word or mark indicating that Franchisee is associated or affiliated with Franchisor,
- (ii) Erase or obliterate from letterheads, stationery, printed matter, advertising or other forms used by Franchisee the Marks and all words indicating that Franchisee is associated or affiliated with Franchisor,

- (iii) Permanently discontinue all advertising of Franchisee to the effect that Franchisee is associated or affiliated with Franchisor,
- (iv) Refrain from doing anything which would indicate that Franchisee is or ever was an authorized Franchisee including indicating, directly or indirectly, that Franchisee was licensed to use the Marks or any other distinctive System features or that Franchisee at any time operated under any name, word or mark associated or affiliated with Franchisor,
- (v) If Franchisee engages in any business thereafter, use trade names, service marks or trademarks (if any) which are significantly different from those under which Franchisee had done business and use sign formats (if any) which are significantly different in color and type face and take all necessary steps to ensure that its present and former employees, agents, officers, shareholders and partners observe the foregoing obligations,
- (vi) Assign all interest and right to use all telephone numbers and all listings applicable to the Franchised Business in use at the time of the termination to Franchisor and take all action necessary to change all telephone numbers immediately and change all listings as soon as possible including payment of any outstanding invoices payable to telephone service providers. At any time during the Term of this Agreement, Franchisor may require Franchisee to sign a telephone service supersedure form applicable to all or any of Franchisee's telephone numbers, and
- (vii) At the option of Franchisor, assign to Franchisor all rights to all e-mail addresses, URLs, domain names, Internet listings, and Internet accounts related to the Franchised Business upon the termination or expiration of this Agreement. Furthermore, Franchisee will sign any forms or documents that Franchisor considers necessary to appoint Franchisor as Franchisee's attorney-in-fact with full power and authority for the sole purpose of assigning these rights to Franchisor.

(c) If Franchisee will fail or omit to make or cause to be made any removal or change described in Section 12.1(b) above, then Franchisor will have the right within 15 days after written notice to enter upon Franchisee's premises upon which the Franchised Business is being conducted without being considered guilty of trespass or any other tort, and make or cause to be made any removal and changes at the expense of Franchisee, which expense Franchisee agrees to pay Franchisor promptly upon demand, and Franchisee irrevocably appoints Franchisor as its lawful attorney upon termination of this Agreement with authority to file any document in the name of and on behalf of Franchisee for the purpose of terminating any and all of Franchisee's rights in the fictitious business name and any of the Marks.

12.2. Rights of Franchisor

The expiration or termination of this Agreement will be without prejudice to any rights of Franchisor against Franchisee and the expiration or termination will not relieve Franchisee of any of its obligations to Franchisor existing at the time of expiration or termination or terminate those obligations of Franchisee which, by their nature, survive the expiration or termination of this Agreement. Franchisee is obligated to return, at no expense to the Franchisor, any and all copies of the Manual, computer equipment, video equipment, video tapes, videodiscs, software, software manuals and documentation, and any other communications media and material provided for Franchisee's use without additional charge in connection with the operation of the Franchised Business.

12.3. Franchisor's Right to Cure Defaults by Franchisee

In addition to all other remedies granted by this Agreement, if Franchisee defaults in the performance of any of its obligations or breaches any term or condition of this Agreement or any related agreement involving third parties, Franchisor may, at its election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to Franchisee, cure the default for the account of and on behalf of Franchisee, and all costs or expenses including attorney fees incurred by Franchisor on account of it will be due and payable by Franchisee to Franchisor on demand.

12.4. Waiver and Delay

No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect of Franchisor either to exercise any right, power or option given to it under this Agreement or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or the Manual, will constitute a waiver of the provisions of this Agreement or the Manual with respect to any subsequent breach of it or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions of it.

12.5. Attorney Fees and Expenses

In the event of any arbitration (including any petition for confirmation, modification, or vacation of the award) or litigation (including appeals) arising out of or relating to this Agreement, the breach or alleged breach of this Agreement, or the relationship of the parties, then the prevailing party will be reimbursed by the losing party for all costs and expenses incurred in connection with it, including reasonable attorney fees for the services rendered to the prevailing party.

13. GENERAL CONDITIONS AND PROVISIONS

13.1. Relationship of Franchisee to Franchisor

It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor or the owner of the Marks. All employees or agents hired or engaged by or working for Franchisee will be only the employees or agents of Franchisee and will not for any purpose be considered employees or agents of Franchisor or the owner of the Marks, nor subject to Franchisor's control, and in particular, Franchisor will have no authority to exercise control over the hiring or termination of employees, independent contractors, or others who work for Franchisee, their compensation, working hours or conditions, or the day-to-day activities of those people, except to the extent necessary to protect the Marks. Franchisee agrees to respond to customer indications of dissatisfaction with services rendered by Franchisee in a diligent and professional manner and agrees to cooperate with representatives of Franchisor or the owner of the Marks in any investigation undertaken by Franchisor of complaints respecting Franchisee's activities. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees or agents and operations, saving and indemnifying the other party to this Agreement of and from any liability of any nature whatsoever by virtue of it.

13.2. Indemnity

Except as otherwise expressly provided in Section 6.6 of this Agreement, Franchisee agrees to protect, defend, indemnify Franchisor, its direct or indirect parents, their subsidiaries, affiliates and designees and hold them harmless from and against any and all costs and expenses actually incurred by them or for which they are liable, including attorney fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature, and including those incurred according to a settlement entered into in good faith, arising out of or in connection with the Franchised Business,

including any claim or controversy arising out of (i) any Transfer by Franchisee referred to in Section 9.2 of this Agreement, (ii) acts or omissions of Franchisee which are not in strict compliance with this Agreement and the Manual in respect of use or display of the Marks, or (iii) acts or omissions of Franchisee which tend to create an impression that the relationship between the parties to this Agreement is other than one of Franchisor and Franchisee. In spite of the foregoing, Franchisee will have no obligation to protect, defend or indemnify Franchisor, or its direct or indirect parents, their subsidiaries, affiliates or designees from and against any costs or expenses arising from the conduct of Franchisor found to be willful, malicious or grossly negligent.

13.3. Survival of Covenants

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable in spite of the expiration or other termination of this Agreement for any reason whatsoever.

13.4. Successors and Assigns

This Agreement will be binding upon and benefit the successors and assigns of the Franchisor and will be binding upon and benefit the Franchisee and its or their respective heirs, executors, administrators, successors and assigns, subject to the restrictions on Assignment by Franchisee contained in this Agreement.

13.5. Joint and Several Liability

If Franchisee consists of more than one person or entity, or a combination of it, the obligation and liabilities to Franchisor of each person or entity are joint and several.

13.6. Counterparts

This Agreement may be signed in any number of copies, each of which will be considered to be an original, and all of which together will be considered to be one and the same instrument.

13.7. Notices

(a) All notices which the parties to this Agreement may be required or would like to give under or in connection with this Agreement will be in writing and will be sent either by certified mail, return receipt requested, postage prepaid, or by reliable overnight delivery service, addressed as follows:

- (i) If to Franchisor, to:
Budget Blinds, Inc.
1927 N. Glassell
Orange CA 92865
- (ii) If to Franchisee, to the attention of the Manager at the address indicated in Section 16.2(c) of this Agreement.

(b) The addresses given in this Agreement for notices may be changed at any time by either party by written notice given to the other party as provided in this Agreement. Notices will be considered given three business days after deposit with the United States Postal Service as previously mentioned or the next business day after deposit with a reliable overnight delivery service.

(c) If the address to which notices are otherwise required to be given according to this Section 13.7 is known or believed by the person giving notice no longer to be valid, notices will also be sent to the last known valid address of the party receiving the notice.

14. CONSTRUCTION OF AGREEMENT

14.1. Governing Law

The United States Arbitration Act (9 U.S.C. §1 et seq.) will govern jurisdictional issues respecting arbitration of disputes under this Agreement. The Lanham Act (15 U.S.C. §1051 et seq.) will govern any issue involving the Marks. To the extent applicable, all issues involving (i) modification of this Agreement while it is in effect, (ii) the maximum rate of interest that may be charged under this Agreement, or (iii) post-termination non-competition provisions will be governed by the laws of the state where Franchisee is domiciled. Except as otherwise provided in Article 10 of this Agreement and this section or as required by applicable state law, this Agreement and the legal relations among the parties to this Agreement will be governed by and construed according to the laws of the State of California.

14.2. Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related Agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that it furnished to Franchisee.

14.3. Modification

This Agreement cannot be modified or changed except by (i) written instrument signed by all of the parties to this Agreement, or (ii) by Franchisor's reduction of any of Franchisee's obligations under this Agreement, which may be done without Franchisee's consent and which is effective immediately upon notice.

14.4. Titles for Convenience Only

Section titles used in this Agreement are for convenience only and will not be considered to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

14.5. Gender

All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any Section may require.

14.6. Severability

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or the Manual and any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in that event the provision of this Agreement or the Manual thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, Article, Section, sentence or clause of this Agreement or the Manual is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be considered deleted, and the remaining parts of it will continue in full force and effect, unless the provision pertains to the payment of fees according to Articles 3 and 4 of this Agreement, in which case this Agreement will terminate.

14.7. No Third Party Beneficiaries

This Agreement is not intended to benefit any other person or entity except the named parties to this Agreement and no other person or entity will be entitled to any rights under this Agreement by virtue of so-called "third party beneficiary rights" or otherwise.

14.8. Examples Not Exclusive

The verb "to include" (in all its tenses and variations, such as "including") is always used in a non-exclusive sense (as if followed by one of the phrases "without limitation" or "but not limited to"). The failure to list a particular example after a variation of the word "including" is not to be construed as an indication that the example is excluded.

15. SUBMISSION OF AGREEMENT

The submission of this Agreement to Franchisee does not constitute an offer and this Agreement will become effective only upon its signing by both Franchisor and Franchisee. This Agreement will not be binding on Franchisor unless and until it has been accepted and signed by the President or other executive officer of Franchisor. This Agreement will not become effective until and unless Franchisee has been furnished by Franchisor with any disclosure, in written form, required under or according to applicable law.

16. ACKNOWLEDGMENTS AND REPRESENTATIONS OF LICENSEE

16.1. Certain Acknowledgments and Representations of Franchisee

(a) If required, Franchisee is a duly licensed state contractor under the laws of the state within which the Territory is situated (or has otherwise made arrangements to operate under an existing state contractors license according to applicable law) and is in compliance with all applicable laws, rules and regulations of authorities having jurisdiction.

(b) Franchisee understands and acknowledges the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Manual and the necessity of operating the Franchised Business under the standards stated in the Manual. Franchisee represents that it has the capabilities, professionally, financially and otherwise, to comply with the standards of Franchisor.

(c) If Franchisee is a corporation, Franchisee is duly incorporated and is qualified to do business in the Territory.

(d) The signing of this Agreement by Franchisee will not constitute or violate any other agreement or commitment to which Franchisee is a party.

(e) Any individual signing this Agreement on behalf of Franchisee is duly authorized to do so and the Agreement will constitute a valid and binding obligation of the Franchisee and, if applicable, all of its partners, if Franchisee is a partnership.

(f) Franchisee has, or if a partnership, corporation or other entity, its partners or its principals have, carefully read this Agreement and all other related documents to be signed by it concurrently or in conjunction with the signing of this Agreement, has obtained, or had the opportunity to obtain, the advice of legal counsel in connection with the signing and delivery of this Agreement, understands the nature of this Agreement, and intends to comply with it and be bound by it.

(g) This Agreement has been developed from the experiences of Franchisor and the System, including Franchisor's current and former employees, agents and Franchisees, who collectively possess substantial experience in the business of window coverings. The formation of this Agreement and the disclosures made in connection with the franchise relationship stated in this Agreement have been governed in part by the franchise relations acts, the franchise investment laws, the franchise disclosure laws and the regulations promulgated under them in the states in which Franchisor and the System do business.

Those laws, regulations and disclosure requirements have been implemented for the protection and benefit of Franchisees and prospective Franchisees. Franchisee

acknowledges that it has been advised to obtain legal advice and counsel to evaluate the opportunity of becoming a Franchisee of Franchisor and the benefits and duties of this Agreement. Franchisee acknowledges that it has chosen to enter into this Agreement solely based upon independent judgment as to its needs at a time when other franchise opportunities were available. No promises or assurances have been made by Franchisor other than as explicitly stated in this Agreement.

16.2. Additional Information Respecting Franchisee

(a) Attached to this Agreement as Schedule 4 is a schedule containing complete information respecting the owners, partners, officers and directors, as the case may be, of Franchisee.

(b) Unless otherwise disclosed to Franchisor in writing, Franchisee's financial and other records will be maintained at Franchisee's principal place of business indicated in Section 3.1 of this Agreement.

(c) The name and business address (written notice of any change in this information after the Effective Date must be delivered to Franchisor according to Section 13.7 of this Agreement) of Franchisee's Manager is:

(d) Franchisee has delivered to Franchisor complete and accurate copies of all organizational documents relating to Franchisee, including all partnership agreements, certificates of partnership, Articles or certificates of incorporation, by-laws and shareholder agreements, including all amendments, side letters and other items modifying those documents.

(e) The Term (as described in Section 5.1 of this Agreement) of this Agreement expires on _____.

****THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK****

IN WITNESS TO WHICH, the parties to this Agreement have signed it on or as of the dates indicated below:

FRANCHISOR
BUDGET BLINDS, INC.

Date: _____

By: _____
Todd A. Jackson, Executive Vice President

1927 North Glassell Street
Orange, CA 92865

Sign here if Franchisee is an individual:

FRANCHISEE

Date: _____

Print Name:

Print Address:

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name:

Date: _____

By: _____

Print Name:

Print Title:

Print Address:

STATE SPECIFIC ADDENDUM TO BUDGET BLINDS® FRANCHISE AGREEMENT

1. INTRODUCTION

This Addendum (Addendum) is effective on the same date as the Franchise Agreement (Agreement) to which it is attached. The parties to the Addendum are the parties to the Agreement. The purpose of this Addendum is to modify certain clauses of the standard Agreement to meet the requirements of regulatory agencies in particular states.

2. AGREEMENT

The parties agree as follows:

2.1. Illinois

The following provisions apply to you if your State is Illinois:

2.1.1. Venue

Section 11.6(a) (Venue, Submission to Court, Limitation of Damages) of the Agreement is amended to read as follows:

No individual or entity (whether named or otherwise designated) will be joined as a party to those proceedings if that joinder has the effect of destroying federal court jurisdiction, unless that individual or entity is a necessary party to the proceeding as a matter of law. Where there is no United States District Court having jurisdiction over the dispute, the proceeding may be initiated in a state court of competent jurisdiction. In either case, Franchisor and Franchisee consent to the exclusive exercise of jurisdiction by those courts.

2.1.2. Governing Law

Subject to applicable state law, including specifically the law applicable to matters within the purview of the Illinois Franchise Disclosure Act, this Agreement will be governed by and construed under the laws of the State of California.

2.1.3. Release of Claims

The Agreement says that we may require you to sign a release of claims as a condition of transfer of your franchise. The release will not apply to any liability arising under the Illinois Franchise Disclosure Act.

2.2. Maryland

The following provisions apply to you if you live in Maryland or the Franchised Business will be located in Maryland:

.2.2.1. Release of Claims

The Agreement says that we may require you to sign a release of claims as a condition of transfer of your franchise. The release will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law.

2.2.1. Disputes Not Subject To Alternate Dispute Resolution

Section 11.2 (Disputes Not Subject To Alternate Dispute Resolution) of the Franchise Agreement is amended to read as follows:

Except for claims subject to arbitration, a franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2.2.3. Venue

Section 11.6(a) (Venue, Submission to Court, Limitation of Damages) of the Franchise Agreement is deleted.

The franchise agreement is amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure law.

2.3. Minnesota

The following provisions apply to you if your State is Minnesota:

2.3.1. Release of Claims

The Agreement says that we may require you to sign a special release of claims as a condition of transfer of your franchise. The release will not apply to any claim arising under Minn. Stats. Chapter 80C.

2.3.2. Arbitration Venue

Section 11.4 (Arbitration) of the Agreement requires binding arbitration of any dispute. The arbitration will occur in a state other than Minnesota, with costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this section may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

2.3.3. Venue

Section 11.6(a) (Venue, Submission to Court, Limitation of Damages) of the Agreement is amended to read as follows:

No individual or entity (whether named or otherwise designated) will be joined as a party to those proceedings if that joinder has the effect of destroying federal court jurisdiction, unless that individual or entity is a necessary party to the proceeding as a matter of law. Where there is no United States District Court having jurisdiction over the dispute, the proceeding may be initiated in a state court of competent jurisdiction. In either case, Franchisor and Franchisee consent to the exclusive exercise of jurisdiction by those courts.

2.3.4. Trademark

Notwithstanding anything to the contrary contained in this Agreement, Franchisor will protect Franchisee's right to use the Franchisor's trademarks, service marks, trade names, logotypes or other commercial symbols licensed under this Agreement or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use thereof.

2.4. New York

The following provision applies to you if your State is New York:

2.4.1. Governing Law

The following sentence is added at the end of Section 14.1 (Governing Law) of the Agreement:

The foregoing choice of law should not be considered to be a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.

2.5. North Dakota

The following provisions apply to you if your State is North Dakota:

2.5.1. Mediation and Arbitration Venue

The Agreement requires mediation and arbitration to take place in California. The North Dakota Securities Commissioner has held that franchise agreements providing that the parties must agree to the mediation or arbitration of disputes at a location that is remote from the site of the franchisee's business is "unfair, unjust, or inequitable to North Dakota franchisees." To the extent required by applicable law, the requirement of out-of-state mediation and arbitration is deleted from the franchise agreement.

2.5.2. Venue

Section 11.6(a) (Venue, Submission to Court, Limitation of Damages) of the Agreement is revised to read as follows:

No individual or entity (whether named or otherwise designated) will be joined as a party to those proceedings if that joinder has the effect of destroying federal court jurisdiction, unless that individual or entity is a necessary party to the proceeding as a matter of law. Where there is no United States District Court having jurisdiction over the dispute, the proceeding may be initiated in a state court of competent jurisdiction. In either case, Franchisor and Franchisee consent to the exclusive exercise of jurisdiction by those courts.

2.5.3. Submission to Court

Section 11.6(b) (Venue, Submission to Court, Limitation of Damages) of the Agreement is deleted.

2.5.4. Limitation of Damages

Item 11.6(c) (Venue, Submission to Court, Limitation of Damages) of the Agreement is deleted.

2.5.5. Bankruptcy

A provision in the Agreement that terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

2.6. Rhode Island

The following provisions apply to you if your State is Rhode Island:

2.6.1. Arbitration Venue and Governing Law

To the extent required by Section 19-28.1-14 of the Rhode Island Franchise Investment Act and the Federal Arbitration Act, the election of a California litigation venue and choice of law is deleted from the agreement. 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."

2.7. Washington

The following provisions apply to you if your State is Washington:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration proceeding involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

The undersigned does hereby acknowledge receipt of this addendum.

3. INCORPORATION OF FRANCHISE AGREEMENT

The terms and conditions of the Agreement are incorporated into this Addendum by reference except to the extent that they conflict with the terms and conditions of this Addendum. If there is a conflict, the terms and conditions of this Addendum will govern.

****THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK****

IN WITNESS TO THE FOREGOING, the parties to this Addendum sign and deliver it.

FRANCHISOR
BUDGET BLINDS, INC

Date: _____

By: _____
Todd Alan Jackson, Executive Vice President

1927 North Glassell Street
Orange, CA 92865

Sign here if Franchisee is an individual:

FRANCHISEE

Date: _____

Print Name:

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name:

Date: _____

By: _____

Print Name:

Print Title:

PERSONAL COVENANT AND GUARANTEE

(To be signed by franchisee's spouse, if any, and by all owners, if franchisee is a company.)

In return for the signing by Franchisor of this Franchise Agreement, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned covenant and agree as follows:

- A. The undersigned represent to Franchisor that the undersigned are all of the people having direct or indirect "Control" (as defined in the Franchise Agreement) or a direct or indirect beneficial ownership interest in Franchisee.
- B. The undersigned, individually and jointly, will (i) comply with and be bound by all provisions of the Franchise Agreement to the same extent as if each of them were the Franchisee, and (ii) not engage in any activities not permitted to the Franchisee under the Franchise Agreement (whether in their own behalf or in any capacity on behalf of any entity).
- C. Any controversy or claim arising out of this Personal Covenant and Guarantee, or any breach of it, will be submitted to mediation and arbitration in accordance with Section 11 of the Franchise Agreement.
- D. If any other people obtain direct or indirect Control of Franchisee or a direct or indirect beneficial interest in Franchisee, the undersigned will cause those people to sign and deliver to Franchisor a counterpart of this Personal Covenant and Guarantee.
- E. This Personal Covenant and Guarantee will be governed in accordance with the laws of the same state whose laws govern the Franchise Agreement.

Signature

Name: _____

Address: _____

Signature

Name: _____

Address: _____

SCHEDULE 1

DESCRIPTION OF TERRITORY

The Territory franchised to Franchisee consists of the following ZIP Codes (as defined by the United States Postal Service):

The Franchised Business will be commonly identified as "BUDGET BLINDS® of _____."

SCHEDULE 2

BUDGET BLINDS START-UP PACKAGE

The Start-Up Package consists of the following:

1. Round trip economy class airfare (up to \$500), hotel charges for one standard room (single or double occupancy) for 15 nights for the Manager and/or other person attending the initial training program.
2. Personalized web site with link to the BUDGET BLINDS® web site.
3. All pertinent window covering samples (subject to availability from the vendors).
4. Work Vehicle logos (Franchisee pays for installation on the service vehicle).
5. 25 Personalized Yard Signs
6. Marketing materials (includes 500 multi-purpose tri-folds, which can be used for direct mail and as brochures, 2,500 door/rack sliders, and 100 Design Guides). Also includes private access to Franchisor's own personal "Create Your Own Ad" web site (used for creating ads for various types of media, e.g. newsprint, coop mailers, flyers, etc.)
7. Stationery (includes 500 each of letterhead, envelopes, business cards, and invoices)
8. 4 Polo Shirts with Franchisor's service mark embroidered.

SCHEDULE 3

SCHEDULE OF NAMES AND ADDRESSES OF SOLE PROPRIETOR, SHAREHOLDERS, PARTNERS AND/OR PRINCIPAL OFFICERS, AS APPLICABLE

1. If the prospective franchisee is a sole proprietorship, list below the name and residence address of the owner:

2. If the prospective franchisee is a partnership, list below the names, residential addresses and respective percentage ownership interests in the partnership of each partner (and whether any partner is a managing partner) and submit a copy of the partnership agreement to Budget Blinds, Inc. (If more space is required, attached additional sheets):

<p>a. _____</p> <p>_____</p> <p>_____</p> <p>_____ %</p>	<p>c. _____</p> <p>_____</p> <p>_____</p> <p>_____ %</p>
<p>b. _____</p> <p>_____</p> <p>_____</p> <p>_____ %</p>	<p>d. _____</p> <p>_____</p> <p>_____</p> <p>_____ %</p>

SCHEDULE 4

SCHEDULE 4

Franchise Agreement ~~2013 Amendment~~ 2014
Issued ~~November 11, 2013~~ March 20, 2014

3. If the prospective franchisee is a corporation, list the names, residential addresses and percentage ownership of each shareholder (if more space is required, attach additional sheets):

a. _____		c. _____	
_____		_____	
_____		_____	
_____	_____%	_____	_____%
b. _____		d. _____	
_____		_____	
_____		_____	
_____	_____%	_____	_____%

FRANCHISEE INITIAL HERE []
[]

4. If the prospective franchisee is a corporation, list the names and residential addresses of each director of the corporation, if not previously provided in this Agreement (if more space is required, attach additional sheets):

a. _____	c. _____
_____	_____
_____	_____
_____	_____

b. _____ d. _____

_____	_____
_____	_____
_____	_____

5. If the prospective franchisee is a corporation, list the names, residential addresses and respective offices of each executive officer, if not previously provided in Section 4 (if necessary, list other corporate executive officers on additional sheets attached):

a. President

c. Secretary

_____	_____
_____	_____
_____	_____

b. Vice President

d. Treasurer

_____	_____
_____	_____
_____	_____

FRANCHISEE INITIAL HERE []

SECURED PROMISSORY NOTE

Date: _____
US\$ _____

Orange, California

FOR VALUE RECEIVED, the undersigned (hereinafter "Obligor"), hereby promises to pay to the order of BUDGET BLINDS, INC., a corporation organized under the laws of California (hereinafter "Secured Party"), in such coin or currency of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, the principal sum of U.S. \$ _____, together with interest from and after the date hereof on the unpaid principal balance outstanding at the rate of _____% per annum.

This Secured Promissory Note (the "Note") is the Secured Promissory Note referred to in, and is issued pursuant to, that certain Security Agreement entered into by Obligor in favor of Secured Party, dated as of even date with the date hereof (hereinafter, as amended from time to time, the "Security Agreement"), and is entitled to all of the benefits and security of the Security Agreement. All of the terms, covenants and conditions of the Security Agreement are hereby made a part of this Note and are deemed incorporated herein in full. All capitalized terms used herein, unless otherwise specifically defined in this Note, shall have the meanings ascribed to them in the Security Agreement.

In no event whatsoever shall the aggregate of all amounts deemed interest under this Note and charged or collected hereunder exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. If any provisions of this Note are in contravention of any such law, such provisions shall be deemed amended to conform thereto. Interest hereunder shall be calculated daily and shall be computed on the actual number of days elapsed over a year of 360 days.

For so long as no Event of Default shall have occurred the principal amount and accrued interest of this Note shall be due and payable on the dates and in the manner hereinafter set forth:

- (a) Principal and interest shall be due and payable monthly commencing on _____, 20____, and continuing on the first day of each month thereafter to and including the first day of _____ 20____, in installments of \$ _____ each, and

EXHIBIT B

- (b) Notwithstanding the foregoing, the entire unpaid principal balance and accrued interest on this Note shall be due and payable immediately upon any acceleration of the Obligations pursuant to Section 6.2 of the Security Agreement or upon the purchase by Obligor of another BUDGET BLINDS® franchise from any source.

Obligor may prepay this Note in whole or in part from time to time without penalty, but any principal payment must be accompanied by all interest then accrued, if any. Any partial payments will be applied to discharge the principal sum payments in the inverse order in which any payments would otherwise become due. Additionally, Obligor may terminate the Security Agreement by paying in full all the Obligations due to Secured Party under this Note and as otherwise due to Secured Party under the Security Agreement, in cash.

Upon the occurrence of an Event of Default, Secured Party shall have all of the rights and remedies set forth in Section 6.2 of the Security Agreement.

Time is of the essence of this Note. To the fullest extent permitted by applicable law, Obligor, for itself and its legal representatives, successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, notice of non-payment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity, diligence in collection, and the benefit of any exemption or insolvency laws.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or remaining provisions of this Note. No delay or failure on the part of Secured Party in the exercise of any right or remedy hereunder shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise by Secured Party of any right or remedy preclude any other right or remedy. Secured Party, at its option, may enforce its rights against any collateral securing this Note without enforcing its rights against Obligor, any guarantor of the indebtedness evidenced hereby or any other property or indebtedness due or to become due to Obligor. Obligor agrees that, without releasing or impairing Obligor's liability hereunder, Secured Party may at any time release, surrender, substitute or exchange any collateral securing this Note and may at any time release any party primarily or secondarily liable for the indebtedness evidenced by this Note.

This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except that for purposes of the usury laws (and determining the maximum rate of interest allowable), this

Note shall be governed by and construed and enforced in accordance with the laws of the state of Obligor's residence.

IN WITNESS WHEREOF, Obligor has caused this Note to be duly executed and delivered in Orange, California, on the date first above written.

Signature: _____

Print Name: _____

GENERAL SECURITY AGREEMENT

This General Security Agreement dated as of _____, is entered into by _____ and _____ (collectively, "Pledgor") in favor of BUDGET BLINDS, INC, a corporation organized under the laws of California ("Secured Party").

WITNESSETH

WHEREAS, Pledgor has issued that certain Secured Promissory Note (the "Note") in favor of Secured Party, dated as of _____, pursuant to which Secured Party has or is about to make certain financial accommodations to Pledgor; and

WHEREAS, Secured Party has conditioned its providing said financial accommodations to Pledgor on Pledgor's granting a security interest in substantially all of its assets in favor of Secured Party to secure Pledgor's obligations to Secured Party under the Note;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1 . DEFINITIONS SECTION

All terms used herein which are defined in Article 1 or Article 9 of the Code (as hereinafter defined) shall have the meanings ascribed thereto in the Code unless otherwise defined in this Agreement. All references to Pledgor and Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7.3. Any accounting term used herein unless otherwise defined in this Agreement shall have the meanings customarily given to such term in accordance with GAAP. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

EXHIBIT C

1.1. Accounts

"Accounts" shall mean all present and future rights of Pledgor to payment for goods sold or leased or for services rendered, which are not evidenced by instruments or chattel paper, and whether or not earned by performance.

1.2. Code

"Code" means the California Uniform Commercial Code.

1.3. Equipment

"Equipment" shall mean all of Pledgor's now owned and hereafter acquired equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.4. Event of Default

"Event of Default" shall have the meaning set forth in Section 6.1 hereof.

1.5. Financing Agreements

"Financing Agreements" shall mean, collectively, this Agreement and all notes, guarantees, security agreements and other agreements, documents and instruments now or at any time hereafter executed or delivered by Pledgor in connection with this Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.6. GAAP

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Boards which are applicable to the circumstances as of the date of determination consistently applied.

1.7. Inventory

"Inventory" shall mean all of Pledgor's now owned and hereafter existing or acquired raw materials, work in process, finished goods and all other inventory of whatsoever kind or nature, wherever located.

1.8. Note

"Note" shall have the meaning set forth in the recitals hereto, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.9. Obligations

"Obligations" shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Pledgor to Secured Party or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Note, this Agreement or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Note, this Agreement or after the commencement of any case with respect to Pledgor under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party.

1.10. Person or person

"Person" or "person" shall mean any individual, sole proprietorship, limited liability company or partnership, partnership, corporation (including any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.11. Records

"Records" shall mean all of Pledgor's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the

foregoing are stored (including any rights of Pledgor with respect to the foregoing maintained with or by any other person).

SECTION 2 . GRANT OF SECURITY INTEREST SECTION

To secure payment and performance of all Obligations, Pledgor hereby grants to Secured Party a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to Secured Party as security, the following property and interests in property, whether now owned or hereafter acquired or existing, and wherever located (collectively, the "Collateral"):

- (a) all Accounts,
- (b) all present and future contract rights, general intangibles (including tax and duty refunds, registered and unregistered patents, franchises, licenses, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as franchisor or franchisee, choses in action and other claims and existing and future leasehold interests in equipment, real estate and fixtures), chattel paper, documents, instruments, letters of credit, bankers' acceptances and guaranties,
- (c) all present and future monies, securities, credit balances, deposits, deposit accounts and other property of Pledgor now or hereafter held or received by or in transit to any depository or other institution from or for the account of Pledgor whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Accounts and other Collateral, including:
 - (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral,
 - (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party,
 - (iii) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Accounts or other Collateral, including returned, repossessed and reclaimed goods, and

- (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors.
- (d) all Inventory,
- (e) all Equipment,
- (f) all Records, and
- (g) all products and proceeds of the foregoing, in any form, including insurance proceeds and any claims against third parties for loss or damage to or destruction of any or all of the foregoing.

SECTION 3 . COLLATERAL COVENANTS SECTION

3.1. Accounts Covenants

- (a) Secured Party shall have the right at any time or times, in Secured Party's name or in the name of a nominee of Secured Party, to verify the validity, amount or any other matter relating to any Account or other Collateral, by mail, telephone, facsimile transmission or otherwise.
- (b) Pledgor shall deliver or cause to be delivered to Secured Party, with appropriate endorsement and assignment, with full recourse to Pledgor, all chattel paper and instruments which Pledgor now owns or may at any time acquire immediately upon Pledgor's receipt thereof, except as Secured Party may otherwise agree.
- (c) Secured Party may, at any time or times that an Event of Default exists or has occurred and is continuing,
 - (i) notify any or all account debtors that the Accounts have been assigned to Secured Party and that Secured Party has a security interest therein and Secured Party may direct any or all accounts debtors to make payment of Accounts directly to Secured Party,
 - (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Accounts or other obligations included in the Collateral and thereby discharge or release the account debtor or any other party or parties in any way liable for payment thereof without affecting any of the Obligations,

- (iii) demand, collect or enforce payment of any Accounts or such other obligations, but without any duty to do so, and Secured Party shall not be liable for its failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and
- (iv) take whatever other action Secured Party may deem necessary or desirable for the protection of its interests. At any time that an Event of Default exists or has occurred and is continuing, at Secured Party's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Secured Party and are payable directly and only to Secured Party and Pledgor shall deliver to Secured Party such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Secured Party may require.

3.2. Inventory Covenants

With respect to the Inventory:

- (a) Pledgor shall at all times maintain inventory records reasonably satisfactory to Secured Party, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, Pledgor's cost therefor and daily withdrawals therefrom and additions thereto,
- (b) Pledgor shall conduct a physical count of the Inventory at least once each year, but at any time or times as Secured Party may request on or after an Event of Default, and promptly following such physical inventory shall supply Secured Party with a report in the form and with such specificity as may be reasonably satisfactory to Secured Party concerning such physical count,
- (c) Pledgor shall not remove any Inventory from the locations set forth or permitted herein, without the prior written consent of Secured Party, except for sales of Inventory in the ordinary course of Pledgor's business and except to move Inventory directly from one location set forth or permitted herein to another such location,
- (d) upon Secured Party's request, Pledgor shall, at its expense, no more than once in any twelve (12) month period, but at any time or times as Secured Party may request on or after an Event of Default, deliver or cause to be delivered to Secured Party written reports or appraisals as to the Inventory in form, scope and methodology acceptable to Secured

Party and by an appraiser acceptable to Secured Party, addressed to Secured Party or upon which Secured Party is expressly permitted to rely,

- (e) Pledgor shall produce, use, store and maintain the Inventory, with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws (including, but not limited to, the requirements of the Federal Fair Labor Standards Act of 1938, as amended and all rules, regulations and orders related thereto),
- (f) Pledgor assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory,
- (g) Pledgor shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate Pledgor to repurchase such Inventory,
- (h) Pledgor shall keep the Inventory in good and marketable condition, and
- (i) Pledgor shall not, without prior written notice to Secured Party, acquire or accept any Inventory on consignment or approval.

3.3. Equipment Covenants

With respect to the Inventory:

- (a) Upon Secured Party's request, Pledgor shall, at its expense, at any time or times as Secured Party may request on or after an Event of Default, deliver or cause to be delivered to Secured Party written reports or appraisals as to the Equipment in form, scope and methodology acceptable to Secured Party and by appraiser acceptable to Secured Party,
- (b) Pledgor shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted),
- (c) Pledgor shall use the Equipment with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with all applicable laws,
- (d) the Equipment is and shall be used in Pledgor's business and not for personal, family, household or farming use,

- (e) Pledgor shall not remove any Equipment from the locations set forth or permitted herein, except to the extent necessary to have any Equipment repaired or maintained in the ordinary course of the business of Pledgor or to move Equipment directly from one location set forth or permitted herein to another such location and except for the movement of motor vehicles used by or for the benefit of Pledgor in the ordinary course of business,
- (f) the Equipment is now and shall remain personal property and Pledgor shall not permit any of the Equipment to be or become a part of or affixed to real property, and
- (g) Pledgor assumes all responsibility and liability arising from the use of the Equipment.

3.4. Power of Attorney

Pledgor hereby irrevocably designates and appoints Secured Party (and all persons designated by Secured Party) as Pledgor's true and lawful attorney-in-fact, and authorizes Secured Party, in Pledgor's or Secured Party's name, to:

- (a) at any time an Event of Default or event which with notice or passage of time or both would constitute an Event of Default exists or has occurred and is continuing
 - (i) demand payment on Accounts or other proceeds of Inventory or other Collateral,
 - (ii) enforce payment of Accounts by legal proceedings or otherwise,
 - (iii) exercise all of Pledgor's rights and remedies to collect any Account or other Collateral,
 - (iv) sell or assign any Account upon such terms, for such amount and at such time or times as the Secured Party deems advisable,
 - (v) settle, adjust, compromise, extend or renew an Account,
 - (vi) discharge and release any Account,

- (vii) prepare, file and sign Pledgor's name on any proof of claim in bankruptcy or other similar document against an account debtor,
 - (viii) notify the post office authorities to change the address for delivery of Pledgor's mail to an address designated by Secured Party, and open and dispose of all mail addressed to Pledgor, and
 - (ix) do all acts and things which are necessary, in Secured Party's determination, to fulfill Pledgor's obligations under this Agreement and the other Financing Agreements and
- (b) at any time to
- (i) take control in any manner of any item of payment or proceeds thereof,
 - (ii) have access to any lockbox or postal box into which Pledgor's mail is deposited,
 - (iii) endorse Pledgor's name upon any items of payment or proceeds thereof and deposit the same in the Secured Party's account for application to the Obligations,
 - (iv) endorse Pledgor's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto or any other Collateral, and
 - (v) sign Pledgor's name on any verification of Accounts and notices thereof to account debtors and

- (vi) execute in Pledgor's name and file any UCC financing statements or amendments thereto. Pledgor hereby releases Secured Party and its officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Secured Party's own gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

3.5. Right to Cure

Secured Party may, at its option,

- (a) cure any default by Pledgor under any agreement with a third party or pay or bond on appeal any judgment entered against Pledgor,
- (b) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral and
- (c) pay any amount, incur any expense or perform any act which, in Secured Party's judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Secured Party with respect thereto. Secured Party may add any amounts so expended to the Obligations and charge Pledgor's account therefor, such amounts to be repayable by Pledgor on demand. Secured Party shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of Pledgor. Any payment made or other action taken by Secured Party under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

3.6. Access to Premises

From time to time as requested by Secured Party, at the cost and expense of Pledgor,

- (a) Secured Party or its designee shall have complete access to all of Pledgor's premises during normal business hours and after notice to Pledgor, or at any time and without notice to Pledgor if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of Pledgor's books and records, including the Records, and

- (b) Pledgor shall promptly furnish to Secured Party such copies of such books and records or extracts therefrom as Secured Party may request, and
- (c) Secured Party shall have the right to use during normal business hours such of Pledgor's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Accounts and realization of other Collateral.

SECTION 4 . REPRESENTATIONS AND WARRANTIES SECTION

Pledgor hereby represents and warrants to Secured Party the following (which shall survive the execution and delivery of this Agreement):

4.1. Chief Executive Office; Collateral Locations

The chief executive office of Pledgor and Pledgor's Records concerning Accounts are located only at the address set forth below and its only other places of business and the only other locations of Collateral, if any, are the addresses provided by Pledgor to Secured Party in writing prior to the date hereof, subject to the right of Pledgor to establish new locations in accordance with Section 5.1 below.

4.2. Priority of Liens; Title to Properties

The security interests and liens granted to Secured Party under this Agreement and the other Financing Agreements constitute valid and perfected first priority liens and security interests in and upon the Collateral subject only to the liens indicated on Schedule 4.2 hereto. Pledgor has good and marketable title to all of its properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to Secured Party and such others as are specifically listed on Schedule 4.2 hereto.

4.3. Accuracy and Completeness of Information

All information furnished by or on behalf of Pledgor in writing to Secured Party in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the

business, assets or prospects of Pledgor, which has not been fully and accurately disclosed to Secured Party in writing.

4.4. Survival of Warranties; Cumulative

All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to Secured Party on the date of any additional borrowing or other credit accommodation under any amendment, restatement, modification or substitution of the Note and shall be conclusively presumed to have been relied on by Secured Party regardless of any investigation made or information possessed by Secured Party. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which Pledgor shall now or hereafter give, or cause to be given, to Secured Party.

SECTION 5 . AFFIRMATIVE AND NEGATIVE COVENANTS SECTION

5.1. New Collateral Locations

Pledgor may open any new location within the continental United States provided Pledgor:

- (a) gives Secured Party ten (10) days prior written notice of the intended opening of any such new location and
- (b) executes and delivers, or causes to be executed and delivered, to Secured Party such agreements, documents, and instruments as Secured Party may deem reasonably necessary or desirable to protect its interests in the Collateral at such location, including UCC financing

5.2. Insurance

Pledgor shall, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be satisfactory to Secured Party as to form, amount and insurer. Pledgor shall furnish certificates, policies or endorsements to Secured Party as Secured Party shall require as proof of such insurance, and, if Pledgor fails to do so, Secured Party is authorized, but not required, to obtain such insurance at the expense of Pledgor. All policies shall provide for at least thirty (30) days prior written notice to Secured Party of any cancellation or reduction of coverage and that Secured Party may act as attorney for Pledgor in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending

and canceling such insurance. Pledgor shall cause Secured Party to be named as a loss payee and an additional insured (but without any liability for any premiums) under such insurance policies and Pledgor shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to Secured Party. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Secured Party as its interests may appear and further specify that Secured Party shall be paid regardless of any act or omission by Pledgor or any of its affiliates. At its option, Secured Party may apply any insurance proceeds received by Secured Party at any time to the cost of repairs or replacement of Collateral or to payment of the Obligations, whether or not then due, in any order and in such manner as Secured Party may determine or hold such proceeds as cash collateral for the Obligations.

5.3. Costs and Expenses

Pledgor shall pay to Secured Party on demand all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Secured Party's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including, but not limited to:

- (a) all costs and expenses of filing or recording (including all filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable, payable in connection any and all financing statements or fixture filings necessary to perfect and continue perfected Secured Party's security interests in the Collateral),
- (b) all title insurance and other insurance premiums, appraisal fees and search fees,
- (c) costs and expenses of preserving and protecting the Collateral,
- (d) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Secured Party, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against Secured Party arising out of the transactions contemplated hereby and thereby (including preparations for and consultations concerning any such matters), and

- (e) the fees and disbursements of counsel (including legal assistants) to Secured Party in connection with any of the foregoing.

5.4. Further Assurances

At the request of Secured Party at any time and from time to time, Pledgor shall, at its expense, at any time or times duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Where permitted by law, Pledgor hereby authorizes Secured Party to execute and file one or more UCC financing statements signed only by Secured Party.

SECTION 6 . EVENTS OF DEFAULT AND REMEDIES SECTION

6.1. Events of Default

The occurrence or existence of any of the following events (each an "Event of Default") shall occur and be continuing:

- (a) The Pledgor shall fail to pay any installment of principal or interest or any other amount payable under the Note when due; or
- (b) Any representation or warranty made by the Pledgor herein or by the Pledgor (or any of its officers) in connection with the Financing Agreements shall prove to have been incorrect in any material respect when made; or
- (c) The Pledgor shall fail to perform or observe any term, covenant or agreement contained in this Agreement on its part to be performed or observed; or
- (d) The Pledgor shall default in the performance of or compliance with any term contained in any Financing Agreement other than this Agreement and such default shall not have been remedied or waived within any applicable grace period; or
- (e) The Pledgor shall
 - (i) fail to pay any principal of, or premium or interest on, any indebtedness, the aggregate outstanding principal amount of

which is at least \$10,000 (excluding indebtedness evidenced by the Note), when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness, or

- (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such indebtedness or material to the performance, business, property, assets, condition (financing or otherwise) or prospects of the Pledgor when required to be performed or observed, and such failure shall continue after the applicable grace period, if any, specified in such agreement or instrument; or
- (f)
- (i) The Pledgor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Pledgor shall make a general assignment for the benefit of its creditors; or
 - (ii) there shall be commenced against the Pledgor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unhandled for a period of thirty (30) days; or
 - (iii) there shall be commenced against the Pledgor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or

- (iv) the Pledgor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) and (iii) above; or (v) the Pledgor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or
- (g) One or more judgments or decrees shall be entered against the Pledgor involving in the aggregate a liability (not paid or fully covered by insurance or reserves) equal to or greater than \$5,000 and all such judgments or decrees shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or
- (h) There shall be instituted against the Pledgor any proceeding for which forfeiture of any property is a potential penalty and such proceeding remains undismissed, undischarged or unbonded for a period of thirty (30) days from the date the Pledgor knows of such proceeding.

6.2. Remedies

- (a) At any time an Event of Default exists or has occurred and is continuing, Secured Party shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the Code and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Pledgor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Secured Party hereunder, under any of the other Financing Agreements, the Code or other applicable law, are cumulative, not exclusive and enforceable, in Secured Party's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Pledgor of this Agreement or any of the other Financing Agreements. Secured Party may, at any time or times, proceed directly against Pledgor to collect the Obligations without prior recourse to the Collateral.
- (b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, Secured Party may, in its discretion and without limitation,
 - (i) accelerate the payment of all Obligations and demand immediate payment thereof to Secured Party (provided that, upon the occurrence of any Event of Default described in

Section 6.1(f), all Obligations shall automatically become immediately due and payable),

- (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral,
- (iii) require Pledgor, at Pledgor's expense, to assemble and make available to Secured Party any part or all of the Collateral at any place and time designated by Secured Party,
- (iv) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral,
- (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose,
- (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Secured Party or elsewhere) at such prices or terms as Secured Party may deem reasonable, for cash, upon credit or for future delivery, with the Secured Party having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of Pledgor, which right or equity of redemption is hereby expressly waived and released by Pledgor. If any of the Collateral is sold or leased by Secured Party upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Secured Party. If notice of disposition of Collateral is required by law, ten (10) days prior notice by Secured Party to Pledgor designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Pledgor waives any other notice. In the event Secured Party institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, Pledgor waives the posting of any bond which might otherwise be required.

- (c) Secured Party may apply the cash proceeds of Collateral actually received by Secured Party from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as Secured Party may elect, whether or not then due. Pledgor shall remain liable to Secured Party for the payment of any deficiency with interest at the highest rate provided for in the Note and all costs and expenses of collection or enforcement, including attorneys' fees and legal expenses.

SECTION 7 . JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW SECTION

7.1. Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver

- (a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of California (without giving effect to principles of conflicts of law), except, that the laws of Pledgor's state of residence will apply to any determination of the maximum interest rate payable or the existence of usury.
- (b) Pledgor irrevocably consents and submits to the non-exclusive jurisdiction of the Superior Court of the State of California, County of Los Angeles and the United States District Court for the Central District of California and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Pledgor and Secured Party in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Pledgor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Pledgor or its property).
- (c) Pledgor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the

signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Pledgor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Pledgor shall appear in answer to such process, failing which Pledgor shall be deemed in default and judgment may be entered by Secured Party against Pledgor for the amount of the claim and other relief requested.

- (d) PLEDGOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF PLEDGOR AND SECURED PARTY IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. PLEDGOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT PLEDGOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF PLEDGOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.
- (e) Secured Party shall not have any liability to Pledgor (whether in tort, contract, equity or otherwise) for losses suffered by Pledgor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party shall be entitled to the benefit of the reputable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7.2. Waiver of Notices

Pledgor hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the

Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on Pledgor which Secured Party may elect to give shall entitle Pledgor to any other or further notice or demand in the same, similar or other circumstances.

7.3. Amendments and Waivers

Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which Secured Party would otherwise have on any future occasion, whether similar in kind or otherwise.

7.4. Indemnification

Pledgor shall indemnify and hold Secured Party, and its directors, agents, employees and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the fees and expenses of counsel. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Pledgor shall pay the maximum portion which it is permitted to pay under applicable law to Secured Party in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the other Financing Agreements. All of the foregoing costs and expenses shall be part of the Obligations and secured by the Collateral.

SECTION 8 . MISCELLANEOUS SECTION

9.1. Notices

- All notices, requests and demands hereunder shall be in writing and
- (a) made to Secured Party at Budget Blinds, Inc., 1927 North Glassell Street, Orange California 92865, and to Pledgor at the address set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and
 - (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

9.2. Partial Invalidity

If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

9.3. Successors

This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Pledgor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and its successors and assigns, except that Pledgor may not assign its rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Secured Party.

9.4. Entire Agreement

This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments,

proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

*** REMAINDER OF PAGE INTENTIONALLY LEFT BLANK ***

IN WITNESS WHEREOF, Pledgor and Secured Party have caused these presents to be duly executed as of the day and year first above written.

Secured Party:
BUDGET BLINDS, INC.

By: _____
Todd Jackson, Executive Vice President

Pledgor:

Sign here: _____

Print Name: _____

Sign here: _____

Print Name: _____

Address of Pledgor's Offices:

EXHIBIT D

FINANCIAL STATEMENTS

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Talley & Company, an Accountancy Corporation, consents to the use in the franchise disclosure document issued by Budget Blinds, Inc. with an issuance date of March 20, 2014, as it may be amended, of our report dated March 18, 2014, relating to the financial statements of Budget Blinds, Inc. for the periods ending December 31, 2013 and 2012.

Talley & Company
An Accountancy Corporation

Talley & Company
An Accountancy Corporation

Orange, California
March 19, 2014

BUDGET BLINDS, INC.
(a California S-Corporation)

Report and Financial Statements

December 31, 2012 and 2011



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Budget Blinds, Inc.

We have audited the accompanying financial statements of Budget Blinds, Inc. (a California S-Corporation and a wholly-owned subsidiary of Home Franchise Concepts, Inc.), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of earnings, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Budget Blinds, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Talley & Company
An Accounting Corporation
Orange, California
March 11, 2013

BUDGET BLINDS, INC.
(a California S-Corporation)

BALANCE SHEETS

December 31,

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 6,480,541	\$ 7,232,258
Restricted cash	340,021	615,668
Marketable securities	467,279	384,180
Accounts receivable, net of allowance for doubtful accounts of \$283,176 and \$358,176 for 2012 and 2011, respectively	273,693	272,873
Current maturities of notes receivable, net of allowance for doubtful accounts of \$81,525 and \$66,525 for 2012 and 2011, respectively	457,457	276,249
Rebate receivables	1,636,111	1,287,165
Prepaid expenses	1,640,003	2,039,865
Prepaid income taxes	38,387	46,057
	<u>11,333,492</u>	<u>12,154,315</u>
Notes receivable , net of current maturities and allowance for doubtful accounts of \$326,098 and \$266,098 for 2012 and 2011, respectively	1,584,094	1,334,439
Fixtures, equipment and leasehold improvements , net	<u>237,957</u>	<u>326,367</u>
	<u>\$ 13,155,543</u>	<u>\$ 13,815,121</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities		
Current portion of long-term debt	\$ 53,914	\$ 45,583
Accounts payable	619,651	638,666
Deferred revenue	2,922,224	3,236,026
Advertising advances and deposits	533,768	810,353
Accrued liabilities	939,033	510,880
Due to stockholder	780,424	346,892
	<u>5,849,014</u>	<u>5,588,400</u>
Long-term debt , less current portion	114,002	111,031
Commitments and contingencies (Note 10)	-	-
Stockholder's equity		
Common stock, no par value, 10,000 shares authorized, 900 shares issued and outstanding	10,000	10,000
Retained earnings	7,182,527	8,105,690
	<u>7,192,527</u>	<u>8,115,690</u>
	<u>\$ 13,155,543</u>	<u>\$ 13,815,121</u>

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF EARNINGS

Years ended December 31,

	<u>2012</u>	<u>2011</u>
Revenue		
Initial franchise fees	\$ 5,259,290	\$ 2,860,700
Royalty income	13,513,299	13,332,764
Continuing franchise fees	1,000,231	892,057
Other sales	228,540	97,174
Gross sales rebates	<u>7,713,526</u>	<u>6,396,559</u>
 Total revenue	 27,714,886	 23,579,254
 Operating expenses		
Selling and advertising	6,548,977	4,430,780
Officers compensation	8,937,266	8,079,676
Operating and administrative	<u>8,900,872</u>	<u>8,345,910</u>
 Total operating expenses	 <u>24,387,115</u>	 <u>20,856,366</u>
 Earnings from operations	 3,327,771	 2,722,888
 Other income (expense)		
Interest income	125,366	82,551
Interest expense	(6,754)	(7,783)
Dividend income	16,206	11,439
Realized loss on sale of marketable securities	(3,362)	(11,397)
Unrealized gain (loss) on marketable securities	<u>32,125</u>	<u>(48,489)</u>
 Total other income	 <u>163,581</u>	 <u>26,321</u>
 Earnings before income tax expense	 3,491,352	 2,749,209
 Income tax expense	 <u>63,360</u>	 <u>69,706</u>
 Net earnings	 <u>\$ 3,427,992</u>	 <u>\$ 2,679,503</u>

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENT OF STOCKHOLDER'S EQUITY

For the years ended December 31, 2012 and 2011

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at			
January 1, 2011	\$ 10,000	\$ 7,801,689	\$ 7,811,689
Distributions to Stockholder	-	(2,375,502)	(2,375,502)
Net earnings	<u>-</u>	<u>2,679,503</u>	<u>2,679,503</u>
Balance at			
December 31, 2011	10,000	8,105,690	8,115,690
Distributions to Stockholder	-	(4,351,155)	(4,351,155)
Net earnings	<u>-</u>	<u>3,427,992</u>	<u>3,427,992</u>
Balance at			
December 31, 2012	<u>\$ 10,000</u>	<u>\$ 7,182,527</u>	<u>\$ 7,192,527</u>

The accompanying notes are an integral part of this financial statement.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2012	2011
Cash flows from operating activities:		
Net earnings	\$ 3,427,992	\$ 2,679,503
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	170,045	172,683
Provision for bad debt	245,248	428,705
Unrealized (gain) loss on marketable securities	(32,125)	48,489
Realized loss on sale of marketable securities	3,362	11,397
Decrease (increase) in:		
Restricted cash	275,647	139,110
Accounts receivable	(189,666)	(229,712)
Notes receivable	(487,265)	(754,048)
Rebate receivables	(348,946)	(106,388)
Prepaid expenses	399,862	(487,115)
Prepaid income taxes	7,670	30,227
Increase (decrease) in:		
Accounts payable	(19,015)	141,230
Deferred revenue	(313,802)	1,263,207
Advertising advances and deposits	(276,585)	(143,576)
Accrued liabilities	428,153	218,974
Due to stockholder	433,532	5,500
	3,724,107	3,418,186
Net cash provided by operating activities	3,724,107	3,418,186
Cash flows from investing activities:		
Purchase of fixtures, equipment and leasehold improvements	(22,410)	(119,507)
Purchase of marketable securities	(328,347)	(177,533)
Proceeds from sale of marketable securities	274,011	223,652
	(\$ 76,746)	(\$ 73,388)
Net cash used in investing activities	(\$ 76,746)	(\$ 73,388)

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF CASH FLOWS (Continued)

For the years ended December 31,

	2012	2011
Cash flows from financing activities:		
Payments on long-term debt and capital lease obligation	(\$ 47,923)	(\$ 49,271)
Distributions to stockholder	(<u>4,351,155</u>)	(<u>2,375,502</u>)
Net cash used in financing activities	(<u>4,399,078</u>)	(<u>2,424,773</u>)
(Decrease) increase in cash and cash equivalents	(751,717)	920,025
Cash and cash equivalents - beginning of year	<u>7,232,258</u>	<u>6,312,233</u>
Cash and cash equivalents - end of year	<u><u>\$ 6,480,541</u></u>	<u><u>\$ 7,232,258</u></u>
 <u>Supplemental cash flow information</u>		
Interest paid	<u>\$ 6,754</u>	<u>\$ 7,783</u>
Income taxes paid	<u>\$ 63,313</u>	<u>\$ 42,106</u>
 <u>Non cash investing and financing activities</u>		
Long-term debt incurred for purchase of property, fixtures and equipment	<u>\$ 59,225</u>	<u>\$ 72,865</u>

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 1 - THE COMPANY

Budget Blinds, Inc. (the “Company”) was incorporated in California in October 1992 for the purpose of selling franchises for the operation of alternate window coverings retail franchises. In January 2006, the Company became a wholly-owned subsidiary of Home Franchise Concepts, Inc. (“HFC” or “Parent”), and converted to an S-corporation (see Notes 2 and 9). As of December 31, 2012, the Company has 851 total franchises located throughout the United States and Canada, including 101 total franchises located in Canada. During 2012 and 2011, the Company derived approximately 12% and 11%, respectively, of its total revenue from franchises located in Canada. The Company’s corporate office and accounting records are located in Orange, California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Company estimates considered significant include the estimate of allowance for doubtful accounts for accounts, notes and rebate receivable (Note 2) and the allocation of the Parent’s expenses to the Company (Note 12).

The significant accounting policies and practices followed by the Company are set forth below:

Fair value measurements

The Company follows accounting guidance that defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. Management believes the carrying amount of financial instruments approximates their fair value. The carrying amounts of cash and cash equivalents, restricted cash, accounts and rebate receivable, accounts payable, deferred revenue, accrued liabilities, advertising advances and deposits and due to stockholder approximates their estimated fair value due to the short-term nature of these instruments. The carrying value of the Company’s notes receivable and debt instruments approximates their fair value as the interest is tied to or approximates market rates.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (Continued)

Accounting principles permit entities to measure certain financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company has elected not to measure any financial assets and financial liabilities at fair value which are not required to be measured at fair value.

Cash and cash equivalents

The Company considers cash on hand, deposits in banks and short-term highly liquid investments as cash and cash equivalents.

The Company maintains some of its cash in U.S. noninterest-bearing transaction accounts.

The Company maintains some of its cash in deposit accounts with a Canadian bank, which are insured by the Canadian Deposit Insurance Corporation up to a maximum of \$100,000 Canadian Dollars ("CAD") (approximately \$100,730 at December 31, 2012) per depositor. At December 31, 2012, the Company's uninsured deposits in its deposit accounts with a Canadian bank totaled approximately \$3,154,000.

The Company has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted cash

Restricted cash includes advertising advances and deposits from franchisees for the purpose of national and regional advertising (NAF). The use of these funds is restricted for advertising costs to benefit the franchisees. The funds cannot be utilized for the Company's advertising expenses in connection with the sale of franchises. NAF restricted cash totaled \$340,021 and \$615,668 at December 31, 2012 and 2011, respectively.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketable securities

Marketable securities are accounted for in accordance with guidance included in ASC 320 "Investments in Debt and Equity Securities" prescribing valuation at fair market value. The Company's philosophy is to trade securities in the short term and therefore the Company has classified them as trading securities. Trading securities are recorded at fair market value, and any unrealized gain or loss is reflected in the statement of earnings.

Accounts, notes and rebate receivable

Accounts, notes and rebate receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and an increase in the allowance for doubtful account based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through the allowance account.

In 2012 and 2011, the Company recorded a charge to bad debt expense and an increase in the allowance for doubtful accounts totaling \$245,248 and \$428,705, respectively. The Company wrote off \$245,248 and \$428,705 of specific accounts to the allowance for doubtful accounts during the years ended December 31, 2012 and 2011, respectively.

Fixtures, equipment and leasehold improvements

Fixtures, equipment and leasehold improvements are recorded at cost. Depreciation of fixtures and equipment is computed using the straight-line method over their estimated useful lives of 3 to 7 years. Depreciation of leasehold improvements is computed using the straight-line method over the shorter of their estimated useful lives or the remaining term under the lease. Expenditures that materially increase the asset life are capitalized, while ordinary maintenance and repairs are charged to operations as incurred.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred revenue and revenue recognition

Initial franchise fee revenue is recognized upon substantial performance of material contractual obligations as set forth in the franchise agreement and the beginning of operations for the franchisee. Deferred revenue consists of deposits for franchise fees in which substantial performance of material obligations has not been achieved or the franchise has not yet commenced operation. Advance payments from franchisees for the annual convention held in future periods are included as deferred revenue until the convention is held.

Royalty revenue recognition

For franchise license agreements entered into prior to January 1, 2006, the Company recognizes royalty income in the month subsequent to when it is earned. For new franchise license agreements entered into after December 31, 2005 and renewal of previous license agreements after December 31, 2005, the Company recognizes the fixed portion of royalty income during the month it is earned, with any variable portion of royalty income during the following month.

Foreign currency adjustment

Some of the Company's transactions with Canadian franchisees utilize the Canadian dollar as the functional currency with respect to royalties, NAF and media remittances. Revenue and expenses have been adjusted using average exchange rates for the year. Monetary assets denominated in foreign currencies are adjusted to reflect period-end exchange rates. The aggregate foreign currency adjustment gains and (losses) included in net earnings were approximately \$58,000 and (\$30,000) for the years ended December 31, 2012 and 2011, respectively.

Advertising advances and deposits

The Company receives advertising funds from the franchisees to provide national and regional advertisements for the benefit of the franchisees (NAF). These advances and deposits are based on a fixed amount for each franchisee. These funds are restricted and segregated. The Company accounts for the receipt of advertising funds as a liability and the advertising costs incurred are charged against the liability account. The franchise agreements allow the Company to retain a percentage of the advertising deposits as compensation for its administration over the accounts. During the years ended December 31, 2012 and 2011, the Company did not receive any compensation for its administration over the accounts. The Company has NAF advertising receivables of \$193,747 and \$194,685 at December 31, 2012 and 2011, respectively, which are included in accounts receivable.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place. At December 31, 2012 and 2011, there were no advertising costs reported as a prepaid asset.

The Company incurs both consumer and franchise advertising costs, which totaled \$869,960 and \$880,339 for the years ended December 31, 2012 and 2011, respectively.

Income taxes

Effective January 26, 2006, the Company revoked its C-corporation status thereby changing to S-corporation status under the Internal Revenue Code. In connection with the Company becoming a wholly-owned subsidiary of HFC, the Company elected and is now a member of a group which files a consolidated tax return. While the S-Corporation election is in effect, the Company's income (distributed or undistributed) will be taxed for federal income tax purposes to its member. Accordingly, no provision for federal income tax is required. In addition, the state of California and certain other States recognize subchapter S-corporation status for companies so filed for federal purposes. However, California and certain other States require franchise taxes to be paid at the corporate level at various tax rates. The Company reports its own current income tax expense at the applicable tax rates based on income at the Company level.

The Company uses the liability method to recognize income tax expense. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences existing between financial reporting requirements and those imposed under federal and state tax law. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to reverse. Deferred income taxes are immaterial at December 31, 2012 and 2011.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 3 - MARKETABLE SECURITIES

The cost and fair market values of marketable securities at December 31, 2012 and 2011 are as follows:

	2012			
	Cost	Gross Unrealized Gains	Gross Unrealized (Loss)	Fair Market Value
Marketable securities	<u>\$ 438,137</u>	<u>\$ 29,142</u>	<u>\$ -</u>	<u>\$ 467,279</u>
	2011			
	Cost	Gross Unrealized Gains	Gross Unrealized (Loss)	Fair Market Value
Marketable securities	<u>\$ 387,046</u>	<u>\$ -</u>	<u>(\$ 2,866)</u>	<u>\$ 384,180</u>

NOTE 4 - NOTES RECEIVABLE

Notes receivable are created from the Company financing a portion of the initial franchise fees from the sale of franchises. The notes are collateralized by the franchise territory. The notes generally bear interest at rates ranging from 5% to 10%, with maturities generally ranging from three to five years.

A summary of notes receivable maturities follows:

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 4 - NOTES RECEIVABLE (CONTINUED)

Year ending <u>December 31,</u>	
2013	\$ 538,982
2014	547,206
2015	564,552
2016	477,058
2017	311,876
Thereafter	<u>9,500</u>
Total notes receivable	2,449,174
Less: allowance for doubtful accounts	(<u>407,623</u>)
Notes receivable, net of allowance for doubtful accounts	2,041,551
Less: current maturities	(<u>457,457</u>)
Notes receivable, net of current maturities	<u>\$1,584,094</u>

NOTE 5 – PREPAID EXPENSES

A summary of prepaid expenses as of December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Prepaid commissions and broker fees	\$ 644,095	\$ 971,525
Prepaid training costs	290,000	370,000
Prepaid referral program rewards	75,750	97,500
Prepaid convention	453,557	390,939
Marketing supplies	49,309	63,594
Others	<u>127,292</u>	<u>146,307</u>
Prepaid expenses	<u>\$1,640,003</u>	<u>\$2,039,865</u>

Prepaid commissions and broker fees, training costs and referral program rewards represent specific costs paid for franchises sold that have not begun operations.

Prepaid convention represents costs incurred in advance of the annual convention held during the following year.

Marketing supplies consist of brochures, doorhangers and other marketing supplies.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 6 – FIXTURES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

A summary of fixtures, equipment and leasehold improvements as of December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Fixtures and equipment	\$ 917,353	\$ 894,943
Vehicles	460,219	400,994
Leasehold improvements	<u>387,191</u>	<u>387,191</u>
	1,764,763	1,683,128
Less: accumulated depreciation	(<u>1,526,806</u>)	(<u>1,356,761</u>)
Fixtures, equipment and leasehold improvements, net	<u>\$ 237,957</u>	<u>\$ 326,367</u>

Depreciation expense charged to operations for the years ended December 31, 2012 and 2011 was \$170,045 and \$172,683, respectively.

NOTE 7 - NOTE PAYABLE TO BANK

The Company has a revolving line of credit agreement with a bank, which provides for borrowings not to exceed a total of \$2,500,000 at December 31, 2012 and 2011. The Company has no borrowings outstanding on the line of credit as of December 31, 2012 and 2011. Interest is payable monthly at the greater of 3.5% or bank's index rate (3.25% at December 31, 2012 and 2011). All outstanding borrowings under this agreement are secured by substantially all assets of the Company, including accounts and notes receivable, and fixtures and equipment. The agreement expires in November 2013. Under the terms of the line of credit, the Company is required to maintain several financial covenants.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 8 – LONG-TERM DEBT

A summary of long-term debt at December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Notes payable; interest rates ranging from 1.9% to 5.42%; secured by vehicles; requiring monthly payments totaling \$5,252, including interest; notes mature at various dates beginning October 2013 through September 2018.	\$ 167,916	\$ 156,614
Less current maturities	(53,914)	(45,583)
Long-term debt, less current maturities	<u>\$ 114,002</u>	<u>\$ 111,031</u>

As of December 31, 2012, long-term debt matures as follows:

<u>Year ending December 31,</u>	
2013	\$ 53,914
2014	43,193
2015	41,857
2016	10,163
2017	10,576
Thereafter	<u>8,213</u>
	<u>\$ 167,916</u>

NOTE 9 - INCOME TAXES

The components of income tax expense as of December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Current:		
Various states in the United States of America	<u>\$ 63,360</u>	<u>\$ 69,706</u>

The Company files income taxes in the U.S. at the federal level and several states. The Company's federal and state income tax returns for tax years 2009 and 2008 and thereafter, respectively, remain subject to examination by respective government agencies.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense, when applicable.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Operating leases

The Company leases its headquarters from an LLC (the “LLC”), wholly-owned by the stockholders of the Company’s Parent. Under the terms of the lease, real estate taxes, insurance and maintenance expenses are obligations of the Company. The total rent expense incurred from the LLC for this property was in the amounts of \$852,106 annually for the years ended December 31, 2012 and 2011. During the years ended December 31, 2012 and 2011, the Company allocated a portion of its rent from the LLC to an affiliated company (Note 12).

The Company leases certain equipment and vehicles under noncancellable long-term operating leases. These operating leases expire at various dates beginning September 2013 through November 2013.

A summary of noncancellable long-term operating lease commitments as of December 31, 2012 follows:

<u>Year ending December 31,</u>	<u>Related Party</u>	<u>Unrelated Parties</u>	<u>Total Commitment</u>
2013	878,460	13,960	892,420
2014	878,460	-	878,460
2015	878,460	-	878,460
2016	878,460	-	878,460
2017	878,460	-	878,460
Thereafter	<u>2,269,355</u>	<u>-</u>	<u>2,269,355</u>
	<u>\$ 6,661,655</u>	<u>\$ 13,960</u>	<u>\$ 6,675,615</u>

Total lease expense totaled \$882,038 and \$881,269 for the years ended December 31, 2012 and 2011, respectively.

Litigation

The Company is involved in various litigation arising in the ordinary course of business. Management believes the disposition of all pending litigation will not have a material effect on the Company's financial statements.

Letter of credit

The Company has an agreement with a bank in which certain payroll costs are paid by the bank, and repaid by the Company several days later. There was no amount outstanding under the agreement at December 31, 2012 and 2011.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 11 - RETIREMENT PLANS

The Company is a participant in its Parent's 401(k) plan as part of a Controlled Group that covers eligible management and office employees. Contributions to the Plan by the Company are at the discretion of the Parent's Board of Directors and are limited to certain levels based on a compensation formula. The Company accrued and paid pension contribution costs of \$43,973 and \$42,311 during the years ended December 31, 2012 and 2011, respectively.

NOTE 12 –RELATED PARTY TRANSACTIONS

Certain operating expenses are incurred by the Parent company and may be allocated to the Company. During the years ended December 31, 2012 and 2011, the Company's Parent allocated \$7,458,494 and \$7,195,336, respectively, in expenses to the Company which was charged to the Company's operations.

The financial position of the Company as of December 31, 2012 and 2011, and the results of its operations and cash flows for the years then ended may have differed had the Company not been affiliated with its Parent.

At December 31, 2012 and 2011, the Company had a payable to its Stockholder in the amount of \$780,424 and \$346,892, respectively, which resulted from the allocation of certain expenses.

NOTE 13 – FAIR VALUE MEASUREMENTS

Guidance included in ASC 820-10 "Fair Value Measurements and Disclosures" provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 13 – FAIR VALUE MEASUREMENTS (CONTINUED)

The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In measuring the fair value of the Company's assets and liabilities, the Company uses market data or assumptions that it believes market participants would use in pricing an asset or liability, including assumptions about risk when appropriate. As of December 31, 2012 and 2011, the Company's assets that are measured at fair value on a recurring basis include the following:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Total</u>			
2012			
Assets:			
Trading securities	<u>\$467,279</u>	<u>\$467,279</u>	<u>\$ -</u>
2011			
Assets:			
Trading securities	<u>\$384,180</u>	<u>\$384,180</u>	<u>\$ -</u>

The Company determined the estimated fair value of its trading securities using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates are not necessarily indicative of the amounts that the Company, as holders of the securities, could realize in a current market exchange. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values. The fair value estimates are based on information available as of December 31, 2012 and 2011, respectively. These amounts have not been revalued since that date, and current estimates of fair value could differ significantly from the amounts presented.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 14 – REVENUE AND REBATE RECEIVABLES CONCENTRATIONS

The Company has recognized gross sales rebate revenue from one product supplier totaling approximately \$3,613,000 and \$2,906,000 for the years ended December 31, 2012 and 2011, respectively. The Company has a rebate receivable from this supplier of approximately \$922,000 and \$725,000 at December 31, 2012 and 2011, respectively.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 11, 2013, the date these financial statements were available to be issued. No additional material subsequent events have occurred since December 31, 2012 that required recognition or disclosure in the current period financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

Report and Financial Statements

December 31, 2013 and 2012

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Budget Blinds, Inc.

We have audited the accompanying financial statements of Budget Blinds, Inc. (a California S-Corporation and a wholly-owned subsidiary of Home Franchise Concepts, Inc.), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of earnings, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Budget Blinds, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in detail in Note 15 to the financial statements, the Company recorded certain distributions to its stockholder as expenses during the year ended December 31, 2012. The corrections related to this error affected certain expense and distribution to stockholder balances. Accordingly, the Company has restated its 2012 financial statements. Our opinion is not modified with respect to this matter.

Talbot & Company
An Accounting Corporation

Orange, California
March 18, 2014

BUDGET BLINDS, INC.
(a California S-Corporation)

BALANCE SHEETS

December 31,

ASSETS

	2013	2012
Current assets		
Cash and cash equivalents	\$ 5,188,772	\$ 6,480,541
Restricted cash	1,264,706	340,021
Marketable securities	2,601,012	467,279
Accounts receivable, net of allowance for doubtful accounts of \$133,176 and \$283,176 for 2013 and 2012, respectively	168,422	273,693
Current maturities of notes receivable, net of allowance for doubtful accounts of \$111,525 and \$81,525 for 2013 and 2012, respectively	543,064	457,457
Rebate receivables	1,966,211	1,636,111
Prepaid expenses	2,131,112	1,640,003
Prepaid income taxes	-	38,387
	13,863,299	11,333,492
Notes receivable , net of current maturities and allowance for doubtful accounts of \$446,098 and \$326,098 for 2013 and 2012, respectively	1,734,750	1,584,094
Fixtures, equipment and leasehold improvements , net	201,474	237,957
	<u>\$ 15,799,523</u>	<u>\$ 13,155,543</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities		
Current portion of long-term debt	\$ 43,193	\$ 53,914
Accounts payable	1,089,470	619,651
Deferred revenue	2,236,877	2,922,224
Advertising advances and deposits	1,361,127	533,768
Accrued liabilities	2,016,342	939,033
Due to stockholder	632,840	780,424
	7,379,849	5,849,014
Long-term debt , less current portion	70,873	114,002
Commitments and contingencies (Note 10)	-	-
Stockholder's equity		
Common stock, no par value, 10,000 shares authorized, 900 shares issued and outstanding	10,000	10,000
Retained earnings	8,338,801	7,182,527
	8,348,801	7,192,527
	<u>\$ 15,799,523</u>	<u>\$ 13,155,543</u>

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF EARNINGS

Years ended December 31,

	2013	2012
Revenue		
Initial franchise fees	\$ 6,015,974	\$ 5,259,290
Royalty income	14,280,382	13,513,299
Continuing franchise fees	1,236,162	1,000,231
Other sales	676,167	228,540
Gross sales rebates	9,436,220	7,713,526
Total revenue	31,644,905	27,714,886
Operating expenses		
Selling and advertising	3,965,863	4,128,886
Officers compensation	9,747,009	8,937,266
Operating and administrative	11,879,554	10,491,873
Total operating expenses	25,592,426	23,558,025
Earnings from operations	6,052,479	4,156,861
Other income (expense)		
Interest income	192,629	125,366
Interest expense	(6,590)	(6,754)
Dividend income	46,528	16,206
Realized gain (loss) on sale of marketable securities	13,464	(3,362)
Unrealized gain on marketable securities	198,944	32,125
Total other income	444,975	163,581
Earnings before income tax expense	6,497,454	4,320,442
Income tax expense	230,680	63,360
Net earnings	\$ 6,266,774	\$ 4,257,082

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENT OF STOCKHOLDER'S EQUITY

For the years ended December 31, 2013 and 2012

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at			
January 1, 2012	\$ 10,000	\$ 8,105,690	\$ 8,115,690
Distributions to Stockholder	-	(5,180,245)	(5,180,245)
Net earnings	<u>-</u>	<u>4,257,082</u>	<u>4,257,082</u>
Balance at			
December 31, 2012	10,000	7,182,527	7,192,527
Distributions to Stockholder	-	(5,110,500)	(5,110,500)
Net earnings	<u>-</u>	<u>6,266,774</u>	<u>6,266,774</u>
Balance at			
December 31, 2013	<u>\$ 10,000</u>	<u>\$ 8,338,801</u>	<u>\$ 8,348,801</u>

The accompanying notes are an integral part of this financial statement.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2013	2012
Cash flows from operating activities:		
Net earnings	\$ 6,266,774	\$ 4,257,082
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	149,011	170,045
Provision for bad debt	374,075	245,248
Unrealized gain on marketable securities	(198,944)	(32,125)
Realized (gain) loss on sale of marketable securities	(13,464)	3,362
Decrease (increase) in:		
Restricted cash	(924,685)	275,647
Accounts receivable	(111,449)	(189,666)
Notes receivable	(393,618)	(487,265)
Rebate receivables	(330,100)	(348,946)
Prepaid expenses	(491,109)	399,862
Prepaid income taxes	38,387	7,670
Increase (decrease) in:		
Accounts payable	469,819	(19,015)
Deferred revenue	(685,347)	(313,802)
Advertising advances and deposits	827,359	(276,585)
Accrued liabilities	1,077,309	428,153
Due to stockholder	(147,584)	433,532
Net cash provided by operating activities	5,906,434	4,553,197
Cash flows from investing activities:		
Purchase of fixtures, equipment and leasehold improvements	(112,528)	(22,410)
Purchase of marketable securities	(2,818,552)	(328,347)
Proceeds from sale of marketable securities	897,227	274,011
Net cash used in investing activities	(\$ 2,033,853)	(\$ 76,746)

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)

STATEMENTS OF CASH FLOWS (Continued)

For the years ended December 31,

	<u>2013</u>	<u>2012</u>
Cash flows from financing activities:		
Payments on long-term debt	(\$ 53,850)	(\$ 47,923)
Distributions to stockholder	(<u>5,110,500</u>)	(<u>5,180,245</u>)
Net cash used in financing activities	(<u>5,164,350</u>)	(<u>5,228,168</u>)
Decrease in cash and cash equivalents	(1,291,769)	(751,717)
Cash and cash equivalents - beginning of year	<u>6,480,541</u>	<u>7,232,258</u>
Cash and cash equivalents - end of year	<u><u>\$ 5,188,772</u></u>	<u><u>\$ 6,480,541</u></u>
 <u>Supplemental cash flow information</u>		
Interest paid	<u><u>\$ 6,590</u></u>	<u><u>\$ 6,754</u></u>
Income taxes paid	<u><u>\$ 91,174</u></u>	<u><u>\$ 63,313</u></u>
 <u>Non cash investing and financing activities</u>		
Long-term debt incurred for purchase of property, fixtures and equipment	<u><u>\$ -</u></u>	<u><u>\$ 59,225</u></u>

The accompanying notes are an integral part of these financial statements.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 1 - THE COMPANY

Budget Blinds, Inc. (the “Company”) was incorporated in California in October 1992 for the purpose of selling franchises for the operation of alternate window coverings retail franchises. In January 2006, the Company became a wholly-owned subsidiary of Home Franchise Concepts, Inc. (“HFC” or “Parent”), and converted to an S-corporation (see Notes 2 and 9). As of December 31, 2013, the Company has 911 total franchises located throughout the United States and Canada, including 101 total franchises located in Canada. During 2013 and 2012, the Company derived approximately 11% and 12%, respectively, of its total revenue from franchises located in Canada. The Company’s corporate office and accounting records are located in Orange, California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Company estimates considered significant include the estimate of allowance for doubtful accounts for accounts, notes and rebate receivable (Note 2) and the allocation of the Parent’s expenses to the Company (Note 12).

The significant accounting policies and practices followed by the Company are set forth below:

Fair value measurements

The Company follows accounting guidance that defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. Management believes the carrying amount of financial instruments approximates their fair value. The carrying amounts of cash and cash equivalents, restricted cash, accounts and rebate receivable, accounts payable, deferred revenue, accrued liabilities, advertising advances and deposits and due to stockholder approximates their estimated fair value due to the short-term nature of these instruments. The carrying value of the Company’s notes receivable and debt instruments approximates their fair value as the interest is tied to or approximates market rates.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (Continued)

Accounting principles permit entities to measure certain financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company has elected not to measure any financial assets and financial liabilities at fair value which are not required to be measured at fair value.

Cash and cash equivalents

The Company considers cash on hand, deposits in banks and short-term highly liquid investments as cash and cash equivalents.

The Company maintains some of its cash in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation up to a maximum of \$250,000 per depositor. As of December 31, 2013, the Company's uninsured deposits in its deposit accounts with a U.S. bank totaled approximately \$1,830,000.

The Company maintains some of its cash in deposit accounts with a Canadian bank, which are insured by the Canadian Deposit Insurance Corporation up to a maximum of \$100,000 Canadian Dollars ("CAD") (approximately \$94,000 as of December 31, 2013) per depositor. As of December 31, 2013, the Company's uninsured deposits in its deposit accounts with a Canadian bank totaled approximately \$2,870,000.

The Company has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted cash

Restricted cash includes advertising advances and deposits from franchisees for the purpose of national and regional advertising (NAF). The use of these funds is restricted for advertising costs to benefit the franchisees. The funds cannot be utilized for the Company's advertising expenses in connection with the sale of franchises. NAF restricted cash totaled \$1,264,706 and \$340,021 as of December 31, 2013 and 2012, respectively.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketable securities

Marketable securities are accounted for in accordance with guidance included in ASC 320 “Investments in Debt and Equity Securities” prescribing valuation at fair value. The Company's philosophy is to trade securities in the short term and therefore the Company has classified them as trading securities. Trading securities are recorded at fair value, and any unrealized gain or loss is reflected in the statement of earnings.

Accounts, notes and rebate receivable

Accounts, notes and rebate receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and an increase in the allowance for doubtful account based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through the allowance account.

In 2013 and 2012, the Company recorded a charge to bad debt expense and an increase in the allowance for doubtful accounts totaling \$374,075 and \$245,248, respectively. The Company wrote off \$374,075 and \$245,248 of specific accounts to the allowance for doubtful accounts during the years ended December 31, 2013 and 2012, respectively.

Fixtures, equipment and leasehold improvements

Fixtures, equipment and leasehold improvements are recorded at cost. Depreciation of fixtures and equipment is computed using the straight-line method over their estimated useful lives of 3 to 7 years. Depreciation of leasehold improvements is computed using the straight-line method over the shorter of their estimated useful lives or the remaining term under the lease. Expenditures that materially increase the asset life are capitalized, while ordinary maintenance and repairs are charged to operations as incurred.

Deferred revenue and revenue recognition

Initial franchise fee revenue is recognized upon substantial performance of material contractual obligations as set forth in the franchise agreement and the beginning of operations for the franchisee. Deferred revenue consists of deposits for franchise fees in which substantial performance of material obligations has not been achieved or the franchise has not yet commenced operation. Advance payments from franchisees for the annual convention held in future periods are included as deferred revenue until the convention is held.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Royalty revenue recognition

For franchise license agreements entered into prior to January 1, 2006, the Company recognizes royalty income in the month subsequent to when it is earned. For new franchise license agreements entered into after December 31, 2005 and renewal of previous license agreements after December 31, 2005, the Company recognizes the fixed portion of royalty income during the month it is earned, with any variable portion of royalty income during the following month.

Foreign currency adjustments

Some of the Company's transactions with Canadian franchisees utilize the Canadian dollar as the functional currency with respect to royalties, NAF and media remittances. Revenue and expenses have been adjusted using average exchange rates for the year. Monetary assets denominated in foreign currencies are adjusted to reflect period-end exchange rates. The aggregate foreign currency adjustment (losses) and gains included in net earnings were approximately (\$285,000) and \$58,000 for the years ended December 31, 2013 and 2012, respectively.

Advertising advances and deposits

The Company receives advertising funds from the franchisees to provide national and regional advertisements for the benefit of the franchisees (NAF). These advances and deposits are based on a fixed amount for each franchisee. These funds are restricted and segregated. The Company accounts for the receipt of advertising funds as a liability and the advertising costs incurred are charged against the liability account. The franchise agreements allow the Company to retain a percentage of the advertising deposits as compensation for its administration over the accounts. During the years ended December 31, 2013 and 2012, the Company did not receive any compensation for its administration over the accounts. The Company has NAF advertising receivables of \$96,421 and \$193,747 at December 31, 2013 and 2012, respectively, which are included in accounts receivable.

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place. As of December 31, 2013 and 2012, there were no advertising costs reported as a prepaid asset.

The Company incurs both consumer and franchise advertising costs, which totaled \$437,705 and \$869,960 for the years ended December 31, 2013 and 2012, respectively.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Effective January 26, 2006, the Company revoked its C-corporation status thereby changing to S-corporation status under the Internal Revenue Code. In connection with the Company becoming a wholly-owned subsidiary of HFC, the Company elected and is now a member of a group which files a consolidated tax return. While the S-Corporation election is in effect, the Company's income (distributed or undistributed) will be taxed for federal income tax purposes to its member. Accordingly, no provision for federal income tax is required. In addition, the state of California and certain other States recognize subchapter S-corporation status for companies so filed for federal purposes. However, California and certain other States require franchise taxes to be paid at the corporate level at various tax rates. The Company reports its own current income tax expense at the applicable tax rates based on income at the Company level.

The Company uses the liability method to recognize income tax expense. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences existing between financial reporting requirements and those imposed under federal and state tax law. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to reverse. Deferred income taxes are immaterial as of December 31, 2013 and 2012.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

NOTE 3 - MARKETABLE SECURITIES

The cost and fair values of marketable securities at December 31, 2013 and 2012 are as follows:

	<u>2013</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Loss)</u>	<u>Fair Value</u>
Marketable securities	<u>\$2,371,306</u>	<u>\$ 229,706</u>	<u>\$ -</u>	<u>\$2,601,012</u>

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 3 - MARKETABLE SECURITIES (CONTINUED)

	2012			
	Cost	Gross Unrealized Gains	Gross Unrealized (Loss)	Fair Market Value
Marketable securities	\$ <u>438,137</u>	\$ <u>29,142</u>	\$ <u>-</u>	\$ <u>467,279</u>

The Company maintains its marketable securities in several accounts with two custodians which are insured by the Security Investor Protection Corporation (“SIPC”) up to a ceiling of \$500,000 per customer. The Company has not experienced any fiduciary losses in such accounts, and believes it is not exposed to any significant fiduciary credit risk on marketable securities.

NOTE 4 - NOTES RECEIVABLE

Notes receivable are created from the Company financing a portion of the initial franchise fees from the sale of franchises. The notes are collateralized by the franchise territory. The notes generally bear interest at rates ranging from 5% to 10%, with maturities generally ranging from three to five years.

A summary of notes receivable maturities follows:

Year ending <u>December 31,</u>	
2014	\$ 654,589
2015	697,173
2016	651,206
2017	530,314
2018	<u>302,155</u>
Total notes receivable	2,835,437
Less: allowance for doubtful accounts	(<u>557,623</u>)
Notes receivable, net of allowance for doubtful accounts	2,277,814
Less: current maturities	(<u>543,064</u>)
Notes receivable, net of current maturities	<u>\$ 1,734,750</u>

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 5 – PREPAID EXPENSES

A summary of prepaid expenses as of December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Prepaid convention	\$ 895,273	\$ 453,557
Prepaid commissions and broker fees	582,430	644,095
Prepaid training costs	200,000	290,000
Prepaid services - vendor	287,646	-
Others	89,832	127,292
Marketing supplies	75,931	49,309
Prepaid referral program rewards	<u>-</u>	<u>75,750</u>
Prepaid expenses	<u>\$ 2,131,112</u>	<u>\$1,640,003</u>

Prepaid convention represents costs incurred in advance of the annual convention held during the following year.

Prepaid commissions and broker fees, training costs and referral program rewards represent specific costs paid for franchises sold that have not begun operations.

Prepaid services – vendor represents payments to vendor in advance for services to be provided in 2014.

Marketing supplies consist of brochures, doorhangers and other marketing supplies.

NOTE 6 – FIXTURES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

A summary of fixtures, equipment and leasehold improvements as of December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Fixtures and equipment	\$ 988,881	\$ 917,353
Vehicles	501,219	460,219
Leasehold improvements	<u>387,191</u>	<u>387,191</u>
	1,877,291	1,764,763
Less: accumulated depreciation	<u>(1,675,817)</u>	<u>(1,526,806)</u>
Fixtures, equipment and leasehold improvements, net	<u>\$ 201,474</u>	<u>\$ 237,957</u>

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 6 – FIXTURES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS (CONTINUED)

Depreciation expense charged to operations for the years ended December 31, 2013 and 2012 was \$149,011 and \$170,045, respectively.

NOTE 7 - NOTE PAYABLE TO BANK

The Company has a revolving line of credit agreement with a bank, which provides for borrowings not to exceed a total of \$2,500,000 at December 31, 2013 and 2012. The Company has no borrowings outstanding on the line of credit as of December 31, 2013 and 2012. Interest is payable monthly at the bank's index rate (3.25% at December 31, 2013 and 2012). All outstanding borrowings under this agreement are secured by substantially all assets of the Company, including accounts and notes receivable, and fixtures and equipment. The agreement expires in November 2015. Under the terms of the line of credit, the Company is required to maintain several financial covenants.

NOTE 8 – LONG-TERM DEBT

A summary of long-term debt at December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Notes payable; interest rates ranging from 1.9% to 5.42%; secured by vehicles; requiring monthly payments totaling \$5,252, including interest; notes mature at various dates beginning October 2013 through September 2018.	\$ 114,066	\$ 167,916
Less current maturities	(43,193)	(53,914)
Long-term debt, less current maturities	<u>\$ 70,873</u>	<u>\$ 114,002</u>

As of December 31, 2013, long-term debt matures as follows:

<u>Year ending December 31,</u>	
2014	\$ 43,193
2015	41,921
2016	10,163
2017	10,576
2018	<u>8,213</u>
	<u>\$ 114,066</u>

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 9 - INCOME TAXES

The components of income tax expense as of December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Current:		
Various states in the United States of America	<u>\$ 230,680</u>	<u>\$ 63,360</u>

The Company files income taxes in the U.S. at the federal level and several states. The Company's federal and state income tax returns for tax years 2010 and 2009 and thereafter, respectively, remain subject to examination by respective government agencies.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense, when applicable.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Operating leases

The Company leases its headquarters from an LLC (the "LLC"), wholly-owned by the stockholders of the Company's Parent. Under the terms of the lease, real estate taxes, insurance and maintenance expenses are obligations of the Company. The total rent expense incurred from the LLC for this property was in the amounts of \$852,106 annually for the years ended December 31, 2013 and 2012. During the years ended December 31, 2013 and 2012, the Company allocated a portion of its rent from the LLC to an affiliated company (Note 12).

The Company leases certain equipment and vehicles under noncancellable long-term operating leases. These operating leases expire at various dates through November 2015.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating leases (Continued)

A summary of noncancellable long-term operating lease commitments as of December 31, 2013 follows:

<u>Year ending December 31,</u>	<u>Related Party</u>	<u>Unrelated Parties</u>	<u>Total Commitment</u>
2014	878,460	16,751	895,211
2015	878,460	15,355	893,815
2016	878,460	-	878,460
2017	878,460	-	878,460
2018	878,460	-	878,460
Thereafter	1,390,895	-	1,390,895
	<u>\$ 5,783,195</u>	<u>\$ 32,106</u>	<u>\$ 5,815,301</u>

Total lease expense totaled \$869,194 and \$882,038 for the years ended December 31, 2013 and 2012, respectively.

Litigation

The Company is involved in various litigation arising in the ordinary course of business. Management believes the disposition of all pending litigation will not have a material effect on the Company's financial statements.

Letter of credit

The Company has an agreement with a bank in which certain payroll costs are paid by the bank, and repaid by the Company several days later. There was no amount outstanding under the agreement at December 31, 2013 and 2012.

NOTE 11 - RETIREMENT PLANS

The Company is a participant in its Parent's 401(k) plan as part of a Controlled Group that covers eligible management and office employees. Contributions to the Plan by the Company are at the discretion of the Parent's Board of Directors and are limited to certain levels based on a compensation formula. The Company accrued and paid pension contribution costs of \$43,783 and \$43,973 during the years ended December 31, 2013 and 2012, respectively.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 12 – RELATED PARTY TRANSACTIONS

Certain operating expenses are incurred by the Parent company and are allocated to the Company. During the years ended December 31, 2013 and 2012, the Company’s Parent allocated \$8,063,732 and \$7,458,494, respectively, in expenses to the Company which was charged to the Company’s operations.

The financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and cash flows for the years then ended may have differed had the Company not been affiliated with its Parent.

At December 31, 2013 and 2012, the Company had a payable to its Stockholder in the amount of \$632,840 and \$780,424, respectively, which resulted from the allocation of certain expenses.

NOTE 13 – FAIR VALUE MEASUREMENTS

Guidance included in ASC 820-10 “Fair Value Measurements and Disclosures” provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In measuring the fair value of the Company’s assets and liabilities, the Company uses market data or assumptions that it believes market participants would use in pricing an asset or liability, including assumptions about risk when appropriate. As of December 31, 2013 and 2012, the Company’s assets that are measured at fair value on a recurring basis include the following:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets <u>Total</u> <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
	2013		
Assets:			
Trading securities	<u>\$2,601,012</u>	<u>\$2,601,012</u>	<u>\$ -</u>

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 13 – FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value Measurements Using		
	Quoted Prices in Active Markets <u>Total</u> <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
	2012		
Assets:			
Trading securities	<u>\$467,279</u>	<u>\$467,279</u>	<u>\$ -</u>

The Company determined the estimated fair value of its trading securities using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates are not necessarily indicative of the amounts that the Company, as holders of the securities, could realize in a current market exchange. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values. The fair value estimates are based on information available as of December 31, 2013 and 2012, respectively. These amounts have not been revalued since that date, and current estimates of fair value could differ significantly from the amounts presented.

NOTE 14 – REVENUE AND REBATE RECEIVABLES CONCENTRATIONS

The Company has recognized gross sales rebate revenue from one product supplier totaling approximately \$4,162,000 and \$3,613,000 for the years ended December 31, 2013 and 2012, respectively. The Company has a rebate receivable from this supplier of approximately \$1,066,000 and \$922,000 as of December 31, 2013 and 2012, respectively.

BUDGET BLINDS, INC.
(a California S-Corporation)
NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 15 – RESTATEMENT

The Company has identified certain distributions to its stockholder which were incorrectly recorded as expenses during the year ended December 31, 2012. The Company has restated its December 31, 2012 statements of earnings, stockholder's equity and cash flows to reflect the correction of the expense and distribution balances that should have been stated at December 31, 2012. As a result of this correction, the following adjustments have been made to the previously reported December 31, 2012 account balances.

A summary of the financial statement effects of these restatements are as follows:

	Balance as of December 31, 2012, as previously reported	Adjustment to reflect the correction of error in expense and distributions	Balance as of December 31, 2012, as restated
Total revenue	\$27,714,886	\$ -	\$27,714,886
Total operating expenses	<u>24,387,115</u>	(<u>829,090</u>)	<u>23,558,025</u>
Earnings from operations	3,327,771	829,090	4,156,861
Total other income	<u>163,581</u>	<u>-</u>	<u>163,581</u>
Earnings before income tax expense	3,491,352	829,090	4,320,442
Income tax expense	<u>63,360</u>	<u>-</u>	<u>63,360</u>
Net earnings	<u>\$ 3,427,992</u>	<u>\$ 829,090</u>	<u>\$ 4,257,082</u>
Distributions to stockholder	\$ 4,351,155	\$ 829,090	\$ 5,180,245

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 18, 2014, the date these financial statements were available to be issued. No additional material subsequent events have occurred since December 31, 2013 that required recognition or disclosure in the current period financial statements.

**EXHIBIT E
LIST OF CURRENT
FRANCHISEES**

Budget Blinds, Inc.
Current Franchise Roster

TOTAL	COMPANY	START	OWNER	ADDRESS	CITY	ST	ZIP	PHONE
	ALASKA							
	<u>Budget Blinds of Anchorage</u>	<u>5/1/2013</u>	<u>Jeffrey Rychard</u>	<u>3705 Arctic Blvd #2313</u>	<u>Anchorage</u>	<u>AK</u>	<u>99503</u>	<u>(907)743-8900</u>
42	Budget Blinds of Fairbanks	3/1/2011	Lee & Debbie Petersen	4671 Princeton Drive	Fairbanks	AK	99709	(907)328-9926
	ALABAMA							
	Budget Blinds of Central Birmingham	4/1/2012	John Akins	2616 Lakeland Trail	Birmingham	AL	35243	(205)460-1044
	Budget Blinds of Baldwin County	12/1/2001	Pampel and Townsley	1274 West Beach Blvd 183 Northshore PL. Unit C	Gulf Shores	AL	36542	(251)948-7626
	Budget Blinds of Madison	6/1/2006	Thomas and Elizeth Wright	795 Burwell Road	Harvest	AL	35749	(256)489-5530
	<u>Budget Blinds of Anniston</u>	<u>9/1/2013</u>	<u>Michael & Linda Fortner</u>	<u>162 James St</u>	<u>Lincoln</u>	<u>AL</u>	<u>35096</u>	<u>(256)850-0550</u>
	Budget Blinds of West Mobile	2/1/2004	Glen & Karen Johnson	901-B Butler Dr.	Mobile	AL	36693	(251)666-8241
	Budget Blinds of South Mobile	6/1/2004	Glen & Karen Johnson	901-B Butler Dr.	Mobile	AL	36693	(251)666-8241
	<u>Budget Blinds of North Mobile</u>	<u>9/1/2013</u>	<u>Donald & Michele Brinkman</u>	<u>2707 Graham Road S</u>	<u>Mobile</u>	<u>AL</u>	<u>36618</u>	<u>(251)545-0044</u>
	Budget Blinds of Tuscaloosa	4/1/2006 1998	Ronnie and Sandra Brasher	3650 Northbrook Drive Suite 2	Northport	AL	35473	(205)349-1987
	<u>Budget Blinds of South East Montgomery</u>	<u>9/1/2013</u>	<u>Patrick & Marisa Johnson</u>	<u>255 Silverleaf Dr</u>	<u>Pelham</u>	<u>AL</u>	<u>35124</u>	<u>(877)633-7524</u>
710	Budget Blinds of Birmingham	1/1/2006 12/21/1995	Steve and Michelle Thackerson	2130 Columbiana Road	Vestavia	AL	35216	(205)824-3300
	ARKANSAS							
	Budget Blinds of Conway <u>West Little Rock</u>	11/1/2012	Lee and Anna Huff	5130 Quarry Drive	Conway	AR	72034	(501)353-7161
	Budget Blinds of Springdale	8/1/2004	Dean & Lori Homstad	122 Virginia Street _____	Springdale	AR	72764	(479)751-6655
3	Budget Blinds of Rogers	3/1/2005	Dean & Lori Homstad	122 Virginia Street	Springdale	AR	72764	(479)751-6655
	ARIZONA							
	Budget Blinds of South East Chandler <u>Goodyear</u>	5/3/2008 2013	Neil and Deborah Riley <u>Cristy Contesso</u>	3355 E. Beechnut Pl. 1050 N Eliseo C. Felix Jr. Way, 114	Chandler <u>Avondale</u>	AZ	85249 85323	(480)634-5627 629-8854
	Budget Blinds of Chandler <u>Flagstaff</u>	11/1/2012 2007	Joel & Marcella Schroedel <u>Kyle & Lindsay McCain</u>	3073 E Bellerive Dr 1150 W Schultz Pass	Chandler <u>Flagstaff</u>	AZ	85249 86001	(480)629-8854 928)707-2199
	Budget Blinds of Flagstaff <u>Prescott</u>	11/12/2007 2008	Kyle and Lindsay McCain	1150 W Schultz Pass	Flagstaff	AZ	86001	(928)707-2199
	Budget Blinds of Prescott <u>White Mountains</u>	12/3/2008 2013	Kyle and Lindsay McCain	1150 W Schultz Pass	Flagstaff	AZ	86001	(928)707-2199
	Budget Blinds of North Scottsdale	7/1/2009	GG Homesite, LLC	15642 E Cavern Drive	Fountain Hills	AZ	85268	(480)837-4975
	Budget Blinds of East Mesa	2/1/2012	Steve and Michele Glaza	4531 E Tremaine Ave	Gilbert	AZ	85234	(480)497-7247

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of Lake Havasu	5/1/2006	Ed Benton	2906 Mountain Trail Road Rd.	Kingman	AZ	86401	(928)854-7979/757-4142
	Budget Blinds of SW Phoenix	1/1/2005	Pete and Anette Baldassi	1809 West McNiell Street	Phoenix	AZ	85041	(602)243-1983
	Budget Blinds of East Phoenix	2/1/2007	Brad and Natalie Lewis	17419 N 27th Street	Phoenix	AZ	85032	(602)795-7419
	Budget Blinds of Gilbert	7/1/2004	Thomas & Ginger Jenkins	582 E. Poncho Lane	San Tan Valley	AZ	85143	(480)984-6008
	Budget Blinds of Sierra Vista	8/1/2005	Seneca Enterprises, LLC	PMB 248-2160 E. Fry Blvd.	Sierra Vista	AZ	85635	(520)417-1095
	<u>Budget Blinds of Surprise</u>	<u>12/1/2013</u>	<u>JFSB Enterprises, Inc.</u>	<u>17776 West Tasha Drive</u>	<u>Surprise</u>	<u>AZ</u>	<u>85388</u>	<u>(623)266-0770</u>
	Budget Blinds of White Mountains South East Chandler	5/1/2006/2008	John & Lindy Davis Neil and Deborah Riley	566 S. 6th Street W-8872 S Heather Drive	Snowflake Tempe	AZ	85937/85284	(928)536-2015/480)634-5627
	Budget Blinds of North Tucson	9/10/1/2004/1994	LB and HB Enterprises, Inc.	470 W. Roger Rd.	Tucson	AZ	85705	(520)790-6180
1415	Budget Blinds of Yuma	6/1/2012	Jacob & Ivett Dahl	11249 E. 25th St	Yuma	AZ	85367	(928)726-4171
	CALIFORNIA							
	Budget Blinds of Huntington Beach 2	4/1/2001	Fred Tanner	587 Evening Song Lane	Anaheim Hills	CA	92808	(714)848-5055
-	Budget Blinds of Huntington Beach	4/1/2004	Fred Tanner	587 Evening Song Lane	Anaheim Hills	CA	92808	(714)848-5055
	Budget Blinds of Fullerton	3/1/2006/1996	Rick Sanchez	1166 Sunnyhills Ave	Brea	CA	92821	(714)680-6042
	Budget Blinds of San Jose North	1/1/2012	David (Yu Xin Xie) & Yun Bi Xie	790 Kenneth Ave.	Campbell	CA	95008	(408)292-1850
	Budget Blinds of Chico	7/1/2003	Long Family Enterprises, Inc.	2540 Zanella Way	Chico	CA	95928	(530)343-3400
	Budget Blinds of Paradise	12/1/2003	Long Family Enterprises, Inc.	2540 Zanella Way	Chico	CA	95928	(530)343-3400
	Budget Blinds of Clovis	12/1/2007	Raymond and Deanna Deatherage	2972 Larkin	Clovis	CA	93612	(559)360-7000
	Budget Blinds of Antioch	8/1/2003	Lisa & David Borja	4070 Nelson Avenue, Suite L	Concord	CA	94520	(925)691-4444
	Budget Blinds of Walnut Creek	2/1/2008	Lisa & David Borja	4070 Nelson Avenue, Suite L	Concord	CA	94520	(925)691-4444
	Budget Blinds of San Ramon	10/1/2010	Lisa & David Borja	4070 Nelson Avenue, Suite L	Concord	CA	94520	(925)691-4444
	<u>Budget Blinds of Clayton</u>	<u>12/1/2013</u>	<u>Luay Issa & May Jamil</u>	<u>1325 Sussex Way</u>	<u>Concord</u>	<u>CA</u>	<u>94521</u>	<u>(925)798-5272</u>
	<u>Budget Blinds of Corona</u>	<u>9/20/1995</u>	<u>Larry & Wendy Lopez</u>	<u>1011 Westbrook St</u>	<u>Corona</u>	<u>CA</u>	<u>92880</u>	<u>(800)266-5700</u>
	Budget Blinds of Orange 2	5/1/2003	Steve & Kelly Hahn	3270 Sterling Dr.	Corona	CA	91720/92882	(714)777-4994
	Budget Blinds of Anaheim Hills	4/1/2004	Steve & Kelly Hahn	3270 Sterling Dr.	Corona	CA	91720	(714)777-4994
	Budget Blinds of Corona National City	9/10/1/2005/2004	Rosario Buclatin Larry & Wendy Lopez	PO BOX 181437/4044 Westbrook St	Coronado Corona	CA	92880/92178	(800)266-5700/619)271-3347
	Budget Blinds of Redding	1/1/2003	Gerald and Kimberly Bay	19182 Banner Way	Cottonwood	CA	96022	(530)226-9027

Budget Blinds, Inc.
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Budget Blinds of Shasta	5/1/2003	Gerald and Kimberly Bay	19182 Banner Way	Cottonwood	CA	96022	(530)226-9027
Budget Blinds of Culver City	9/1/2002	Ferruffino Trusty, Inc.	3959 Sepulveda Blvd.	Culver City	CA	90230	(310)391-4410
<u>Budget Blinds of Pleasanton</u>	<u>3/1/2013</u>	<u>Miguel & Fanny Franco</u>	<u>6445 Ebensburg Lane</u>	<u>Dublin</u>	<u>CA</u>	<u>94568</u>	<u>(925)397-0922</u>
Budget Blinds of Elk Grove	3/1/2003	Manuel Pacheco & David Rendahl	6115 Boothbay Ct	Elk Grove	CA	95758	(916)691-2322
Budget Blinds of San Marcos	7/1/2012	Joyce Tonnaer	1815 Almalfi Drive	Encinitas	CA	92024	(760)632-1004
Budget Blinds of Folsom	4/1/2008 <u>9/1998</u>	Kristin & Neal Draper	8220 Walnut Hills Way	Fair Oaks	CA	95628	(916)961-3460
Budget Blinds of The Sierra Foothills	6/1/2011	Colby Tyler Black	4106 Buchanan Drive	Fair Oaks	CA	95628	(530)677-4567
Budget Blinds of Napa	4/1/2004	Christine <u>Lee</u> Cameron	2425 Vista Grande	Fairfield	CA	94534	(707)422-9087
Budget Blinds of Morgan Hill	4/1/2005 <u>3/22/2000</u>	Ed&Linda Scagliotti, Tom&Dolores Gallardo	7790 Egleberry Street	Gilroy	CA	95020	(408)846-0004
Budget Blinds of Northridge	4/1/2005 <u>1995</u>	Ara Khajik	10315 Woodley Avenue #134	Granada Hills	CA	91344	(818)831-1320
Budget Blinds of Grass Valley	4/1/2003	Buckley & Laura Armacher	12805 Pine Cone Circle	Grass Valley	CA	95945	(530)274-1122
Budget Blinds of Nevada City Monterey Bay	102/1/2003 <u>2009</u>	Buckley & Laura Armacher <u>Nancy Meister and Phillip Wilson</u>	12805 Pine Cone Circle <u>662 Marks Dr.</u>	Grass Valley <u>Hollister</u>	CA	95945 <u>95023</u>	(530)274-1122 <u>(831)262-5248</u>
Budget Blinds of Healdsburg	8/1/2003	BMW, Inc.	39126 Cypress Way, Suite A	Gualala	CA	95445	(707)433-3323
Budget Blinds of Irvine	3/1/2004	Kevin & Stacy Kearney	14252 Culver Drive <u>Dr.</u> #A574	Irvine	CA	92604	(949)262-3412
Budget Blinds of San Clemente	54/1/2004 <u>1994</u>	Craig Buie	891 S-Nashua St.	La Habra	CA	90631	(949)366-6191
Budget Blinds of Watsonville	1/1/2009	Joseph & Elizabeth Ortega	79 Alta Drive	La Selva Beach	CA	95076	(831)688-8889
Budget Blinds of Coto de Caza	11/1/2012	William & Gail Parker	10 Eric Street	Ladera Ranch	CA	92694	(949)366-0000
<u>Budget Blinds of Mission Viejo</u>	<u>5/1/2013</u>	<u>William & Gail Parker</u>	<u>10 Eric Street</u>	<u>Ladera Ranch</u>	<u>CA</u>	<u>92694</u>	<u>(949)366-0000</u>
<u>Budget Blinds of Anaheim</u>	<u>5/1/2013</u>	<u>Mark & Deanna Adinolfi</u>	<u>25066 Southport St.</u>	<u>Laguna Hills</u>	<u>CA</u>	<u>92653</u>	<u>(714)204-4100</u>
Budget Blinds of Lancaster West	2/1/2005	Michael and Victoria Stevens	42002 23rd St West	Lancaster	CA	93536	(661)722-9104
Budget Blinds of San Dimas	7/1/2005	Mike Tenberge	1407 Foothill Blvd.	LaVerne	CA	91750	(909)392-1818
Budget Blinds of Long Beach	12/1/2011	Gabe Brown & Nicole Lewis	858 Linden Avenue	Long Beach	CA	90813	(562)726-1330
Budget Blinds of Buena Park/Seal Beach	7/1/2012	Thomas & Mary Ellen Neton	3739 Marwick Ave	Long Beach	CA	90808	(714)968-8688
Budget Blinds of Los Angeles	1/1/2007	Phillip Mirzoyan and Karo Banjarjian	819 N. Alexandria Ave ₂	Los Angeles	CA	90029	(866)222-4023
Budget Blinds of Burbank	5/1/2007	Phillip Mirzoyan and Karo Banjarjian	819 N. Alexandria Ave ₂	Los Angeles	CA	90029	(866)222-4023
Budget Blinds of Westwood	11/1/2007	Phillip Mirzoyan and Karo Banjarjian	819 N. Alexandria Ave ₂	Los Angeles	CA	90029	(866)222-4023
Budget Blinds of Malibu Martinez	47/1/2011 <u>2013</u>	Dan & Adela Carpus <u>Richard Cook</u>	12409 Texas Ave Apt 4354 <u>Willow Creek Lane</u>	Los Angeles <u>Martinez</u>	CA	90025 <u>94553</u>	(424)256-

Budget Blinds, Inc.
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								4109925)229-4263
	Budget Blinds of Milpitas	5/1/2005	Dynamic Integration Corporation	1147 Pescadero Street	Milpitas	CA	95035	(408)262-3064
	Budget Blinds of Rancho Cucamonga	8/1/2004	Bryan and Mary TenBerge	6704 Blue River Court	Mira Loma	CA	91752	(909)987-8388
	Budget Blinds of Laguna Niguel	12/1/2006	HDIS, Inc.	27938 Carrington 27642 Esla	Mission Viejo	CA	9269292691	(949)586-4949
	Budget Blinds of Newport Beach	2/1/2007	HDIS, Inc.	27938 Carrington 27642 Esla	Mission Viejo	CA	9269292691	(949)586-4949
	Budget Blinds of North Modesto	8/1/2002	CCR Services, Inc.	1700 McHenry Ave, #79 Avenue	Modesto	CA	95350	(209)551-3131
-	Budget Blinds of Pasadena	4/1/2007	Stephanie Acker	835 Oakglade Drive	Monrovia	CA	91016	(626)358-5204
-	Budget Blinds of Palo Alto	6/1/2005	Katie Brisichella	1210 West Dana Street	Mountain View	CA	94041	(650)325-8050
	Budget Blinds of National City <u>Temecula</u>	10/1/20042013	Rosario Buclatin <u>David & Rosalina Fruge</u>	325 East Fourth Street <u>18444 Calle Huerto</u>	National City <u>Murrieta</u>	CA	9195092562	(619)271-3347 <u>(949)290-1233</u>
	Budget Blinds of Mill Valley	7/1/2010 2013	Rudy Meiswinkel <u>David W. Keller</u>	11 Digital Drive, Suite B	Novato	CA	94949	(415)899-1854
	Budget Blinds of Carlsbad	10/1/2009	Window Coverings by C&S	1808 Alvarado Street	Oceanside	CA	92054	(760)529-0014
	Budget Blinds of Oceanside	10/1/2009	Window Coverings by C&S	1808 Alvarado Street	Oceanside	CA	92054	(760)529-0014
	Budget Blinds of Cerritos	1/1/2007	Kevin Martin	700 East Taft Avenue #42	Orange	CA	92865	(562)201-8994
	Budget Blinds of Yuba City	10/1/2003	Ronny and Tamara Carr	1530 Garys Ln	Oroville	CA	95965	(530)755-2292
-	Budget Blinds of Burlingame	12/1/2006	Walter Simonson	1365 Flores Drive	Pacifica	CA	94044	(650)578-8080
	Budget Blinds of Foster City	12/1/2006	Walter Simonson	1365 Flores Drive	Pacifica	CA	94044	(650)578-8080
	<u>Budget Blinds of Burlingame</u>	<u>12/1/2006</u>	<u>Walter Simonson</u>	<u>1365 Flores Drive</u>	<u>Pacifica</u>	<u>CA</u>	<u>94044</u>	<u>(650)578-8080</u>
-	Budget Blinds of Coachella Valley	6/1/2004 1994	Kathy Graham	3425 N. Indian Canyon Dr.	Palm Springs	CA	92262	(760)320-1914
-	Budget Blinds of Palos Verdes	4/1/2011	Thomas & Vivian Oku	612 S Catalina Ave #209	Redondo Beach	CA	90277	(310)944-9222
-	Budget Blinds of Manhattan Beach	5/1/2011	Thomas & Vivian Oku	612 S Catalina Ave #209	Redondo Beach	CA	90277	(310)944-9222
	Budget Blinds of Riverside	2/1/2012	Grater Home Concepts, Inc.	6712 Mission Grove Parkway North	Riverside	CA	92506	(951)780-1004
	Budget Blinds of Rocklin	11/1/2001	Gary & Mindy Decker	4965 Topaz Avenue	Rocklin	CA	95677	(916)624-2249
	Budget Blinds of Roseville	8/14/14 2003	Gary & Mindy Decker	4965 Topaz Avenue	Rocklin	CA	95677	(916)624-2249
	Budget Blinds of Fair Oaks	10/1/2004	Greg Balbierz	5911 Moss Creek Ct	Rocklin	CA	95765	(916)772-0600
	Budget Blinds of Northwest Sacramento	4/1/2002	Paul Novaresi	_9449 Eckerman Road	Roseville	CA	95661	(916)944-4700
	Budget Blinds of Rancho Cordova	12/1/2013	<u>Evan & Erica Kass</u>	<u>5617 Omni Drive</u>	<u>Sacramento</u>	<u>CA</u>	<u>95841</u>	<u>(916)349-8337</u>
	Budget Blinds of Monterey	1/1/2004	Nancy & Terry Meister	327 Vincent Place	Salinas	CA	93907	(831)775-0313
-	Budget Blinds of Monterey Bay	2/1/2009	Nancy Meister and Phillip Wilson	10251 Reese Circle	Salinas	CA	93907	(831)663-9377
	Budget Blinds of Rancho Penasquitos 2	9/1/2004	Linda Allen	13115 Russet Leaf Lane	San Diego	CA	92129	(858)538-2076
	Budget Blinds of Southeast San	2/1/2005	Joe McBrien	12118 Briarleaf Way	San Diego	CA	92128	(888)679-

Budget Blinds, Inc.
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	COLORADO							
	Budget Blinds of Castle Rock	1/1/2008	David and Genelle Herring	4269 S. Kittredge St.	Aurora	CO	80013	(720)870-3451
	Budget Blinds of Longmont	8/1/2007	Kassandra and Larry Bebo	19858 WCR 1	Berthoud	CO	80513	(303)485-1131
	Budget Blinds of Loveland	5/1/2009	Kassandra and Larry Bebo	19858 WCR 1	Berthoud	CO	80513	(303)485-1131
	Budget Blinds of North Colorado Springs	6/1/2012	Joseph & Mary Linnemeyer	3646 Elk Run Drive	Castle Rock	CO	80109	(719)377-2546
	<u>Budget Blinds of Highlands Ranch</u>	<u>1/1/2013</u>	<u>Sterling & Jonny Stumpf</u>	<u>1065 Ridge Oaks Dr</u>	<u>Castle Rock</u>	<u>CO</u>	<u>80104</u>	<u>(720)344-4188</u>
	<u>Budget Blinds of SE Colorado Springs</u>	<u>11/1/2013</u>	<u>Ildiko Devai</u>	<u>3134 Whileaway Circle West</u>	<u>Colorado Springs</u>	<u>CO</u>	<u>80917</u>	<u>(719)597-5755</u>
	Budget Blinds of West Denver	2/1/2009	Vanessa Callahan	4701 E Mississippi Ave #2092218 South Williams St.	Denver	CO	80246 80210	(303)386-3200
	Budget Blinds of Aurora	4/1/2011	Brad Byler	5955 E 10th Ave #304	Denver	CO	80220	(303)321-4404
	Budget Blinds of East Downtown Denver	6/1/2011	Nov D Customs LLC	7824 Wyandot Street	Denver	CO	80221	(720)490-2424
	Budget Blinds of Durango	6/1/2004	Toni Stansfield-Huwer	450 S Camino Del Rio Ste 4041455 Florida Road	Durango	CO	81302 81301	(970)385-5700
	Budget Blinds of Fort Collins	5/1/2009	Bill and Sukie Klas	633 Stonington Lane	Fort Collins	CO	80524	(970)372-4747
	Budget Blinds of Boulder	7/1/2007	Michael and Christine Manley	3772 Eureka Way Suite D4865 Sandy Ridge Ave	Frederick	CO	80516 80504	(303)449-7040
	Budget Blinds of Arvada	1/1/2011	Michael and Christine Manley	3772 Eureka Way Suite D4865 Sandy Ridge Ave	Frederick	CO	80516 80504	(303)449-7040
	Budget Blinds of Grand Junction	5/1/2005	Sean Kriedler	2332 E Road	Grand Junction	CO	81507	(970)242-1200
	Budget Blinds of Littleton	1/1/2004	Bruce & Karen Anderson	2955 Danbury Ave.	Highlands Ranch	CO	80126	(720)344 4188
	Budget Blinds of Aurora East	3/1/2009	Lisa Huth and Joseph Quintana	5235 E Weeping Willow Circle	Highlands Ranch	CO	80130	(303)683-7300
	<u>Budget Blinds of Centennial</u>	<u>11/1/2013</u>	<u>SJH Holdings, LLC</u>	<u>10442 Brookwood Pt</u>	<u>Highlands Ranch</u>	<u>CO</u>	<u>80130</u>	<u>(303)386-8868</u>
	Budget Blinds of Arvada East	3/1/2005	Michael Zarlengo	2050 Miller Street	Lakewood	CO	80215	(303)248-3453
	Budget Blinds of SW Littleton <u>Morrison</u>	7/1/2008	Charles and Sally Lane	10 S Cody Court	Lakewood	CO	80226	(303)238-5395
	Budget Blinds of Montrose-Telluride	5/1/2010	Mile High Group LLC	901 South Townsend Av	Montrose	CO	81401	(970)240-0099
	Budget Blinds of Parker	3/1/2007	Georgette and Mike Grandstaff	6434 N. Ponderosa Way	Parker	CO	80134	(720)851-9098
	<u>Budget Blinds of Lady Lake</u>	<u>12/1/2013</u>	<u>Donna McDaniel</u>	<u>2370 Callaway Drive</u>	<u>The Villages</u>	<u>CO</u>	<u>32162</u>	<u>(352)205-8947</u>
	<u>Budget Blinds of Westminster</u>	<u>9/1/2013</u>	<u>Coburn Enterprises LLC</u>	<u>12914 Leyden Way</u>	<u>Thornton</u>	<u>CO</u>	<u>80602</u>	<u>(303)248-3468</u>
	Budget Blinds of Golden	3/1/2005	Andrew and Tracey Zarlengo	10926 West 103rd Circle	Westminster	CO	80021	(303)898-3802
	Budget Blinds of Brighton	8/1/2010	Joel & Emily Walters	817 Main Street	Windsor	CO	80550	(970)686-9190
2125	Budget Blinds of Windsor	4/1/2012	Joel & Emily Walters	817 Main Street	Windsor	CO	80550	(970)686-9190
	CONNECTICUT							

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	<u>Budget Blinds of Milford</u>	<u>3/1/2005</u>	<u>Huntington Design Services, LLC</u>	<u>387 Waverly Rd</u>	<u>Huntington</u>	<u>CT</u>	<u>06484</u>	<u>(203)402-0878</u>
	Budget Blinds of Glastonbury/Manchester	3/1/2003	Patrick & Karen Flaherty	123 Camp Moween Rd.	Lebanon	CT	06249	(860)889-6600
-	<u>Budget Blinds of West Hartford</u>	<u>2/1/2012</u>	<u>Ruth & Rich Terray</u>	<u>60 Pond View Lane</u>	<u>Marlborough</u>	<u>CT</u>	<u>06447</u>	<u>(860)467-6065</u>
	Budget Blinds of Monroe	6/1/2003	Peter and Deborah Pirulli	18 Lyndon St.	Monroe	CT	06468	(203)261-2779
	<u>Budget Blinds of Milford</u> <u>Seymour</u>	<u>3/9/1/2005/2013</u>	<u>Huntington Design Services, LLC</u> <u>LeRoy Siksay</u>	<u>387 Waverly Rd</u> <u>97 Skokorat St</u>	<u>Shelton</u> <u>Seymour</u>	<u>CT</u>	<u>06484</u> <u>06483</u>	<u>(203)402-0878</u> <u>828-6309</u>
	Budget Blinds of Newtown	11/1/2008	Vinny and Karen Ferraro	53 Thompson Street	Shelton	CT	06484	(203)426-2690
	Budget Blinds of Enfield	8/1/2012	Ron & Laurie Mongillo	29 Miller Drive	Somers	CT	06071	(860)265-3900
	Budget Blinds of Stamford	<u>3/1/2003/1/2013</u>	<u>Stuart & Molly Serkin</u> <u>Tepper Interior Products & Services, LLC</u>	<u>49 Minivale Rd</u> <u>1012 Hope St</u>	<u>Stamford</u>	<u>CT</u>	<u>06907</u>	<u>(203)921-1070</u>
	<u>Budget Blinds of West Hartford</u>	<u>2/1/2012</u>	<u>Ruth & Rich Terray</u>	<u>591 New Park Avenue</u>	<u>W. Hartford</u>	<u>CT</u>	<u>06110</u>	<u>(860)904-9691</u>
	Budget Blinds of Old Saybrook	4/1/2005	Patricia and Marc Flaherty	100 Hunters Ridge Drive	Westbrook	CT	06498	(860)399-6442
910	Budget Blinds of Fairfield	<u>9/18/4/2003</u>	Westank Associates, LLC	24 Ferry Lane East	Westport	CT	06880	(203)227-2329
	DELAWARE							
-	<u>Budget Blinds of Newark</u>	<u>12/1/2010</u>	<u>Ed & Sarah Gomes</u>	<u>48 Serenity Lane</u>	<u>Dover</u>	<u>DE</u>	<u>19904</u>	<u>(302)674-8215</u>
	Budget Blinds of South New Castle County	9/1/2008	Dale Lowman	4380 Summit Bridge Road Suite # 1	Middletown	DE	19709	(410)810-0657
	Budget Blinds of Dover	1/1/2009	Catherine Heinefield and Kelly Goad	1700 Dudley Corner Rd	Millington	DE	21651	(302)222-0796
43	Budget Blinds of Seaford	2/1/2006	Christopher & Anthony Rementer	28348 Lewes Georgetown Hwy	Milton	DE	19968	(302)856-6799
	FLORIDA							
	Budget Blinds of East Boca Raton	9/1/2012	Carla Wynter & Mary Jo Sajdowitz	1749 Avenida Del Sol	Boca Raton	FL	33432	(561)955-1490
	Budget Blinds of Boca	12/1/2012	Carla Wynter & Mary Jo Sajdowitz	1749 Avenida Del Sol	Boca Raton	FL	33432	(561)955-1490
	<u>Budget Blinds of Fort Myers</u> <u>West Boca</u>	<u>9/5/1/2004/2013</u>	<u>Jeff & Elizabeth Gottlieb</u> <u>Hollson International, Inc.</u>	<u>20912 Boca Ridge Drive</u> <u>West</u> <u>28585 Risorsa Place</u>	<u>Bonita Springs</u> <u>Boca Raton</u>	<u>FL</u>	<u>34135</u> <u>33428</u>	<u>(239)390-7799</u> <u>(561)405-6370</u>
	Budget Blinds of Fort Myers Coast	9/1/2004	Hollson International, Inc.	28585 Risorsa Place	Bonita Springs	FL	34135	(239)390-7799
	<u>Budget Blinds of Fort Myers</u>	<u>9/1/2004</u>	<u>Hollson International, Inc.</u>	<u>28585 Risorsa Place</u>	<u>Bonita Springs</u>	<u>FL</u>	<u>34135</u>	<u>(239)390-7799</u>
	Budget Blinds of South Fort Myers	8/1/2008	John and Tracey Rowley	14080 Lavante Court	Bonita Springs	FL	34135	(239)221-8255
	<u>Budget Blinds of Windermere</u>	<u>11/1/2009</u>	<u>Ronald and Pamela Shaw</u>	<u>709 Eastlawn Drive</u>	<u>Celebration</u>	<u>FL</u>	<u>34747</u>	<u>(407)841-9151</u>
	Budget Blinds of South Orlando	11/1/2009	Ronald and Pamela Shaw	709 Eastlawn Drive	Celebration	FL	34747	(407)841-9151
-	<u>Budget Blinds of Windermere</u>	<u>11/1/2009</u>	<u>Ronald and Pamela Shaw</u>	<u>709 Eastlawn Drive</u>	<u>Celebration</u>	<u>FL</u>	<u>34747</u>	<u>(407)841-9151</u>
	Budget Blinds of Clearwater	2/1/2012	Happy To Decorate, Inc.	611 S Ft Harrison Ave #163	Clearwater	FL	33756	(727)400-6870

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	<u>Budget Blinds of Clermont</u>	<u>9/1/2013</u>	<u>Erwin & Dawn Goldberg</u>	<u>4504 Barrister Drive</u>	<u>Clermont</u>	<u>FL</u>	<u>34711</u>	<u>(352)835-0888</u>
	Budget Blinds of Coral Springs	12/1/2011	Lorenzo Perez	8855 Ramblewood Drive, Apt 1816	Coral Springs	FL	33071	(954)295-6154
	Budget Blinds of Boynton Beach	9/1/2009	Sheldon Brian Jacobson	1703 S Federal Hwy #307	Delray Beach	FL	33483	(561)807-7812
	<u>Budget Blinds of Seminole</u>	<u>2/1/2013</u>	<u>Thomas and Jessica Fisher Enterprises</u>	<u>1497 Main Street Suite 348</u>	<u>Dunedin</u>	<u>FL</u>	<u>34698</u>	<u>(727)724-4122</u>
	<u>Budget Blinds of Dunedin</u>	<u>8/1/2013</u>	<u>Thomas and Jessica Fisher Enterprises</u>	<u>1497 Main Street Suite 348</u>	<u>Dunedin</u>	<u>FL</u>	<u>34698</u>	<u>(727)724-4122</u>
	Budget Blinds of Naples	8/1/2004	Criselda Higgs	20857 Pinehurst Greens Drive	Estero	FL	33928	(239)495-3280
	Budget Blinds of Naples East	1/1/2006	Criselda Higgs	20857 Pinehurst Greens Drive	Estero	FL	33928	(239)495-3280
	Budget Blinds of Amelia Island & NE Jack	4/1/2012	P&R Home Decor Enterprises, LLC	212 Jean Lafitte Blvd	Fernandina Beach	FL	32034	(904)277-3652
	Budget Blinds of Gainesville	8/1/2004	Bruce and Jody Dolsberry	3117 NW 75 Way	Gainesville	FL	32606	(352)367-4447
	Budget Blinds of Stuart	8/1/2004	Gary Line	6655 SE Floral Terrace	Hobe Sound	FL	33455	(772)781-8951
	<u>Budget Blinds of Orange Park</u>	<u>5/1/2013</u>	<u>Shults Creations Inc.</u>	<u>2432 Ivy Ford Lane</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32223</u>	<u>(904)268-7080</u>
	<u>Budget Blinds of Jacksonville Beach</u>	<u>5/1/2013</u>	<u>Roger & Michelle Richmond</u>	<u>7616 Sunwood Drive</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32256</u>	<u>(904)236-4357</u>
	<u>Budget Blinds of North Jacksonville</u>	<u>7/1/2013</u>	<u>Family Realizations, Inc.</u>	<u>5290 Cattle Crossing Way</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32226</u>	<u>(904)551-0964</u>
	Budget Blinds of NE Florida	6/1/2007	Blinded of Jax Beach, Inc.	4184 Seabreeze Dr.	Jacksonville Beach	FL	32250	(904)821-1555
	Budget Blinds of Jupiter	3/1/2005	Andrea Green	146 Via Catalunha	Jupiter	FL	33458	(561)745-0513
	Budget Blinds of West Volusia	10/1/2007	David & Laura Carlin	634 Mourning Dove Circle	Lake Mary	FL	32746	(386)951-4291
	Budget Blinds of Lake Mary	4/1/2008	Robyn & Jeffrey Lenhart	402 Woldunn Circle	Lake Mary	FL	32746	(407)323-5606
	Budget Blinds of <u>North Lakeland Highlands</u>	4/1/2007	Terry and Gerda Zipperer	2117 Dunbarton Way	Lakeland	FL	33813	(863)646-0106
	<u>Budget Blinds of Lakeland</u>	<u>5/1/2013</u>	<u>McCullough Blinds & More LLC</u>	<u>4289 S Florida Ave</u>	<u>Lakeland</u>	<u>FL</u>	<u>33813</u>	<u>(863)259-0624</u>
	<u>Budget Blinds of Lakeland Highlands</u>	<u>11/1/2013</u>	<u>McCullough Blinds & More LLC</u>	<u>4289 S Florida Ave</u>	<u>Lakeland</u>	<u>FL</u>	<u>33813</u>	<u>(863)259-0624</u>
	Budget Blinds of Apopka	7/1/2005	Curt and Leslie Intro	207 Waymouth Harbor Cove	Longwood	FL	32779	(407)673-0006
	Budget Blinds of Longwood	1/1/2006	Curt and Leslie Intro	207 Waymouth Harbor Cove	Longwood	FL	32779	(407)673-0006
	Budget Blinds of Royal Palm Beach	2/1/2011	Jim & Cindy Williams	13208 Marcella Blvd	Loxahatchee	FL	33470	(561)629-5444
	Budget Blinds of Rockledge	8/1/2007	Robert and Marilyn Franck	7777 N. Wickham Rd. #12-551	Melbourne	FL	32940	(321)446-7746
	Budget Blinds of Kendall	5/1/2005	Hunter Bryce Beginnings, Inc.	11801 SW 144th Ct. Unit 4	Miami	FL	33186	(305)380-9032
	Budget Blinds of Coral Gables	5/1/2007	Hunter Bryce Beginnings, Inc.	11801 SW 144th Ct. Unit 4	Miami	FL	33186	(305)380-9032
	Budget Blinds of Miami Beach	11/1/2007	Raul & Patricia Chiappo	1835 NW 79th Ave	Miami	FL	33126	(786)228-9189
	Budget Blinds of Aventura	11/1/2012	International Blinds, LLC	18229 NE 4th Court	<u>North Miami Gardens</u>	FL	33162	(786)320-

Budget Blinds, Inc.
Current Franchise Roster

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	Budget Blinds of East Fort Lauderdale	9/1/2006	Tom Kay	3954 NE 5th Avenue	Oakland Park	FL	33334	(954)636-8222
	Budget Blinds of Ocala	1/1/2005	Jana and Jeff Faulkner	1521 SW 23rd Place	Ocala	FL	34471	(352)867-1625
	Budget Blinds of Greater Orlando	5/1/2010	Sarah & Steven May	2179 Stone St.	Oviedo	FL	32765	(407)803-4614
	Budget Blinds of Metro Orlando	5/1/2011	Sarah & Steven May	2179 Stone St.	Oviedo	FL	32765	(407)803-4614
	Budget Blinds of Palm Coast	6/1/2005	Tom Gailliot	54 Wellington Drive	Palm Coast	FL	32164	(386)446-1191
	Budget Blinds of Panama City Beach	8/1/2004	Impressions Everafter, Inc.	9902 S. Thomas Dr. Suite 404 PO Box 18920	Panama City Beach	FL	32408 <u>32417</u>	(850)381-7805
-	Budget Blinds of Navarre	3/1/2009	Michael's Quality Interior Service	10375 O'Daniel Drive	Pensacola	FL	32514	(850)916-4906
	Budget Blinds of Weston	5/1/2005	Gregg Hunsberger	624 NW 135th Terrace	Plantation	FL	33325	(954)837-0601
	Budget Blinds of Fort Lauderdale	11/1/2005	Gregg Hunsberger	624 NW 135th Terrace	Plantation	FL	33325	(954)837-0601
	Budget Blinds of St. Cloud	9/1/2010	Glenn Sangiovanni	3181 Buckingham Way <u>6011 Brick Road</u>	Saint Cloud	FL	34772 <u>34770</u>	(407)957-1298
	Budget Blinds of Sarasota	4/1/2012	Bob & Josephine Coco	343 Interstate Blvd	Sarasota	FL	34240	(941)378-2463
	Budget Blinds of Greater Indian River Co	5/1/2012	Chapter Two Ventures, Inc.	469 Concha Dr	Sebastin	FL	32958	(772)202-7324
	<u>Budget Blinds of St. Augustine</u>	<u>7/1/2013</u>	<u>Terrance & Cheryl Gilbert</u>	<u>431 High Tide Dr</u>	<u>St. Augustine</u>	<u>FL</u>	<u>32080</u>	<u>(904)687-0709</u>
	Budget Blinds of St. Petersburg	7/1/2003	Matthew Butcher	800 Pasadena Ave. S	St. Petersburg	FL	33707	(800)474-0552
-	Budget Blinds of Port St. Lucie	9/1/2012	Colin & Patty Stuart	332 S.E Ethan Terrace	Stuart	FL	34997	(772)266-4064
	Budget Blinds of Tallahassee	8/1/2005	D.R. Blinds, Inc.	3054 Waterford Drive PO Box 14748	Tallahassee	FL	32309 <u>32317</u>	(850)668-4835
	Budget Blinds of Tampa Bay	7/1/2003	Angela O'Connor and John Wells	3008 W. Bay Court Ave <u>3612 S Dale Mabry Hwy Suite D</u>	Tampa	FL	33611 <u>33629</u>	(813)839-1400
	Budget Blinds of Brandon	11/3/2008	James and Elaine Trotter	1208 W. Fletcher Avenue	Tampa	FL	33612	(813)968-5050
	<u>Budget Blinds of North Tampa</u>	<u>11/3/2008</u>	<u>James and Elaine Trotter</u>	<u>1208 W. Fletcher Avenue</u>	<u>Tampa</u>	<u>FL</u>	<u>33612</u>	<u>(813)968-5050</u>
	Budget Blinds of Land O Lakes	11/3/2008	James and Elaine Trotter	1208 W. Fletcher Avenue	Tampa	FL	33612	(813)968-5050
-	Budget Blinds of North Tampa	11/3/2008	James and Elaine Trotter	1208 W. Fletcher Avenue	Tampa	FL	33612	(813)968-5050
	Budget Blinds of Tarpon Springs	2/1/2012	Rotaru Company, LLC	1825 Pinellas S Ave #101	Tarpon Springs	FL	34689	(727)943-8521
	Budget Blinds of Wellington	1/1/2007	John and Kimberlie Raudenbush	12000 Old Country Road	Wellington	FL	33414	(561)792-7501
	Budget Blinds of Oviedo	1/1/2008	Ian Gregory	1170 Saddlehorn Circle	Winter Springs	FL	32708	(407)671-1261
5159	Budget Blinds of East Orlando	2/1/2010	Ian Gregory	1170 Saddlehorn Circle	Winter Springs	FL	32708	(407)671-1261
	GEORGIA							
	Budget Blinds of Kennesaw	9/1/2004	William Herder	5302 Indigo Ct	Acworth	GA	30102	(770)591-4592
	Budget Blinds of Blairsville	9/1/2002	Donna Siefken	379 Bee Tree Ln.	Blairsville	GA	30512	(706)745-0009

Budget Blinds, Inc.
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	Budget Blinds of Alpharetta	4/1/2011	Norb Feltrop	6945 Fox Creek Drive 804 Holly Ridge	Canton Cumming	GA	3004030115	(404)395-3947
	<u>Budget Blinds of Cumming</u>	<u>9/1/2013</u>	<u>Jeff & Kelly Stovall</u>	<u>5760 Tanglewood Dr.</u>	<u>Cumming</u>	<u>GA</u>	<u>30041</u>	<u>(770)212-2272</u>
	Budget Blinds of Atlanta North East	<u>12/1/2004</u>	LAVISTA VENTURES INC.	3372 La Vista Rd Road	Decatur	GA	30033	(404)633-3785
	Budget Blinds of North Atlanta	11/1/2011	Karen & Derryck Clay	2526 Mt. Vernon Rd.	Dunwoody	GA	30338	(770)754-9090
	Budget Blinds of West Marietta Athens	<u>5/2/2012</u> <u>2013</u>	<u>Dale Mallon</u> <u>Jason & Dawn Chandler</u>	<u>2230 Arbor Forest Trail</u> <u>3405 Chandler Rd</u>	<u>Marietta</u> <u>Good Hope</u>	GA	<u>30064</u> <u>30641</u>	<u>(770)627-3049</u> <u>267-0645</u>
	Budget Blinds of Augusta	2/1/2007	Tim & Claire Albright	4115 Columbia Road	Martinez	GA	30907	(706)955-6695
	Budget Blinds of Newnan	<u>2/1/2004</u> <u>2003</u>	Georgia Oak Holding, Co	244 Bullsboro Dr.	Newnan	GA	30263	(770)252-2603
	Budget Blinds of Roswell	8/1/2011	Michael & Jan Fitzgerald	<u>3391 Johnson Ferry Rd</u> <u>145 Pine Glade Trace</u>	Roswell	GA	30075	(678)240-9223
	Budget Blinds of Covington East Savannah	<u>4/5/2010</u> <u>2013</u>	<u>Katherine Weeks & Nancy Beskar</u> <u>Thomasia Knight Alexander</u>	<u>205 Falligant Ave</u> <u>1461 Keencheefonee Road</u>	<u>Savannah</u> <u>Rutledge</u>	GA	<u>30663</u> <u>31410</u>	<u>(706)557-7503</u> <u>912)344-4200</u>
	Budget Blinds of Gainesville	11/1/ 2007 <u>1997</u>	Jarvis Murphy	360 D Sharon Industrial Way	Suwanee	GA	30024	(770)831-8114
1213	Budget Blinds of Woodstock	4/1/2012	Alex Cobb <u>Zolo Corporation</u>	5069 Hickory Hills Drive	Woodstock	GA	30188	(770)720-7227
	HAWAII							
	Budget Blinds of Kaneohe	4/1/2005	Erin Adaniya and Steve Palmer	1079 Hoa Street	Honolulu	HI	96825	(808)262-7300
2	Budget Blinds of Honolulu	6/1/2012	The Vine Yard, LLC	<u>1427 Dillingham Boulevard</u> <u>Suite 301A</u> <u>3577 Pinao Street</u> <u>#13</u>	Honolulu	HI	<u>96817</u> <u>96822</u>	(808)732-6677
	IOWA							
	<u>Budget Blinds of Waterloo</u>	<u>3/1/2013</u>	<u>Joel Moorhead</u>	<u>411 Tremont St.</u>	<u>Cedar Falls</u>	<u>IA</u>	<u>50613</u>	<u>(319)242-7088</u>
	Budget Blinds of Ankeny Urbandale	<u>7/1/2006</u>	T & D <u>C Kiddoo Inc.</u>	320 Chestnut Street	De Soto	IA	50069	(515)255-5262
	Budget Blinds of Urbandale Ankeny	<u>11/7/2006</u>	<u>T & D Bernardave, Inc.</u>	<u>320 Chestnut</u> <u>1444 55th Street</u>	<u>De Soto</u> <u>Des Moines</u>	IA	<u>50069</u> <u>50311</u>	<u>(515)255-5262</u> <u>274-9803</u>
	Budget Blinds of Iowa City	12/1/2006	Eastern Iowa Blinds, Inc.	317 Hillview Dr.	Mt Vernon	IA	52314	(319)393-4626
	Budget Blinds of Marion	4/1/2007	Eastern Iowa Blinds, Inc.	317 Hillview Dr.	Mt Vernon	IA	52314	(319)393-4626
56	Budget Blinds of Bettendorf	4/1/2012	Eastern Iowa Blinds, Inc.	317 Hillview Dr.	Mt Vernon	IA	52314	(319)393-4626
	IDAHO							
	Budget Blinds of Pocatello	9/1/2006	<u>Paul R., P. Ryan and Debra Wynn</u>	632 E. 700 N.	Firth	ID	83236	<u>(208)238-0807</u>
	Budget Blinds of Twin Falls	<u>8/9/2005</u> <u>2000</u>	Grady Peters	03 West 400 South	Jerome	ID	83338	(208)324-2242
	Budget Blinds of Boise	11/1/2003	Quent & Andrea Blodgett	3230 N. Eagle Road	Meridian	ID	83646	(208)375-1212

Budget Blinds, Inc.
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	Budget Blinds of Nampa	3/1/2008	Ken and Karen Glover	3230 N. Eagle Rd.	Meridian	ID	83646	(208)467-0300
<u>54</u>	Budget Blinds of Idaho Falls	9/1/2012	Byron Chandler & Jessica Moore	4008 N. 2nd E 779 S. River Rd	St. Rexburg Anthony	ID	8344083445	(208)356-0807
	ILLINOIS							
	Budget Blinds of Schaumburg	7/1/2011	Dale & Lowell Sherman	472 W Happfield Drive	Arlington Heights	IL	60004	(847)870-8700
	Budget Blinds of Glenview	6/1/2005	Barry and Debra Wineberg	1343 Devonshire Rd.	Buffalo Grove	IL	60089	(847)415-5004
	Budget Blinds of Buffalo Grove	12/1/2005	Barry and Debra Wineberg	1343 Devonshire Rd.	Buffalo Grove	IL	60089	(847)415-5004
	Budget Blinds of Highland Park	7/1/2007	Barry&Debbie Wineberg/Patrick Patterson	1343 Devonshire Road	Buffalo Grove	IL	60089	(847)970-9490
	Budget Blinds of Carol Stream	6/1/2012	Derek & Patricia Betlejewski	964 Dearborn Circle 616 Chestnut Dr.	Carol Stream	IL	60188	(630)682-5637
	Budget Blinds of Chicago East	1/1/2006	David Murray and Maris Murray	2049 W Belmont Avenue	Chicago	IL	60618	(773)472-2351
	Budget Blinds of La Grange	11/1/2006	David Murray and Maris Murray	2049 W Belmont Avenue	Chicago	IL	60618	(773)472-2351
	Budget Blinds of Bucktown	1/1/2010	Elizabeth Rifkin & Matthew Miskelly	2915 N Clybourn #302	Chicago	IL	60618	(773)227-1966
	Budget Blinds of Bloomingdale	4/1/2012	L'isabeth, Inc.	3N339 Emroy Ave	Elmhurst	IL	60126	(630)617-5362
	<u>Budget Blinds of Mount Prospect</u>	<u>5/1/2013</u>	<u>Deborah Nolan</u>	<u>421 Mayborne Lane</u>	<u>Geneva</u>	<u>IL</u>	<u>60134</u>	<u>(630)845-3184</u>
	Budget Blinds of Edwardsville	4/1/2006	Bill & Nancy Killion	4955 S. State Route 159	Glen Carbon	IL	62034	(618)288-9920
	Budget Blinds of Metro East	4/1/2006	Bill & Nancy Killion	4955 S. State Route 159	Glen Carbon	IL	62034	(618)288-9920
	Budget Blinds of Grayslake	11/1/2005	Patrick Patterson	888 E. Belvidere Rd Ste #121	Grays Lake	IL	60030	(847)223-7160
	Budget Blinds of Chicago #1	3/1/2007	ASMO, Inc.	1461 Camden Dr.	Gurnee	IL	60031	(847)855-8899
	Budget Blinds of Chicago North	3/1/2007	ASMO, Inc.	1461 Camden Dr.	Gurnee	IL	60031	(847)855-8899
	Budget Blinds of Wilmette	4/1/2010	ASMO, Inc.	1461 Camden Dr.	Gurnee	IL	60031	(847)855-8899
-	Budget Blinds of Crystal Lake	6/1/2009	Reliance Enterprise, Inc	9930 Cummings Street	Huntley	IL	60142	(847)669-9007
	Budget Blinds of Lake Zurich	9/1/2005	Charles Amos	569 GreenBay Court	Lake Zurich	IL	60047	(847)540-5532
	Budget Blinds of Lemont	4/1/2012	Ameyal Enterprise, Inc.	13074 Klappa Drive	Lemont	IL	60439	(630)257-8800
	Budget Blinds of Stephenson County Rockford	6/1/2003 5/20/1997	Stan Gargani	5004 N. Second Street	Loves Park	IL	61111	(815)636-1250
	Budget Blinds of McHenry	1/1/2007	Stan Gargani	5004 N. Second Street	Loves Park	IL	61111	(815)636-1250
-	Budget Blinds of Rockford	6/1/2007	Stan Gargani	5004 N. Second Street	Loves Park	IL	61111	(815)636-1250
	Budget Blinds of Shorewood	1/1/2002	Keith Bresnahan	22960 S. Althea Ct.	Minooka	IL	60447	(815)521-4040
	Budget Blinds of Homer-Lockport	1/1/2003	Keith Bresnahan	22960 S. Althea Ct.	Minooka	IL	60447	(815)521-4040
	Budget Blinds of Lockport <u>Orland Park</u>	<u>4/5/2006</u> 2001	Leonard and Colleen Schultz	19147 S Blackhawk Pkwy	Mokena	IL	60448	(815)464-0111

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of Orland Park Lockport	48/1/2006 <u>2001</u>	Leonard and Colleen Schultz	19147 S Blackhawk Pkwy	Mokena	IL	60448	(815)464-0111
	Budget Blinds of Naperville	6/1/2006	SW Wojcik, Inc.	917 Lehigh Circle	Naperville	IL	60565	(847)954-4750
	Budget Blinds of Aurora	3/1/2008	SW Wojcik, Inc.	917 Lehigh Circle	Naperville	IL	60565	(847)954-4750
	Budget Blinds of Wheaton	4/1/2011	Matthew & Cheryl Henrikson	1145 Sandpiper Lane	Naperville	IL	60540	(630)219-3002
	Budget Blinds of Lombard	3/1/2012	Matthew & Cheryl Henrikson	1145 Sandpiper Lane	Naperville	IL	60540	(630)219-3002
	Budget Blinds of Evergreen Park	5/1/2006	Kevin and Mary Ann & Karrie Mallo	9517 S. Knox Ave.	Oak Lawn	IL	60453	(708)422-8613
	<u>Budget Blinds of Batavia</u>	<u>11/1/2013</u>	<u>Douglas & Lissette Long</u>	<u>395 Grape Vine Trail</u>	<u>Oswego</u>	<u>IL</u>	<u>60543</u>	<u>(630)554-4734</u>
	<u>Budget Blinds of Plainfield</u>	<u>1/1/2001</u>	<u>Super Blinds Inc.</u>	<u>15227 Dan Patch Drive</u>	<u>Plainfield</u>	<u>IL</u>	<u>60544</u>	<u>(815)577-7400</u>
	Budget Blinds of Elgin	5/1/2003	Super Blinds Inc.	15227 Dan Patch Drive	Plainfield	IL	60544	(815)577-7400
	Budget Blinds of Plainfield	7/1/2005	Super Blinds Inc.	15227 Dan Patch Drive	Plainfield	IL	60544	(815)577-7400
	Budget Blinds of St. Charles	12/1/2008	Super Blinds Inc.	15227 Dan Patch Drive	Plainfield	IL	60544	(815)577-7400
	Budget Blinds of Frankfort	12/1/2011	Susan & Hector Gomez	8119 Abbey Road	Tinley Park	IL	60477	(708)444-1737
	Budget Blinds of Arlington Heights	11/1/2007	JODI's Enterprises, Inc.	38011 N Golf Lane	Wadsworth	IL	60083	(847)263-4500
	Budget Blinds of Elmhurst	5/1/2011	Holly & Tom Kloth	9620 Witham Lane	Woodridge	IL	60517	(630)678-1137
	Budget Blinds of North Naperville	5/1/2011	Holly & Tom Kloth	9620 Witham Lane	Woodridge	IL	60517	(630)678-1137
38	Budget Blinds of Downers Grove	3/1/2012	Holly & Tom Kloth	9620 Witham Lane	Woodridge	IL	60517	(630)678-1137
	INDIANA							
	<u>Budget Blinds of Greenfield</u>	<u>7/1/2011</u>	<u>Isabella Wulur & Sonny Marjono</u>	<u>14555 Heather Knoll Pkwy</u>	<u>Carmel</u>	<u>IN</u>	<u>46074</u>	<u>(317)622-8248</u>
	<u>Budget Blinds of Fort Wayne</u>	<u>4/1/2012</u>	<u>Bryan & Terri Bohnke</u>	<u>5103-7 Stonehedge Blvd</u>	<u>Fort Wayne</u>	<u>IN</u>	<u>46835</u>	<u>(260)748-0152</u>
	Budget Blinds of Mishawaka	3/1/2004	Larry and Dorothy Anderson	327 Florence Avenue	Granger	IN	46530	(574)277-6800
	Budget Blinds of South Bend	8/1/2004	Larry and Dorothy Anderson	327 Florence Avenue	Granger	IN	46530	(574)277-6800
	Budget Blinds of West Indianapolis Carmel	9/10/1/2003 <u>2013</u>	Brian and Jeanette Tipmore <u>Grand Interiors, LLC</u>	5556 N. Meridian St. <u>8741 Key Harbour Dr.</u>	Indianapolis	IN	46208 <u>46236</u>	(317)821-9187 <u>354-1334</u>
	Budget Blinds of North West Indianapolis	<u>10/1/1/2004</u> <u>2013</u>	Brian and Jeanette Tipmore <u>Grand Interiors, LLC</u>	5556 N. Meridian St. <u>8741 Key Harbour Dr.</u>	Indianapolis	IN	46208 <u>46236</u>	(317)821-9187 <u>354-1334</u>
	Budget Blinds of Plainfield North West Indianapolis	<u>4/10/1/2012</u> <u>2013</u>	Edward & Carol Wells <u>Grand Interiors, LLC</u>	6465 Streamside Court <u>8741 Key Harbour Dr.</u>	Indianapolis	IN	46278 <u>46236</u>	(317)328-1204 <u>354-1334</u>
	Budget Blinds of Kokomo	6/1/2005	John and Ruth Fansler	7315 E 300 North	Kokomo	IN	46901	(765)628-3171
	Budget Blinds of Bloomington	6/1/2007	Randy Dougherty	5835 E Dayhuff Rd	Mooresville	IN	46158	(317)831-3744

Budget Blinds, Inc.
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	<u>Budget Blinds of Greenwood</u>	<u>9/1/2013</u>	<u>David J. Eckles & Judy Baker</u>	<u>1104 W. Greencastle Road</u>	<u>Mooresville</u>	<u>IN</u>	<u>46158</u>	<u>(317)483-3221</u>
	<u>Budget Blinds of Muncie</u>	<u>1/20/2002</u>	<u>J P Whitt, Inc</u>	<u>7908 W Lansfaire Dr</u>	<u>Muncie</u>	<u>IN</u>	<u>47304</u>	<u>(765)759-0521</u>
	Budget Blinds of Lawrence	1/1/2006	J P Whitt, Inc	7908 W Lansfaire Dr	Muncie	IN	47304	(765)759-0521
-	<u>Budget Blinds of Muncie</u>	<u>2/1/2007</u>	<u>J P Whitt, Inc</u>	<u>7908 W Lansfaire Dr</u>	<u>Muncie</u>	<u>IN</u>	<u>47304</u>	<u>(765)759-0521</u>
-	<u>Budget Blinds of Fort Wayne</u>	<u>4/1/2012</u>	<u>Bryan & Terri Bohnke</u>	<u>8720 Greenmeadow Drive</u>	<u>New Haven</u>	<u>IN</u>	<u>46774</u>	<u>(260)748-0152</u>
	Budget Blinds of Evansville	11/1/2006	Tyler and Alison Steckler	4388 Brandywine Dr. <u>Drive</u>	Newburgh	IN	47630	(812)490-4457
-	<u>Budget Blinds of Carmel</u>	<u>6/1/2005</u>	<u>Dean Dye</u>	<u>5628 Merritt Circle</u>	<u>Noblesville</u>	<u>IN</u>	<u>46062</u>	<u>(317)354-1334</u>
<u>-14</u>	Budget Blinds of Crown Point	11/1/2012	Susan & Hector Gomez	8119 Abbey Road	Tinley Park	IN	60477	(708)444-1737
-	<u>Budget Blinds of Valparaiso</u>	<u>1/1/2006</u>	<u>D&K Custom Blinds and More, Inc.</u>	<u>491 E 830 North</u>	<u>Valparaiso</u>	<u>IN</u>	<u>46383</u>	<u>(219)465-2009</u>
<u>15</u>	<u>Budget Blinds of Greenfield</u>	<u>7/1/2011</u>	<u>Isabella Wulur & Sonny Marijono</u>	<u>14259 Saint Clair Lane</u>	<u>Westfield</u>	<u>IN</u>	<u>46074</u>	<u>(317)622-8248</u>
	KANSAS							
-	<u>Budget Blinds of Hutchinson</u>	<u>9/1/2005</u>	<u>Linda Pinsker and Mary Humphries</u>	<u>2409 N Main St</u>	<u>Hutchinson</u>	<u>KS</u>	<u>67502</u>	<u>(620)662-7500</u>
	Budget Blinds of Overland Park	11/1/2005	Mattivi Enterprises, Inc.	3006 SW Main St <u>3rd Street</u>	Lee's Summit	KS	64063	(913)402-1600
	Budget Blinds of Lawrence	9/1/2004	Richard and Victoria Ewoldsen	21728 Linwood Rd.	Linwood	KS	66052	(785)691-7713
	Budget Blinds of Shawnee	3/1/2005	Richard and Victoria Ewoldsen	21728 Linwood Rd.	Linwood	KS	66052	(785)691-7713
	Budget Blinds of <u>Clathel Leavenworth</u>	1/1/2006	Richard and Victoria Ewoldsen	21728 Linwood Rd.	Linwood	KS	66052	(785)691-7713
	Budget Blinds of Topeka	5/1/2006	Midwest Window Coverings Incorporated	3111 SW Van Buren #121	Topeka	KS	66611	(785)234-2348
	Budget Blinds of Manhattan	11/1/2006	Midwest Window Coverings Incorporated	3111 SW Van Buren #121	Topeka	KS	66611	(785)234-2348
	Budget Blinds of <u>Wichita Eastborough</u>	<u>47/1/20021999</u>	Jerry Stine	1719 N Rock Rd.	Wichita	KS	67206	(316)612-7270
<u>98</u>	<u>Budget Blinds of EastboroughWichita</u>	<u>64/1/20042002</u>	Jerry Stine	1719 N Rock Rd.	Wichita	KS	67206	(316)612-7270
	KENTUCKY							
	Budget Blinds of North Lexington	1/1/2006	Kevin and Amanda Smith	126 Dogwood Circle	Berea	KY	40403	(859)263-0055
	Budget Blinds of Oldham County	3/1/2011	Veronica & Todd Mizelle	7311 Hwy 329 #542	Crestwood	KY	40014	(502)518-0300
	Budget Blinds of Louisville East	2/1/2012	Window Treatments, Inc.	14607 Woodbluff Trace	Louisville	KY	40245	(502)489-8989
	Budget Blinds of Paducah	6/1/2009	MKA, Inc	133 Cumberland Drive	Paducah	KY	42001	(270)908-3270
<u>5</u>	Budget Blinds of Boone County	10/1/2006	Better Avenue Inc.	11554 US Highway 42	Union	KY	41091	(859)488-0078
	LOUISIANA							
	Budget Blinds of Alexandria #2	<u>810/1/20042013</u>	<u>D & D FlooringCapt. Dave, LLC</u>	1361 MacArthur Dr	Alexandria	LA	71301	(318)443-9730
	Budget Blinds of South Baton Rouge	<u>78/1/20081998</u>	Arthur Cagle	1543 Delplaza Dr.	Baton Rouge	LA	70815	(225)295-7070
	Budget Blinds of Hammond	2/1/2006	Donnie Mars	1040 Roma Avenue	Hammond	LA	70403	(985)345-

Budget Blinds, Inc.
Current Franchise Roster

								7063
	Budget Blinds of Houma	5/1/2006	Randy and Dana Landry	227 Woodwind Drive	Houma	LA	70360	(985)223-6544
	Budget Blinds of Kenner	8/1/2006	Kenya Wright	430 31st St. <u>PO Box 1746</u>	Kenner	LA	70065 <u>70063</u>	(504)305-1130
	Budget Blinds of Lake Charles	3/1/2011	Charles & Phyllis White	1811 Ryan St	Lake Charles	LA	70601	(337)436-2323
-	Budget Blinds of St. Tammany	5/1/2003	Jeffery S. Canipe and David Adcock	2109 Lonesome Rd.	Mandeville	LA	70448	(985)867-5175
	Budget Blinds of Denham Springs	9/1/2007	Kenneth Bagwell	322 Westwood Drive	Mandeville	LA	70471	(225)665-6868
	<u>Budget Blinds of St. Tammany</u>	<u>5/1/2013</u>	<u>Greg & Anne Jenkins</u>	<u>1358 Rue Beauvais</u>	<u>Mandeville</u>	<u>LA</u>	<u>70471</u>	<u>(985)867-5175</u>
	Budget Blinds of Old Metairie	2/1/2004	Brenda Procell	8705 Chaldron St.	Metairie	LA	70003	(504)488-3900
	Budget Blinds of New Orleans	9/1/2007	Jeff and Rebecca Anderson	525 Jefferson Hwy, #803	New Orleans	LA	70121	(504)866-8308
	Budget Blinds of East Shreveport West Bank New Orleans	38/1/2011 <u>2013</u>	Malcolm & Marjorie Kahre <u>Jeff & Rebecca Anderson</u>	10668 Goldsberry Rd <u>525 Jefferson Hwy, #803</u>	Shreveport <u>New Orleans</u>	LA	71106 <u>70121</u>	(318)771-1162 <u>(504)866-8308</u>
12	Budget Blinds of Slide# <u>East Shreveport</u>	93/1/2005 <u>2011</u>	Jimmy and Kelly Corkern <u>Malcolm & Marjorie Kahre</u>	4015 Pontchartrain Dr. <u>10668 Goldsberry Rd</u>	Slide# <u>Shreveport</u>	LA	70458 <u>71106</u>	(985)726-9756 <u>(318)771-1162</u>
	MASSACHUSETTS							
	Budget Blinds of Billerica	8/1/2004	Hemlock Partners, LLC.	65 Skilton Lane	Burlington	MA	01803	(781)272-0723
	Budget Blinds of Winchester	2/1/2005	Hemlock Partners, LLC.	65 Skilton Lane	Burlington	MA	01803	(781)272-0723
	Budget Blinds of Weymouth	8/1/2003	David <u>Cathy</u> Martin	19 Independence Lane	Hingham	MA	02043	(781)740-2563
	<u>Budget Blinds of Norwell</u>	<u>5/1/2013</u>	<u>Robert & Patricia Smaldone</u>	<u>16 Black Rock Dr</u>	<u>Hingham</u>	<u>MA</u>	<u>02043</u>	<u>(781)749-8500</u>
	Budget Blinds of South Plymouth County	7/1/2006	Bois Solutions, Inc.	44 South Kingman Street	Lakeville	MA	02347	(508)947-5772
-	Budget Blinds of Marlborough	4/1/2011	Edward & Karen Hanton	13 Beauregard Circle	Marlborough	MA	01752	(508)954-8433
	Budget Blinds of Upper Cape Cod	10/1/2002	FRANISTAN INC	800 Falmouth Road	Mashpee	MA	02649	(508)539-9989
	Budget Blinds of Plymouth	12/1/2009	Home Essentials LLC	674 School Street	Pembroke	MA	02359	(508)224-0903
	Budget Blinds of Brookline	6/1/2009	Carmine Annetti & Russell Libby	951 East Street	Tewksbury	MA	01876	(978)640-0050
	Budget Blinds of Waltham	10/1/2004	Richard MacDonald	88 C Maple St	Waltham	MA	02453	(508)785-3109 <u>(781)326-9600</u>
	Budget Blinds of Roxbury	4/1/2005	Richard MacDonald	88 C Maple St	Waltham	MA	02453	(508)785-3109 <u>(781)326-9600</u>
	Budget Blinds of Milford	7/1/2005	Richard MacDonald	88 C Maple St	Waltham	MA	02453	(508)785-3109 <u>(781)326-9600</u>
	Budget Blinds of Wellesley	7/1/2003	William <u>& Nancy</u> Murphy	15 Lafayette Cir.	Wellesley	MA	02482	(781)237-6886
	Budget Blinds of Newton	2/1/2004	William <u>& Nancy</u> Murphy	15 Lafayette Cir. <u>Circle</u>	Wellesley	MA	02482	(781)237-6886

Budget Blinds, Inc.
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14	Budget Blinds of Pittsfield	1/1/2004	Robert Poulin	80 Laurel Road	Wilbraham	MA	01095	(413)243-6633
15	<u>Budget Blinds of Andover</u>	<u>12/1/2013</u>	<u>Window Fashions LLC</u>	<u>8 Curtis Road</u>	<u>Woburn</u>	<u>MA</u>	<u>01801</u>	<u>(781)376-4012</u>
	MARYLAND							
	Budget Blinds of Bel Air NorthOwings Mills	3/1/2005 <u>1/2008</u>	Ken Turing <u>Sarene LLC</u>	2815 Alder Court <u>2005 Trout Rd Unit 1016</u>	Abingdon <u>Annapolis</u>	MD	21009 <u>21401</u>	(410)569-3305 <u>(877)857-3666</u>
	Budget Blinds of Annapolis South	6/1/2008	Patrick & Laura Ullrich	<u>203 Boyds Cove Ct. 216 Cape St John Rd</u>	Annapolis	MD	21401	(410)841-2626
	<u>Budget Blinds of Glen Burnie</u>	<u>7/1/2008</u>	<u>Sarene LLC</u>	<u>2005 Trout Rd Unit 1016</u>	<u>Annapolis</u>	<u>MD</u>	<u>21401</u>	<u>(877)857-3666</u>
	Budget Blinds of Annapolis	4/1/2010	Patrick & Laura Ullrich	<u>203 Boyds Cove Ct. 216 Cape St John Rd</u>	Annapolis	MD	21401	(410)841-2626
	Budget Blinds of Cockeysville	4/1/2011	Patrick & Laura Ullrich	<u>203 Boyds Cove Ct. 216 Cape St John Rd</u>	Annapolis	MD	21401	(410)841-2626
	Budget Blinds of Towson	2/1/2007	Kevin Barnett	2800 Evergreen Avenue	Baltimore	MD	21214	(443)921-2989
	Budget Blinds of Cumberland	6/1/2005	Robin Terrell	10827 Mexico Farms Road	Cumberland	MD	21502	(301)777-8282
	Budget Blinds of Nottingham	12/1/2008	Mark and Christine Freinberg	1 Hillcrest Lane	Elkton	MD	21921	(410)665-0177
	Budget Blinds of Ellicott City	4/1/2004	Jaime Brusse	4920 Ellis Lane	Ellicott City	MD	21043	(410)418-5165
	Budget Blinds of Crofton	10/1/2004	Jaime Brusse	4920 Ellis Lane	Ellicott City	MD	21043	(410)418-5165
	Budget Blinds of North Laurel	1/1/2006	Jaime Brusse	4920 Ellis Lane	Ellicott City	MD	21043	(410)418-5165
-	Budget Blinds of Germantown	10/1/2010	Scott & Donna Meyers	2 Linden Hall Ct	Gaithersburg	MD	20877	(301)607-4760
-	Budget Blinds of Silver Spring	10/1/2010	Scott & Donna Meyers	2 Linden Hall Ct	Gaithersburg	MD	20877	(301)607-4760
-	Budget Blinds of Olney	10/1/2010	Scott & Donna Meyers	2 Linden Hall Ct	Gaithersburg	MD	20877	(301)607-4760
	Budget Blinds of Mechanicsville	9/1/2004	Kenneth Turing	19681 Mark Way	Great Mills	MD	20634	(301)994-2923
	Budget Blinds of Hagerstown	4/1/2012	Joe & Maripaul Parker	332 Rubens Circle	Martinsburg	MD	25403	(301)733-3301
	<u>Budget Blinds of South Frederick</u>	<u>1/1/2013</u>	<u>Joe & Maripaul Parker</u>	<u>332 Rubens Circle</u>	<u>Martinsburg</u>	<u>MD</u>	<u>25403</u>	<u>(301)733-3301</u>
	Budget Blinds of Chestertown	8/1/2005	Dale Lowman	4380 Summit Bridge Road Suite # 1	Middletown	MD	19709	(410)810-0657
	Budget Blinds of Lewes	8/1/2005	Christopher & Anthony Rementer	28348 Lewes Georgetown Hwy	Milton	MD	19968	(302)856-6799
	Budget Blinds of Frederick	1/1/2005	Paula Preston and Kevin Walsh	12219 South Debkay Ct	Monrovia	MD	21770	(301)865-8465
	Budget Blinds of Potomac <u>Germantown</u>	6/7/2008 <u>2013</u>	William Naron <u>Paula Preston & Kevin Walsh</u>	9909 Sorrel Ave <u>12219 South Debkay Ct</u>	Monrovia <u>Potomac</u>	MD	20854 <u>21770</u>	(301)358-5100 <u>865-8465</u>
-	Budget Blinds of Bethesda	12/1/2008	William Naron	9909 Sorrel Ave	Potomac	MD	20854	(301)358-5100
	Budget Blinds of Bowie	4/1/2005	Jim Gehring	463 Fairtree Drive Dr.	Severna Park	MD	21146	(301)262-0029
	Budget Blinds of Owings Mills <u>Potomac</u>	<u>7/1/1/2008</u> <u>2013</u>	<u>Sarene LLC</u> <u>Judith Hoban</u>	<u>226 Morningstar Way</u> <u>93 Hampstead Court</u>	<u>Westminster</u> <u>Severna Park</u>	MD	<u>21157</u> <u>21146</u>	(877)857-3666 <u>(301)358-5100</u>

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of WestminsterBethesda	7/1/20082013	Judith HobanSareno LLC	226 Morningstar Way93 Hampstead Court	WestminsterSeverna Park	MD	2115721146	(877)857-3666(301)358-5100
	Budget Blinds of Forest Hill	7/1/2013	Mark Wiley	14 Meadow Run Ct	Sparks	MD	21152	(410)569-3305
	Budget Blinds of Silver Spring	5/1/2013	Marc Friedman & Gina Schaefer	1055 5th Street NW	Washington	MD	20001	(301)926-2334
24	Budget Blinds of Woodbine	4/1/2010	Tom & Lisa Holton	2840 Daisy Road	Woodbine	MD	21797	(410)339-4667
	MAINE							
	Budget Blinds of Augusta	8/6/2010	Bradley Briggs	493 Litchfield Rd	Bowdoin	ME	04287	(207)621-8200
	Budget Blinds of Brunswick	3/1/2005	Dennis and Debbie Dunham	186 Highland Shores Road	Casco	ME	04015	(207)721-0404
-	Budget Blinds of Portland	3/1/2004	Peter and Karen Glass	200 John Roberts Rd	South Portland	ME	04106	(207)797-7651
-	Budget Blinds of South Portland	9/1/2004	Peter and Karen Glass	200 John Roberts Rd	South Portland	ME	04106	(207)797-7651
	Budget Blinds of South Western Maine	8/1/2008	Conrad and Dianne Dunning	44 Senator Black Road	West Baldwin	ME	04091	(207)625-7902
	Budget Blinds of Portland	3/1/2004	Peter and Karen Glass	305 US Route 1 Suite 6	Yarmouth	ME	04096	(207)846-0882
	Budget Blinds of South Portland	9/1/2004	Peter and Karen Glass	305 US Route 1 Suite 6	Yarmouth	ME	04096	(207)846-0882
6	Budget Blinds of Southern Maine	8/1/2007	Kurt Swanson	19 Jeffrey Drive	York	ME	03909	(207)363-4900
	MICHIGAN							
	Budget Blinds of Troy	11/1/2011	Dart Ventures, LLC	3512 Kenmore Road	Berkley	MI	48072	(248)837-2000
	Budget Blinds of Birmingham	3/1/2003	Scott Ross, LLC	2509 Buckingham	Birmingham	MI	48009-7552	(248)649-8940
	Budget Blinds of Brighton	9/1/2009	Robert Mitchell	7739 Maltby Road	Brighton	MI	48116	(810)714-0117
	Budget Blinds of Ann Arbor	12/1/2004	Luciano Foggia	43860 Hanford Road	Canton	MI	48187	(734)981-7521
	Budget Blinds of Charlotte	2/1/2005	Kirt Austin	3323 Lamie Highway	Charlotte	MI	48813	(517)541-1676
	Budget Blinds of Davison	12/1/2005	Melanie Leix	8135 Boulder Drive	Davison	MI	48423	(810)342-9333
	Budget Blinds of West Bloomfield	6/1/2004	Sejal Nandani	31340 East Stonewood Court	Farmington Hills	MI	48334	(248)474-8767
	Budget Blinds of Canton	1/1/2004	Ritz Enterprises, Inc.	6325 Hubbard	Garden City	MI	48135	(734)422-3382
	Budget Blinds of Niles	1/1/2006	Larry and Dorothy Anderson	327 Florence Avenue	Granger	MI	46530	(574)277-6800
	Budget Blinds of Holland	3/1/2004	James & Evonne Paulson	50 E. Lakewood Blvd.	Holland	MI	49424	(616)494-6000
	Budget Blinds of Hudsonville	1/1/2003	T L M Holdings Inc.	7839 Oak Tree Lane	HudsonvilleHudsonville	MI	49426	(616)669-7898
	Budget Blinds of Muskegon	12/1/2011	Tim Dennerll	1839 Cherry St	Muskegon	MI	49441	(616)843-0664(231)798-8265
	Budget Blinds of St JosephNovi	8/1/20042013	SWMI Blindz, L.L.C.Robeson Enterprises LLC	112 E Bertrand Rd.42081 Malott Drive	NilesNovi	MI	4912048375	(269)683-0481(248)946-

Budget Blinds, Inc.
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	Budget Blinds of Bloomfield Hills	9/1/2004	Hartley and Debi Harris	4800 Leonard Court	West W. Bloomfield	MI	04832 48322	(248)538-5158
	Budget Blinds of Rochester Hills	3/1/2005	Hartley and Debi Harris	4800 Leonard Court	West W. Bloomfield	MI	04832 48322	(248)538-5158
1516	Budget Blinds of Traverse City	4/1/2006	Karen Stanton	7812 Hoiles Dr.	Williamsburg	MI	49690	(231)267-9100
	MINNESOTA							
	Budget Blinds of Owatonna	11/1/1998	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of Albert Lea	6/1/1999	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of East Rochester	6/1/2000	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of West Rochester	9/1/2000	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of Mankato Mason City	8/1/2001	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of Mason City Mankato	8/1/2001	Bates, Inc.	310 1st Avenue Ave South	Albert Lea	MN	56007	(507)373-8535
	Budget Blinds of Burnsville Inver Grove	1/1/2010	BL Blinds, LLC	14501 Judicial Rd #30 Road	Burnsville	MN	55306	(952)898-5558
	Budget Blinds of Eden Prairie	1/1/2010	BL Blinds, LLC	14501 Judicial Rd #30 Road	Burnsville	MN	55306	(952)898-5558
	Budget Blinds of Inver Grove Burnsville	1/1/2010	BL Blinds, LLC	14501 Judicial Rd #30 Road	Burnsville	MN	55306	(952)898-5558
-	Budget Blinds of Hutchinson	5/1/2006	Every Square Inch Incorporated	P.O. Box 526	Chanhassen	MN	55317	(952)960-2186
-	Budget Blinds of Rockford	2/1/2007	Every Square Inch Incorporated	P.O. Box 526	Chanhassen	MN	55317	(952)960-2186
	Budget Blinds of Woodbury	10/1/2003	Liz Lehmann	1535 99th Ave. NW	Coon Rapids	MN	55433	(651)699-5757
	Budget Blinds of Blaine	7/1/2007	Blinds of Andover/Blaine LLC	1660 - 121st Avenue NW	Coon Rapids	MN	55448	(763)434-5663
	Budget Blinds of Plymouth	9/1/2008	Liz Lehmann	1535 99th Ave. NW	Coon Rapids	MN	55433	(651)699-5757
	Budget Blinds of Detroit Lakes	3/1/2011	Mel May, Inc.	1326 Loring Avenue	Detroit Lakes	MN	56501	(218)844-7052
	Budget Blinds of Northern Duluth	3/1/2005	Richard and Jean Schwengler	5315 Juniata Street	Duluth	MN	55804	(218)525-2223
	Budget Blinds of Duluth	1/1/2007	Richard and Jean Schwengler	5315 Juniata Street St.	Duluth	MN	55804	(218)525-2223
-	Budget Blinds of Hutchinson	5/1/2006	Every Square Inch Incorporated	18258 Cascade Drive	Eden Prairie	MN	55347	(952)960-2186
-	Budget Blinds of Red Wing	2/1/2007	Every Square Inch Incorporated	18258 Cascade Drive	Eden Prairie	MN	55347	(952)960-2186
	Budget Blinds of Hugo	5/1/2009	NBB Designs, Inc	20401 206th Dr. Circle N.	Forest Lake	MN	55025	(651)429-0222
	Budget Blinds of Bloomington	8/1/2012	William Kuross	5900 Oliver Avenue South	Minneapolis	MN	55419	(612)259-7146
	Budget Blinds of Edina	5/1/2013	Cristalera, Inc.	2950 Dean Parkway, #1202	Minneapolis	MN	55416	(952)270-2898
	Budget Blinds of Roseville	1/1/2006	RacsS, LLC	581 Old Hwy 8 NW	New Brighton	MN	55112	(651)765-4545
	Budget Blinds of	6/1/2003 2013	Craig & Nicole Kohorst, Kathy &	18415 30th Place N. 3476	Plymouth St. Michael	MN	55447 55376	(763)497-

Budget Blinds, Inc.
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	AlbertvilleGolden Valley		Peter Servaty	Hamlin Ave. NE				9044473-1418
	Budget Blinds of Brooklyn ParkAlbertville	9/1/2003	Kathy & Peter Servaty	3476 Hamlin Ave. NE	St. Michael	MN	55376	(763)497-9044
	Budget Blinds of StillwaterBrooklyn Park	9/1/20062003	Kathy & Peter ServatyDBP Designs Inc.	3476 Hamlin Ave. NE4216 Desoto St.	Vadnais HeightsSt Michael	MN	5537655127	(651)251-7620(763)497-9044
2425	Budget Blinds of EdinaStillwater	10/1/2006	Barry and Cheryl SchopfDBP Designs Inc.	8851 Pinchurst Circle4216 Desoto St.	WoodburyVadnais Heights	MN	5512555127	(651)578-0223(351)-7620
	MISSOURI							
	Budget Blinds of Cape Girardeau	5/1/20074/15/1997	Budget Blinds of Cape Girardeau, L.L.C.	2148 William St Ste B	Cape Girardeau	MO	63703	(573)651-0374
	Budget Blinds of WentzvilleCreve Coeur	2/1/2012	Sheffco, Inc.	1674 Coachway Lane	HazelwoodFlorissant	MO	63042	(636)294-4000(314)213-0981
	Budget Blinds of Columbia	10/1/2011	Seven Ports, Inc.	6847 Silver Drive	Fulton	MO	65251	(573)592-0948
	Budget Blinds of Northland	2/1/2006	Natalie Kesselring and Sherry Moore	41394149 N. Mulberry Drive Ste. B	Kansas City	MO	64116	(816)505-5515
	Budget Blinds of Liberty	3/1/20092013	Gary & Charessa HenkeNatalie Kesselring and Sherry Moore	5545 E 53rd4149 N Mulberry Drive	Kansas City	MO	6413064116	(816)256-8589(505)-5515
-	Budget Blinds of The Ozarks	1/1/2006	Michael and Karie Maasen	105 S. Main, Ste. B	Laurie	MO	65038	(573)374-0330
	Budget Blinds of Lee's Summit	9/1/2002	Guthrie-Stoddard, Inc.	3006 SW Main St.3rd Street	Lee's Summit	MO	64063	(816)554-7779
	Budget Blinds of Chesterfield/Ballwin	5/1/2013	The Vine Group, LLC	254 Old Sulphur Spring Road	Manchester	MO	63021	(636)529-0632
	Budget Blinds of South County	5/1/2013	The Vine Group, LLC	254 Old Sulphur Spring Road	Manchester	MO	63021	(636)529-0632
	Budget Blinds of St. Charles	6/1/2009	Renee Lavin	8 West Homefield Point Ct	O'Fallon	MO	63366	(636)293-1545
-	Budget Blinds of Columbia	10/1/2011	Seven Ports, Inc.	701 Woodland Drive	Paducah	MO	42003	(573)592-0948
	Budget Blinds of S.E. Springfield	2/1/2009	Linda Holman and Ron Hagemann	2889 S Eldon Avenue	Springfield	MO	65807	(417)823-3940
	Budget Blinds of St. Peters	9/1/2009	Laura Poettker	3022 Rockwood Trail	St. Charles	MO	63303	(636)288-1793
-	Budget Blinds of	9/1/2006	Blinds Plus, Inc.	204 Meramec Station Rd.	Valley Park	MO	63088	(636)529-0632
12	Budget Blinds of South CountyThe Ozarks	9/1/2006	Blinds Plus, Inc.Michael and Karie Maasen	204 Meramec Station Rd.P.O. Box 853	Valley ParkSunrise Beach	MO	6308865079	(636)529-0632(573)374-0330
	MISSISSIPPI							
	Budget Blinds of Desoto County	5/1/2009	Timothy and Laurel Jones	7300 Wind Park Dr, E.	Olive Branch	MS	38654	(662)893-3033
	Budget Blinds of Oxford	9/1/2012	Garrard & Jennifer Strode	104 Jamie Cove	Oxford	MS	38655	(662)281-0586
3	Budget Blinds of Madison	7/1/2012	Paul & Julie White	292 Commerce Park Dr Ste C	Ridgeland	MS	39157	(601)898-1313
	MONTANA							
	Budget Blinds of Billings	11/1/2003	Windoco Inc.	5046 Woodvine Cir.	Billings	MT	59106	(406)248-

Budget Blinds, Inc.
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	Budget Blinds of Bozeman	9/1/2010	Tyler & Chelsy Barnwell	702 N. 19th Ave #2B	Bozeman	MT	59718	(406)585-7299
	Budget Blinds of Helena	3/1/2005	Nathan and Tiffany Winward	3235 Snaffle Bit Ct	Helena	MT	59602	(406)457-1122
	Budget Blinds of Kalispell	8/1/2006	Vicki M. Cockrell and Doug R. Johns	209 Parkway Drive	Kalispell	MT	59901	(406)752-1454
5	Budget Blinds of Missoula	10/1/2004	Winford, Inc.	12362 Nature Court	Lolo	MT	59847	(406)542-8282
	NORTH CAROLINA							
	Budget Blinds of Wake Forest	11/1/2008	Dombkowski Ventures, Inc.	1691 Charlion Downs	Apex	NC	27502	(919)875-0116
	Budget Blinds of Gastonia Asheville East	7/6/2004 2012	Boji Enterprises, Inc. Kirby Noblitt Crofts & William Noblitt	25 Good Intentions Rd 4064 Belle Meade Circle	Asheville Belmont	NC	28806 28042	(704)864-8778 (828)683-5811
	Budget Blinds of Asheville	2/1/2013	Alan Barnett	30 Westgate Parkway #197	Asheville	NC	28806	(828)683-5343
	Budget Blinds of South Gastonia	1/1/2005	Kirby Noblitt Crofts & William Noblitt	4061 Belle Meade Circle	Belmont	NC	28012	(704)864-8778
	Budget Blinds of Asheville East Matthews	6/3/2012 2013	BBMWV LLC Boji Enterprises, Inc.	1119 Heather Ln 15 Latimer Lane NW	Cartersville Charlotte	NC	28209 30124	(828)668-5811 (704)676-4785
	Budget Blinds of Fayetteville	11/1/2012	Cathy Mercado	693 Bill Avery Road	Coats	NC	27521	(910)891-1651
	Budget Blinds of Lincolnton	1/1/2012	Scott Lucas	1901 Highway N. Hwy 16 North	Denver	NC	28037	(704)483-9580
	Budget Blinds of Cary Chapel Hill	9/2/2004 2000	Parlin Industries Inc	5306 Hwy 55 Suite 104	Durham	NC	27713	(919)361-0495
	Budget Blinds of Chapel Hill Cary	2/9/2005 2004	Parlin Industries Inc	5306 Hwy 55 Suite 104	Durham	NC	27713	(919)361-0495
	Budget Blinds of Durham	9/1/2012	Parlin Industries Inc	5306 Hwy 55 Suite 104	Durham	NC	27713	(919)361-0495
	Budget Blinds of Burlington	2/1/2012	Providential Ventures, Inc.	3435 South NC Hwy 119	Haw River	NC	27258	(336)578-5533
	Budget Blinds of West Raleigh	4/1/2012	JIAT Industries, Inc.	112 Cross Oaks Place	Holly Springs	NC	27540	(919)521-5554
	Budget Blinds of Lake Norman	3/1/1/2004 1999	David Adcock	13819 Cinnabar Place	Huntersville	NC	28078	(704)948-5178
	Budget Blinds of Jacksonville	5/1/2004	Brason, Inc.	4225 Western Blvd.	Jacksonville	NC	28546	(910)219-3910
	Budget Blinds of North Charlotte	11/1/2003	Mark & Linda Paulson	3518 Cardiff Lane	Matthews	NC	28104	(704)882-2422
	Budget Blinds of Central Charlotte	11/1/2003	Mark & Linda Paulson	3518 Cardiff Lane	Matthews	NC	28104	(704)882-2422
	Budget Blinds of North Charlotte	11/1/2003	Mark & Linda Paulson	3518 Cardiff Lane	Matthews	NC	28104	(704)882-2422
	Budget Blinds of Ballantyne	9/1/2012	MDS Concepts, Inc.	6000 Brookfield Court	Matthews	NC	28104	(704)234-8430
	Budget Blinds of New Bern	1/1/2008	Charlie Utz	1103-D N. 20th St	Morehead City	NC	28557	(252)229-6434 (342)2235
	Budget Blinds of Statesville	7/1/2013	Scott and Cori Peters	104 Glen Cross Drive	Statesville	NC	28625	(704)872-6611
	Budget Blinds of North	12/1/2006	Larry and Lynne Bost	923 Golf House Road West	Whitsett	NC	27377	(336)603-

Budget Blinds, Inc.
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	Greensboro							4040
	Budget Blinds of Wilmington	3/1/ 2006 1996	Chris Torgeson	311 Judges Rd, Ste 1-C	Wilmington	NC	28405	(910)790-3630
2022	Budget Blinds of Winston-Salem West	12/1/2011	William & Victoria Foeri	116-D Griffith Plaza Drive	Winston-Salem	NC	27103	(336)765-8765
	NORTH DAKOTA							
	Budget Blinds of Bismarck	1/1/2006	Robert and Cathy Deics	8300 White Oak Loop	Bismarck	ND	58501	(701)255-4888
	Budget Blinds of Fargo	9/1/2003	Henry Holtgard	3130 Fiechtner Drive	Fargo	ND	58103	(701)237-6141
3	Budget Blinds of Grand Forks	6/1/2007	Jeremy Erickson	1608 39th Avenue South	Fargo	ND	58104	(701)213-0254
	NEBRASKA							
	Budget Blinds of Lincoln	12/1/2009	Scott and Susan Thayer	8444 Executive Woods Dr, Suite A	Lincoln	NE	68512	(402)436-2190
	Budget Blinds of North Omaha	9/1/2002	John Whyte	13815 Industrial Road	Omaha	NE	68137	(402)933-9559
3	Budget Blinds of South Omaha	9/1/2007	John Whyte	13815 Industrial Road	Omaha	NE	68137	(402)933-9559
4	<u>Budget Blinds of Omaha Central</u>	<u>5/1/2013</u>	<u>John MacKenzie</u>	<u>12402 Deer Hollow Dr</u>	<u>Omaha</u>	<u>NE</u>	<u>68154</u>	<u>(402)932-7862</u>
	NEW HAMPSHIRE							
	Budget Blinds of Central NH	5/1/2004	WallPages, LLC.	11 Spruce St.	Bristol	NH	03222	(603)744-5405
	Budget Blinds of West Rockingham County Derry/Windham	1/1/2004	Mark Yuska	40 Coles Grove Road	Derry	NH	03038	(603)378-0049
	Budget Blinds of Portsmouth	95/1/2003 2013	Lisa Bellman Daniel & Dianna Desaulniers	5 Hillside Lane 370 Portsmouth Ave, Ste14	Newmarket Greenland	NH	03857 03840	(603)431-3888
4	Budget Blinds of Keene	3/1/2009	Larry and Kathy Sportello	144 Rt 12A	Surry	NH	03431	(603)354-7801
	NEW JERSEY							
	<u>Budget Blinds of Bernardsville</u>	<u>11/1/2013</u>	<u>John & Kathleen O'Donnell</u>	<u>70 Dorchester Drive</u>	<u>Basking Ridge</u>	<u>NJ</u>	<u>07920</u>	<u>(908)307-1733</u>
	Budget Blinds of Flemington	2/1/2005	Mac 2 LLC	14 Staats Rd	Bloomsbury	NJ	08804	(908)479-6750
	<u>Budget Blinds of Cherry Hill</u>	<u>1/1/2012</u>	<u>Lindsay Kistler</u>	<u>805 E Hector St</u>	<u>Conshohocken</u>	<u>NJ</u>	<u>19428</u>	<u>(856)854-9655</u>
	Budget Blinds of Westfield	11/1/2012	Brookside Blinds & Shades LLC	601 Brookside Place	Cranford	NJ	07016	(908)232-3339
	Budget Blinds of North & South Brunswick Freehold	5/1/2010 12/21/1995	Mark Herskowitz James Shapiro	157 Kings Mountain Road 6 Stage Coach Run	Freehold East Brunswick	NJ	08816 07728	(732)257-0554 845-3620
	Budget Blinds of Bridgewater Mahwah	8/9/1/2012 2001	James Shapiro Sal's Window Fashions, L.L.C.	108 Malcolm 6 Stage Coach Run	East Brunswick Garfield	NJ	07026 08816	(732)257-0554 (973)478-7903
	Budget Blinds of Freehold Kinnelon	7/1/1/2006 2002	Windows Unlimited Too, LLC Mark Herskowitz	108 Malcolm 457 Kings Mountain Road	Garfield Freehold	NJ	07026 07728	(732)845-3620 (973)478-7903

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	Budget Blinds of Kinnelon Wayne	7/1/2002 2004	Windows Unlimited Too, LLC, Sal's Window Fashions, L.L.C.	108 Malcolm Ave	GarfieldGarfeild	NJ	07026	(973)478-7903
	Budget Blinds of WayneParamus	7/12/1/2004 2013	Windows Unlimited Too, LLC, Dirk & Sonja Skogerson	35 Pine Place 408 Malcolm	GarfieldHarrington Park	NJ	07640 07026	(973)478-7903(201)767-1702
	Budget Blinds of MahwahGloucester County	7/3/1/2006 2004	Windows Unlimited Too, LLC, Joseph & Tiffany Roberts	701 Quest Ct 408 Malcolm	MantuaGarfield	NJ	08051 07026	(973)478-7903(856)415-1484
	Budget Blinds of Gloucester CountyBurlington	7/7/1/2004 2013	Tiffany and Joseph RobertsWilliam Lampman	400 Berkshire Way 704 Quest Ct	MarltonMantua	NJ	08053 08054	(856)415-1484(983)-7124
	Budget Blinds of Morristown	8/7/1/2004	Larry Beimfohr	3 Tempe Wick Road	Mendham	NJ	07945	(973)543-4080
	Budget Blinds of Old Bridge	3/1/2006	Jeffrey and Alice Warantz	207 Anthony Court	Morganville	NJ	07751	(732)479-0540
	Budget Blinds of East Brunswick	9/1/2006	Jeffrey and Alice Warantz	207 Anthony Court	Morganville	NJ	07751	(732)479-0540
	Budget Blinds of PrincetonNorth & South Brunswick	8/7/1/2007 2013	Charles SandlerStephen Bakalchuk & Suzanne Palinkas	9859 Bonner Street 436 Tennent Rd	PhiladelphiaMorganville	NJ	49115 07751	(732)266-2013(257)-0551
	Budget Blinds of Cherry HillBridgewater	7/1/1/2012 2013	Lindsay KistlerStephen Bakalchuk & Suzanne Palinkas	451 Belgrade St 436 Tennent Rd	PhiladelphiaMorganville	NJ	49125 07751	(856)854-9655(732)257-0551
	Budget Blinds of Livingston	12/1/2013	Robert & Maureen Burke	3 Eggers Court	New Providence	NJ	07974	(908)464-3923
	Budget Blinds of Brick	1/1/2004	Stephen & Joyce Wier	1800 Riviera Pkwy	Point Pleasant	NJ	08742	(732)701-9493
	Budget Blinds of Toms River	4/1/2004	Stephen & Joyce Wier	1800 Riviera PkwyParkway	Point Pleasant	NJ	08742	(732)701-9493
	Budget Blinds of Princeton	8/1/2007	Charles Sandler	P.O. Box 3244	Princeton	NJ	08543	(732)266-2013
	Budget Blinds of Middletown	9/1/2004	Finishing Touches Home Services, LLC-	19 Ravine Road	Red Bank	NJ	07701	(732)224-7000
	Budget Blinds of Robbinsville	7/1/2011	Joel & Phyllis Schulman	27 Monte Carlo Drive	Robbinsville	NJ	08691	(609)585-5980
19	Budget Blinds of Ocean City	7/1/2005	Remy Sadauskas & Odeta Dirvelyte	15 Village Drive	Somers Point	NJ	08244	(609)513-8595
24	Budget Blinds of Westwood	5/1/2013	Lizabath Garcia	574 West Saddle River Road	Upper Saddle River	NJ	07458	(201)444-2377
	NEW MEXICO							
	Budget Blinds of Farmington	5/1/2003	Jeffery Holmes	825 N. Sullivan Ave.	Farmington	NM	87401	(505)324-2008
	Budget Blinds of Las Cruces	7/3/1/2006 1997	2 Mutch Ltd	6451 Avenida Del Sol	Las Cruces	NM	88011	(575)647-2655
	Budget Blinds of Rio Rancho	11/1/2006	Dale Sapp	1511 A Golf Course Road SE3771 Southern Blvd	Rio Rancho	NM	87124	(505)892-3281
4	Budget Blinds of Albuquerque West	6/1/2007	Dale Sapp	1511 A Golf Course Road SE3771 Southern Blvd	Rio Rancho	NM	87124	(505)892-3281
	NEVADA							
	Budget Blinds of South Reno	8/1/2002	Dave & Maryellen Ogburn	5475 Reno Corporate Drive P.O. Box 33995	Reno	NV	89511 89533	(775)828-3533

Budget Blinds, Inc.
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2	Budget Blinds of Sparks	3/1/2006	Dave & Maryellen Ogburn	5475 Reno Corporate Drive P.O. Box 33995	Reno	NV	8954489533	(775)828-3533
	NEW YORK							
	Budget Blinds of Watertown	11/1/2011	Jeff & Brandy Lucas	19144 Caird Rd	Adams Center	NY	13606	(315)583-4020
	Budget Blinds of Albany South	6/1/2008	Gene Pittelli	7 Woodside Dr.	Albany	NY	12208	(518)275-0930
	Budget Blinds of Bellmore	1/1/2008	Arleen Murphy	1608 Pea Pond Road	Bellmore	NY	11710	(516)308-3888
	Budget Blinds of Mount Kisco	4/1/2005	Anthony Mangino and Marvin Stein	132 Gage Rd.	Brewster	NY	10509	(914)788-8787
	Budget Blinds of Brooklyn South	11/1/2005	Griffith Enterprises, Inc.	123 Saint Marks Place	Brooklyn	NY	11217	(718)789-5500
	Budget Blinds of Brooklyn	5/1/2006	Griffith Enterprises, Inc.	123 Saint St Marks Place	Brooklyn	NY	11217	(718)789-5500
	Budget Blinds of Hampton Bay Valley Stream	4/9/2006 2013	Brian Quigley Nathan & Sarit Rudy	40 Kent Place 1915 East 7th Street	East Hamptons Brooklyn	NY	4193711223	(631)329-8663 (516)882-3196
	Budget Blinds of Syracuse South	4/1/2009	Thomas and Mary Hughes	112 Cross Road	Camillus	NY	13031	(315)673-1830
	Budget Blinds of Huntington	11/1/2006	O & M Solution, Inc.	4057 Jericho Tpke 569 Acorn Street Unit 5	East Northport Deer Park	NY	4173111729	(631)766-5759 392-1703
	Budget Blinds of Port Jefferson	5/1/2009	O & M Solution, Inc.	4057 Jericho Tpke 569 Acorn Street Unit 5	East Northport Deer Park	NY	4173111729	(631)766-5759 392-1703
	Budget Blinds of Hampton Bay	1/1/2013	O & M Solution, Inc.	569 Acorn Street Unit 5	Deer Park	NY	11729	(631)392-1703
	Budget Blinds of Liverpool	11/1/2006	Woodbriar Inc.	3117 Green Road	Erieville	NY	13061	(315)662-3900
	Budget Blinds of Fishkill	5/1/2004	Anthony Mazziotti	37 Flintrock Road	Fishkill	NY	12524	(845)897-1771
	Budget Blinds of Long Island City Howard Beach	4/1/2004	Onofrio & Mary Ann DeMattia	161-44 84th Street	Howard Beach	NY	11414	(718)322-1977
	Budget Blinds of Whitestone	1/1/2006	Onofrio & Mary Ann DeMattia	161-44 84th Street	Howard Beach	NY	11414	(718)322-1977
	Budget Blinds of Roslyn	11/1/2013	Robert & Joanne Kersch	9 Janes Lane	Lloyd Harbor	NY	11743	(631)425-1302
	Budget Blinds of Clifton Park Saratoga Springs	10/1/2004	Marcus Funciello	16 Route 9P	Malta	NY	12020	(518)584-2020
	Budget Blinds of Mamaroneck	5/1/2013	Dennis & Kim Martorano	716 Louis Street	Mamaroneck	NY	10543	(914)381-9444
	Budget Blinds of White Plains	11/1/2013	Dennis & Kim Martorano	716 Louis Street	Mamaroneck	NY	10543	(914)381-9444
	Budget Blinds of Binghamton	8/1/2008	Dale and Debbie Betts	42 Front St. P.O. Box 275	Marathon	NY	13803	(607)213-4100
	Budget Blinds of Manhattan	8/1/2004	Russell Wenger	119 W. 72nd St.	New York	NY	10023	(212)579-8000
	Budget Blinds of Orchard Park	3/1/2007	Stephanie Pardi	3614 North Buffalo Road	Orchard Park	NY	14127	(716)662-6011
	Budget Blinds of Ossining	6/1/2012	Todd Greenberg & Miriam Shigon	105 Narragansett Ave	Ossining	NY	10562	(914)747-2619
	Budget Blinds of Patchogue	5/1/2013	David R. Wertz	54 W Lakewood St	Patchogue	NY	11772	(631)438-

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	Budget Blinds of Syosset	10/1/2006	SRW Enterprises Corp	38 Birch Street St	Port Washington	NY	11050	<u>0440</u> (516)248-4556
	Budget Blinds of Staten Island South	5/1/2006	Foucault's Pendulum, LLC.	133 Highview Ave.	Staten Island	NY	10301	(718)524-7143
	Budget Blinds of Warwick	10/1/2004	Al-Lyn, Inc.	8 Astri Court	Suffern	NY	10901	(845)369-6038
-	Budget Blinds of Syracuse South	4/1/2009	Thomas and Mary Hughes	4680 Fairbanks Drive	Syracuse	NY	13215	(315)673-1830
	Budget Blinds of Nassau	12/1/2004	Davencar Enterprises, Inc	122 Guenther Ave	Valley Stream	NY	11580	(516)825-3135
	Budget Blinds of Rochester	5/1/2008	Wood Brothers & Associates, LLC	1050 Natures Way	Victor	NY	14564	(585)924-0272
	Budget Blinds of S.E. Rochester	5/1/2006 <u>15/1996</u>	Ed and Marie Spencer	975 Gravel Road	Webster	NY	14580	(585)671-9173
	Budget Blinds of Yonkers	6/1/2012	Josephine Brathwaite	31 Chelsea Place	Yonkers	NY	10710	(914)751-2052
2732	Budget Blinds of Yorktown Heights	7/1/2004	Jay Diaz & Eileen Solla-Diaz	14 Windsor Road	Yorktown Heights	NY	10598	(914)248-1010
	OHIO							
	Budget Blinds of Avon	1/1/2005	Keith Porchetta	35272 Saddle Creek Drive	Avon	OH	44011	(440)937-7698
	Budget Blinds of Lakewood	9/1/2009	Elmco Services LLC	26608 Knickerbocker Road	Bay Village	OH	44140	(216)889-9130
	Budget Blinds of Mayfield Heights	9/1/2009	Elmco Services LLC	26608 Knickerbocker Road	Bay Village	OH	44140	(216)889-9130
	Budget Blinds of Ann Arbor Arbor <u>Westerville</u>	12/1/2004 <u>2013</u>	Luciano Foggia Joseph & Jennifer Guagenti	43860 Hanford Rd <u>1273 State Route 37 West</u>	Delaware <u>Canton</u>	OH	48187 <u>43015</u>	(734)981-7524 <u>(740)549-1530</u>
	Budget Blinds of Columbus	7/1/2003	Coyster, LLC	6631 Commerce Parkway Suite J	Dublin	OH	43017	(614)792-9230
	Budget Blinds of Lancaster	5/1/2004	Robert Russo	620 Taylor Station Road	Gahanna	OH	43230	(614)759-1500
	Budget Blinds of Pickerington	10/1/2004	Robert Russo	620 Taylor Station Road	Gahanna	OH	43230	(614)759-1500
	Budget Blinds of Westerville Worthington & Upper Arl	4/12/1/2010 <u>2011</u>	Clear Creek Marketing, LTD. <u>Panacea Enterprises, LLC</u>	6562 Mingo Drive <u>6214 Heritage Point Court</u>	Hilliard <u>Galena</u>	OH	43026 <u>43021</u>	(740)549-1530 <u>(614)506-9784</u>
	Budget Blinds of Worthington & Upper Arl Hilliard	12/1/2011 <u>1/2013</u>	Adam A. Russo <u>Panacea Enterprises, LLC</u>	4694 Cemetery Rd Suite 289 <u>5709 Nike Drive</u>	Hilliard <u>Hilliard</u>	OH	43026	(614)506-9784 883-9933
	Budget Blinds of Hudson	7/1/2007 <u>2013</u>	Stefanie and Jeremy Thiessen <u>Daniel & Kelly Cartwright</u>	1267 Morris Rd <u>10605 Limeridge Road</u>	Kent <u>Hiram</u>	OH	44240 <u>44234</u>	(330)289-2762
	Budget Blinds of Montgomery	11/1/2004	William and Karen Ressler	1284 Aintree Court	Maineville	OH	45039	(513)697-6302
	Budget Blinds of Mason	6/1/2006	William and Karen Ressler	1284 Aintree Court Ct	Maineville	OH	45039	(513)697-6302
	Budget Blinds of Liberty Township	11/1/2008	CMP Group, LLC	1342 Eastman Lane West	Maineville	OH	45039	(513)759-4150
	Budget Blinds of Marysville	2/1/2011	RJS Limited, Inc.	648 Clymer Rd	Marysville	OH	43040	(937)303-4637
	Budget Blinds of Medina	11/1/2012	Matthew and Kristi Bradley	2140 Cyprus Dr SE	Massillon	OH	44646	(330)763-1585

Budget Blinds, Inc.
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	<u>Budget Blinds of Mentor</u>	<u>11/1/2012</u>	<u>Sean T. & Diana Meaney</u>	<u>8621 Station St</u>	<u>Mentor</u>	<u>OH</u>	<u>44060</u>	<u>(440)205-8836</u>
	Budget Blinds of Napoleon	4/1/2009	Ronald and Nancy Kruse	M257 County Road 11	Napoleon	OH	43545	(419)592-0396
	Budget Blinds of Newark	3/1/2003	Hyslop And Associates, LLC	1447 Misty Glen Dr.	Newark	OH	43055	(740)364-9411
	Budget Blinds of Gahanna	9/1/2003	Hyslop And Associates, LLC	1447 Misty Glen Dr.	Newark	OH	43055	(740)364-9411
	Budget Blinds of Alliance	2/1/2004	Claudia Sommers	1236 Eastwood Circle SE	North Canton	OH	44720	(330)499-0033
	Budget Blinds of North Canton	2/1/2004	Tri-El Inc.	8627 Cleveland Ave NW	North Canton	OH	44720	(330)456-6644
	Budget Blinds of Strongsville	9/1/2004	Cascade Group of Ohio Limited	14761 Pearl Road	Strongsville	OH	44136	(440)572-2480
	Budget Blinds of Olmsted	3/1/2005	Cascade Group of Ohio Limited	14761 Pearl Road	Strongsville	OH	44136	(440)572-2480
	Budget Blinds of North Royalton	9/1/2011	Cipra Interiors, LLC	21132 Creekside Drive	Strongsville	OH	44149	(440)268-9390
	Budget Blinds of Sylvania	9/1/2006 <u>8/23/1996</u>	George Cordray	7514 Sylvania Ave <u>5133 S. Main St.</u>	Sylvania	OH	43560	(419)841-7776
	Budget Blinds of Perrysburg	7/1/2012	Michael & Katie Schriener	3354 Blairmont Ave	Toledo	OH	43614	(419)380-9983
	Budget Blinds of Green	9/1/2003	Dale & Catherine Wagers	4132 Meadow Wood Lane	Uniontown	OH	44685	(330)896-8966
28	Budget Blinds of West Akron	5/1/2004	Dale & Catherine Wagers	4132 Meadow Wood Lane	Uniontown	OH	44685	(330)896-8966
28	<u>Budget Blinds of Mentor</u>	<u>11/1/2012</u>	<u>Sean T. & Diana Meaney</u>	<u>8621 Station St</u>	<u>Mentor</u>	<u>OH</u>	<u>44060</u>	<u>(440)205-8836</u>
	OKLAHOMA							
	Budget Blinds of Broken Arrow	7/1/2012	Window Coverings of Tulsa, LLC	11150 S 72nd E Ave	Bixby	OK	74008	(918)970-4488
	<u>Budget Blinds of Western Oklahoma</u>	<u>3/1/2013</u>	<u>Larry McDaniel & Patricia Lynn Lackey</u>	<u>10430 N. 2060 Rd.</u>	<u>Canute</u>	<u>OK</u>	<u>73626</u>	<u>(580)225-3766</u>
	Budget Blinds of Guthrie	9/1/2012	Kevin & Lorie Nail	221 Huntington	Guthrie	OK	73044	(405)282-7695
34	Budget Blinds of Edmond	11/1/2008	Floria and Kenneth Watts	7301 NE 107th Street	Oklahoma City	OK	73151	(405)321-1254
	OREGON							
	<u>Budget Blinds of Salem West</u>	<u>9/1/2003</u>	<u>Graylynn Window Coverings, LLC</u>	<u>2351 N Albany Rd NW</u>	<u>Albany</u>	<u>OR</u>	<u>97321</u>	<u>(541)738-2806</u>
	Budget Blinds of Beaverton	11/1/2012	Jennifer Meyer Boss	12878 SW Killpack Lane	Beaverton	OR	97005	(503)268-1237
	Budget Blinds of Deschutes County	11/1/2008	Robert, Clara, Ed, & Teresa Hughes	20920 Sage Creek Drive	Bend	OR	97702	(541)788-8444
	Budget Blinds of Corvallis	35/1/2003 <u>2013</u>	Graylynn Window Coverings, LLC <u>Scott & Heather VanEyk</u>	252 SW Madison Ave <u>33930 SE Eastgate Circle</u>	Corvallis	OR	97333	(541)738-2806
	Budget Blinds of Salem West <u>Eugene</u>	9/1/2003 <u>2001</u>	Graylynn Window Coverings, LLC <u>Jay-D Enterprises, Inc.</u>	555 River Loop 1 <u>252 SW Madison Ave.</u>	Eugene <u>Corvallis</u>	OR	97333 <u>97404</u>	(541)738-2806 <u>(541)461-8178</u>
	Budget Blinds of Springfield	1/1/2006	Jay-D Enterprises, Inc.	555 River Loop 1	Eugene	OR	97404	(541)461-8178
	Budget Blinds of Eugene <u>Hillsboro</u>	79/1/2006 <u>2013</u>	Colin Gagne <u>Jay-D Enterprises, Inc.</u>	2156 NW Chrystal Dr <u>555 River Loop 4</u>	McMinnville <u>Eugene</u>	OR	97404 <u>97128</u>	(541)461-8178 <u>(503)828-</u>

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	Budget Blinds of McMinnville	11 <u>10/1/2009</u> 2013	Jason & Amy Thompson Lifestyle Enterprises, Inc.	3609 1411 NE Hwy 101 N99 Suite B	Gearhart McMinnville	OR	971280 <u>97138</u>	(503)738-5242 <u>738-0792</u>
	Budget Blinds of Oregon Coast Medford	11 <u>9/1/2009</u> 2013	Lifestyle Enterprises, Inc. Jerry & Betty Wagar	3609 Hwy 101 N186 White Oak Drive	Gearhart Medford	OR	971389 <u>97504</u>	(503)738-5242 <u>541)779-7033</u>
	Budget Blinds of West Portland	10/1/2005	Richard and Barbara Maryatt	425 NE Tillamook Street	Portland	OR	97212	(503)284-3454
	Budget Blinds of North Portland	4/1/2006	Richard and Barbara Maryatt	425 NE Tillamook Street	Portland	OR	97212	(503)284-3454
	Budget Blinds of Keizer	<u>9/1/2006</u>	JIRAH INC.	P.O. Box 15136	Salem	OR	<u>97309</u>	<u>(503)393-1306</u>
	Budget Blinds of East Marion County	11/1/2012	Penny Haider	5734 Valleywood Loop SE	Salem	OR	97306	(503)990-6590
	Budget Blinds of Keizer Oregon Coast	9 <u>11/1/2006</u> 2009	Lifestyle Enterprises, Inc. JIRAH INC.	595 E. PO Box 197 Washington St.	Stayton Seaside	OR	971389 <u>97383</u>	(503)393-1306 <u>738-5242</u>
	Budget Blinds of East Portland	9/1/2005 <u>1995</u>	Jodie & Craig Culley	14301 S.W. Benchview Terrace	Tigard	OR	97224	(503)590-4333
1416	Budget Blinds of Lake Oswego	9/1/2011	Dave & Maureen Dahlstrom	14561 SW Chesterfield Lane	Tigard	OR	97224	(503)521-1188
	PENNSYLVANIA							
	Budget Blinds of Lehigh Valley	5 <u>4/1/2002</u>	Don Conley, Jr.	82 Werley Road	Allentown	PA	18104	(610)398-5660
	Budget Blinds of Wyoming Valley	12/1/2006	Thomas The Beechay Corporation	114 Old Field Dr.	Bloomsburg	PA	17815	(570)287-6000
	Budget Blinds of Center City Philadelphia	11/1/2006	A & A Partners	719 Oak Springs Rd.	Bryn Mawr	PA	19010	(877)678-0638
	Budget Blinds of North Mechanicsburg Canonsburg	6 <u>2/1/2005</u> 2006	Cudahy Management Group, LLC Marianne Muchesko	29 N 20th Street 167 Fireside Drive	Camp Hill Canonsburg	PA	15317 <u>17011</u>	(717)763-9009 <u>724)299-4010</u>
	Budget Blinds of Warminster	9 <u>8/1/2004</u>	B.C. Blinds, INC	902 Longwood Court	Chalfont	PA	18914	(215)441-4900
	Budget Blinds of Cranberry	10/1/2004	Larry Ehret	310 Village Court	Cranberry Twp.	PA	16066	(724)453-1300
	Budget Blinds of Ross Township	1/1/2006	Larry Ehret	310 Village Court	Cranberry Twp.	PA	16066	(724)453-1300
	Budget Blinds of East York	2 <u>1/2007</u>	Todd Finkenbiner	705 Summit Drive	Dallas Town	PA	17313	(717)880-2468
	Budget Blinds of North Bethlehem	1/1/2005	Bruce Blocklin	1303 Lieb Road	Easton	PA	18042	(610)250-1200
	Budget Blinds of Quakertown	<u>9/1/2013</u>	Elliptical Holdings, Inc.	<u>2719 Fleetwood Street</u>	<u>Easton</u>	<u>PA</u>	<u>18045</u>	<u>(215)529-8695</u>
	Budget Blinds of Gibsonia	4/1/2005	Jeremy & Janet Kasunick	313 Willett Road	Glenshaw	PA	15116	(412)353-1024
	Budget Blinds of South Hills	4/1/2005	Jeremy & Janet Kasunick	313 Willett Road	Glenshaw	PA	15116	(412)353-1024
	Budget Blinds of Elizabethtown	10/1/2005	Mark and Beth Anne Toto Budget Blinds of Susquehanna Valley, LLC	6014 Three Rivers Drive	Harrisburg	PA	17112	(717)657-6110
	Budget Blinds of Harrisburg	4/1/2006	Mark and Beth Anne Toto Budget Blinds of Susquehanna Valley, LLC	6014 Three Rivers Drive	Harrisburg	PA	17112	(717)657-6110

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of South Johnstown	7/3/2005 2013	Ed Friend Mark & Robin Holsopple	1651 Soap Hollow Road 115 Esther Dr.	JohnstownHollsopple	PA	15905 15935	(814)288-2707
	Budget Blinds of Altoona	1/1/2008	Melvin & Georgia Milne	204 Terlyn Dr	Johnstown	PA	15904	(814)467-4467
	Budget Blinds of Latrobe	7/1/2009	Paul & Judy Blackner	534 Pender Road	Johnstown	PA	15905	(814)288-2450
	Budget Blinds of Lion Country	7/1/2012	Melvin & Georgia Milne	204 Terlyn Dr	Johnstown	PA	15904	(814)467-4467
	Budget Blinds of North Lancaster	7/1/2005	Randy Hock	1923 Fruitville Pike	Lancaster	PA	17601	(717)519-6647
	Budget Blinds of Lititz	1/1/2006	Randy Hock	1923 Fruitville Pike	Lancaster	PA	17601	(717)519-6647
	<u>Budget Blinds of East York</u>	<u>7/1/2013</u>	<u>Randy Hock</u>	<u>1923 Fruitville Pike</u>	<u>Lancaster</u>	<u>PA</u>	<u>17601</u>	<u>(717)519-6647</u>
	Budget Blinds of Canonsburg North Mechanicsburg	2/6/1/2006 2005	Marianne Mueske Cudahy Management Group, LLC	167 Fireside 1770 Kendall Drive	McMurray Mechanicsburg	PA	17055 45347	(724)299-4019(717)763-9000
	<u>Budget Blinds of Media</u>	<u>12/1/2013</u>	<u>Robert & Caryn Chester</u>	<u>535 Ridge Ave</u>	<u>Media</u>	<u>PA</u>	<u>19063</u>	<u>(610)565-1000</u>
	Budget Blinds of Ambler	5/1/2005	Mitchell Bergman	102 Warwick Way	North Wales	PA	19454	(215)631-9960
	Budget Blinds of Ardmore	4/1/2012	BAK Holding, Inc.	735 S 12th Street #501	Philadelphia	PA	19147	(610)228-4550
	<u>Budget Blinds of Bryn Mawr</u>	<u>12/1/2013</u>	<u>Main Line Window Coverings, LLC</u>	<u>104 Lombard St</u>	<u>Philadelphia</u>	<u>PA</u>	<u>19147</u>	<u>(215)800-1776</u>
	Budget Blinds of Butler	2/1/2006	Doug Miller	9061 Pine Heights Place	Pittsburgh	PA	15237	(724)234-4311
	Budget Blinds of Greenburg	5/1/2009	Toby Yurko	508 Sandstone Court	Pittsburgh	PA	15239	(412)798-3333
	Budget Blinds of Monroeville	6/1/2009	Toby Yurko	508 Sandstone Court	Pittsburgh	PA	15239	(412)798-3333
	Budget Blinds of New Kensington	9/1/2012	Toby Yurko	508 Sandstone Court	Pittsburgh	PA	15239	(412)798-3333
	Budget Blinds of Phoenixville	11/1/2005	Crystal Everly	245 Micklitz Dr. <u>Drive</u>	Pottstown	PA	19464	(610)948-6670
	Budget Blinds of Bedford County	11/1/2011	Saxton Window Treatments, Inc.	608 16th Street	Saxton	PA	16678	(855)421-8800
	Budget Blinds of King of Prussia	11/1/2011	Robert & Janell Zawacki	542 Baptist Church Rd	Spring City	PA	19475	(610)955-8137
	Budget Blinds of Downingtown	3/1/2003	John McCormick	10 Chesterland Dr.	Thorton	PA	19373	(610)399-4950
3134	Budget Blinds of Kennett Square	4/1/2004	John McCormick	10 Chesterland Dr. <u>Drive</u>	Thorton	PA	19373	(610)399-4950
	RHODE ISLAND							
	Budget Blinds of Newport	1/1/2004	Raymond Ricci	30 Lamson Road	Barrington	RI	02806	(401)247-1100
	Budget Blinds of Attleboro	4/1/2004	Michael & Cynthia Gallant	12 Blossom Court	Cumberland	RI	02864	(401)475-5859
	Budget Blinds of Coventry	4/1/2012	Timothy & Theresa Castelli	15 Alberta Street	Hope	RI	02831	(401)828-2374
4	Budget Blinds of Woonsocket Northern Rhode Island	4/1/2004	George & Melanie and George Loya	98 Coe Street	Woonsocket	RI	02895	(401)356-4770

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	SOUTH CAROLINA							
	Budget Blinds of Anderson	5/1/2003	T N T Management	1500 Whitehall Rd	Anderson	SC	29625	(864)332-0612
	<u>Budget Blinds of Fort Mill</u>	<u>7/1/2004</u>	<u>Kirby Noblitt Crotts & William Noblit</u>	<u>4061 Belle Meade Circle</u>	<u>Belmont</u>	<u>SC</u>	<u>28012</u>	<u>(704)864-8778</u>
	Budget Blinds of Hilton Head Island	4/1/2006	Bob and Kate Engler	878 880 Fording Island Rd Unit 138	Bluffton	SC	29910	(843)837-4060
	Budget Blinds of NE Columbia	5/1/2011	Stephen & Michelle Davis	216 Ridge Trail Drive	Columbia	SC	29229	(803)736-8591
-	<u>Budget Blinds of Fort Mill</u>	<u>3/1/2006</u>	<u>Lifetime Interior Fashions, LLC</u>	<u>208 Underwood Rd</u>	<u>Matthews</u>	<u>SC</u>	<u>28104</u>	<u>(803)746-4794</u>
	Budget Blinds of Myrtle Beach	4/1/2004	Richard & Karen Howle	2700 Coopers Court	Myrtle Beach	SC	29579	(843)267-8602
	Budget Blinds of Greenville	10/1/2007	Kingfish, LLC	509 Cypress Links Way	Taylors	SC	29687	(864)329-0003
	Budget Blinds of N. Charleston	8/1/2004	Merv Epstein	140 Etiwan Park Drive	Wando	SC	29492	(843)856-9498
8	Budget Blinds of Summerville	10/1/2008	Merv Epstein	140 Etiwan Park Drive	Wando	SC	29492	(843)856-9498
	SOUTH DAKOTA							
	Budget Blinds of Aberdeen	3/1/2007	Aberdeen Blinds LLC	205 6th Ave SE Suite 300	Aberdeen	SD	57401	(605)622-3286
	Budget Blinds of Pierre	2/1/2005	Jim & Laura Ellenbecker	409 N. Evans St.	Pierre	SD	57501	(605)341-0109
	Budget Blinds of Rapid City	1/1/2006	Jim & Laura Ellenbecker	409 N. Evans St.	Pierre	SD	57501	(605)341-0109
	Budget Blinds of North Sioux Falls	1/1/2010	Adam and Tara Balding	5303 W. 41st Street	Sioux Falls	SD	57106	(605)332-7265
5	Budget Blinds of Sioux Falls	1/1/2010	Adam and Tara Balding	5303 W. 41st Street	Sioux Falls	SD	57106	(605)332-7265
	TENNESSEE							
	<u>Budget Blinds of Springfield</u>	<u>5/1/2013</u>	<u>TNJH, LLC</u>	<u>139 Colson Hollow Rd</u>	<u>Charlotte</u>	<u>TN</u>	<u>37036</u>	<u>(615)789-4811</u>
	Budget Blinds of Crossville	7/1/2012	Williams Enterprises LLC	2455 Shorty Barnes Rd. Ste 7	Crossville	TN	38571	(931)707-7727
	Budget Blinds of Franklin	12/1/2011	Suttle Enterprises LLC	533 Pearre Springs Way	Franklin	TN	37064	(615)591-1195
	Budget Blinds of Chattanooga	2/1/2007 <u>20/1997</u>	Henry & Lynn Lewis	7607 Banther Road	Harrison	TN	37341	(423)344-7393
	Budget Blinds of Hendersonville	9/1/2002	H.J. Holder, LLC	101 Ridgemar Trail	Hendersonville	TN	37075	(615)822-0001
	Budget Blinds of West Knoxville	6/1/2006 <u>2001</u>	Phil Benavides	4601 Chambliss Ave.	Knoxville	TN	37919	(865)588-4455
-	<u>Budget Blinds of South Knoxville</u>	<u>7/1/2010</u>	<u>Michael & Patricia Pope</u>	<u>1004 Russwood Dr</u>	<u>Knoxville</u>	<u>TN</u>	<u>37920</u>	<u>(865)567-9076</u>
	Budget Blinds of Knoxville	7/1/2011	Brad & Susan Gerrish	333 Troy Circle	Knoxville	TN	37919	(865)588-3377
	<u>Budget Blinds of North Knoxville</u>	<u>7/1/2011</u>	<u>Brad & Susan Gerrish</u>	<u>333 Troy Circle</u>	<u>Knoxville</u>	<u>TN</u>	<u>37919</u>	<u>(865)588-3377</u>
	Budget Blinds of Maryville	7/1/2011	Brad & Susan Gerrish	333 Troy Circle	Knoxville	TN	37919	(865)588-3377
-	<u>Budget Blinds of North Knoxville</u>	<u>7/1/2011</u>	<u>Brad & Susan Gerrish</u>	<u>333 Troy Circle</u>	<u>Knoxville</u>	<u>TN</u>	<u>37919</u>	<u>(865)588-3377</u>

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	Budget Blinds of Cordova	6/1/2005 <u>2000</u>	Scott Spielberger	4553 Seed Tick Road	Lakeland	TN	38002	(901)867-8118
	Budget Blinds of Collierville	1/1/2006	Scott Spielberger	4553 Seed Tick Road	Lakeland	TN	38002	(901)867-8118
	Budget Blinds of West Memphis	9/1/2006	Scott Spielberger	4553 Seed Tick Road	Lakeland	TN	38002	(901)867-8118
	Budget Blinds of Clarksville	10/1/2011	Mike Menard	201 Easy Street	Lewisburg	TN	42256	(931)358-4825
	<u>Budget Blinds of South Knoxville</u>	<u>7/1/2010</u>	<u>Michael & Patricia Pope</u>	<u>2002 Tremont Circle</u>	<u>Maryville</u>	<u>TN</u>	<u>37803</u>	<u>(865)567-9076</u>
	Budget Blinds of Brentwood	4/1/2004	Pam Smith	1415 Lone Oak Road <u>8870 Central Pike</u>	Mount Juliet	TN	37122	(615)885-1050
	Budget Blinds of Murfreesboro	12/1/2008	Bryant Enterprises, LLC.	350 Sayre Lane	Murfreesboro	TN	37127	(615)904-7255
	Budget Blinds of South Nashville	7/1/2012	Thomas Gravelle Jr & Jessica Weir	1416 Antioch Pike #100	Nashville	TN	37013	(615)942-5780
	<u>Budget Blinds of Mount Juliet</u>	<u>9/1/2013</u>	<u>Scott & Judy Chancey</u>	<u>5018 Manuel Drive</u>	<u>Nashville</u>	<u>TN</u>	<u>37211</u>	<u>(615)772-7789</u>
	Budget Blinds of Oak Ridge	6/1/2004	James, Robyn, Carl & Laina Lamanna	7050 SR-304	Ten Mile	TN	37880	(865)483-9090
1820	Budget Blinds of Loudon	7/1/2005	James, Robyn, Carl & Laina Lamanna	7050 SR_304	Ten Mile	TN	37880	(865)483-9090
	TEXAS							
	Budget Blinds of Abilene	2/1/2012	Mike & Julie Breckenridge	2026 Brookhollow Drive <u>3198 S 27th Street</u>	Abilene	TX	79605	(325)698-8800
	<u>Budget Blinds of College Station</u>	<u>8/1/2006</u>	<u>Clyde & Sandra Strong</u>	<u>7750 Elmo Weedon Road</u>	<u>Bryan</u>	<u>TX</u>	<u>77808</u>	<u>(979)820-5000</u>
	Budget Blinds of Southeast Austin	10/1/2008	Bart and Kelly Griffin	429 Crooked Creek	Buda	TX	78610	(512)373-8512
	<u>Budget Blinds of College Station</u>	<u>8/1/2006</u>	<u>Clyde & Sandra Strong</u>	<u>1304 Van Horn Drive</u>	<u>College Station</u>	<u>TX</u>	<u>77845</u>	<u>(979)820-5000</u>
	Budget Blinds of Lake Dallas	8/1/2003	Grace Solutions, Inc	310 Falcon Court	Coppell	TX	75019	(972)727-5010
	Budget Blinds of South Corpus Christi	6/1/2012	Pamela Morin	911 Grant Place	Corpus Christi	TX	78411	(361)808-7400
	Budget Blinds of North Irving	9/1/2003	Warren Teele Witt	4347 W. Northwest Hwy., #120-146	Dallas	TX	75220	(469)877-2151
	Budget Blinds of Park Cities	4/1/2006	Jim McMullen	7206 Claybrook Drive	Dallas	TX	75231	(214)503-0151
	Budget Blinds of Northeast Dallas	8/1/2008	Jim McMullen	7206 Claybrook Drive <u>Dr.</u>	Dallas	TX	75231	(214)503-0151
	Budget Blinds of Friendswood	11/1/ 2007 <u>1997</u>	Jason Wade	6610 S. Oak Avenue	Dickinson	TX	77539	(281)992-5463
	Budget Blinds of Mansfield	12/1/2006	Kris Timmerman	5061 David Strickland Road	Fort Worth	TX	76119	(817)561-9090
	Budget Blinds of North West Fort Worth	6/1/2007	Kris Timmerman	5061 David Strickland Road <u>#1085236 Camp Bowie Blvd.</u>	Fort Worth	TX	76119 <u>76107</u>	(817)561-9090 <u>732-2722</u>
	Budget Blinds of Fort Worth	8/1/2007	Kris Timmerman, Cathlene & Vince Breunig	5061 David Strickland Road <u>#1085236 Camp Bowie Blvd.</u>	Fort Worth	TX	76119 <u>76107</u>	(817)561-9090 <u>732-2722</u>
	Budget Blinds of North Arlington	9/1/2012	Kris Timmerman	5061 David Strickland Road <u>#1085236 Camp Bowie Blvd.</u>	Fort Worth	TX	76119 <u>76107</u>	(817)561-9090 <u>732-2722</u>
	Budget Blinds of Tyler	2/1/2012	Lee and Amie Mathis	1903 Inglewood Street	Henderson	TX	75654	(903)561-

Budget Blinds, Inc.
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								6767
	Budget Blinds of SW Houston	10/1/2011	<u>Maurice & Lynne Gordon Lorenz Group, Inc.</u>	3526 Grennoch Lane	Houston	TX	77025	(713)592-0224
-	Budget Blinds of Houston North	11/1/2012	Jessica Espino	16031 Cutten Rd	Houston	TX	77070	(281)205-7972
	Budget Blinds of Spring	11/1/2012	Margaret J. Hopkins	1138 Cortlandt St	Houston	TX	77008	(281)397-7388
	<u>Budget Blinds of Houston North</u>	<u>11/1/2012</u>	<u>Jessica Espino</u>	<u>16031 Cutten Rd</u>	<u>Houston</u>	<u>TX</u>	<u>77070</u>	<u>(281)205-7972</u>
	<u>Budget Blinds of Greater Heights</u>	<u>1/1/2013</u>	<u>Andrew & Shari Perez</u>	<u>2032 Gostick</u>	<u>Houston</u>	<u>TX</u>	<u>77008</u>	<u>(713)393-7185</u>
	<u>Budget Blinds of Houston West</u>	<u>5/1/2013</u>	<u>Kimberly Stratton</u>	<u>10123 Hazelhurst</u>	<u>Houston</u>	<u>TX</u>	<u>77043</u>	<u>(713)973-2969</u>
	<u>Budget Blinds of Katy</u>	<u>9/1/1997</u>	<u>Doug and Loree Brazil</u>	<u>21819 Katy Fwy</u>	<u>Katy</u>	<u>TX</u>	<u>77450</u>	<u>(281)578-7333</u>
	<u>Budget Blinds of Sugarland</u>	<u>3/1/1998</u>	<u>Doug and Loree Brazil</u>	<u>21819 Katy Fwy</u>	<u>Katy</u>	<u>TX</u>	<u>77450</u>	<u>(281)578-7333</u>
	Budget Blinds of Houston	9/1/2005	Joe and Donna Adams	20702 Sea Pine Drive	Katy	TX	77450	(281)829-2288
-	Budget Blinds of Katy	9/1/2007	Doug and Loree Brazil	21819 Katy Fwy	Katy	TX	77450	(281)578-7333
-	Budget Blinds of Sugarland	3/1/2008	Doug and Loree Brazil	21819 Katy Fwy	Katy	TX	77450	(281)578-7333
	Budget Blinds of Keller	3/1/2005	Lori & Michael Sanders	1541 Sarah Brooks	Keller	TX	76248	(817)656-7077
	Budget Blinds of The Greater Mid-Cities	7/1/2012	Jeff & Julianne Mullins	1015 Metalmark Court	Lantana	TX	76226	(817)498-0077
	Budget Blinds of League City	5/1/2002	Louis Moran	2329 N. Lakefront Drive	League City	TX	77573	(281)534-2426
	Budget Blinds of Denton	3/1/2012	Patricia Shell	1413 Rossen Rd	Little Elm	TX	75068	(469)481-2863
	Budget Blinds of Southwest Lubbock	1/1/2006	Dell Cannon	12109 CR 1800 #3	Lubbock	TX	79424	(806)771-7395
	<u>Budget Blinds of Mansfield</u>	<u>3/1/2013</u>	<u>Joseph & Raquel Elder</u>	<u>1848 Lone Star Rd. St 208</u>	<u>Mansfield</u>	<u>TX</u>	<u>76063</u>	<u>(817)539-0155</u>
	Budget Blinds of Midland	12/1/2010	Brad Finch	5005 Canadian Drive <u>4018 Angelina Drive</u>	Midland	TX	79707	(432)853-2723
	<u>Budget Blinds of Midlothian</u>	<u>9/1/2013</u>	<u>Pate & Melissa Neal</u>	<u>5851 Sweetwater Drive</u>	<u>Midlothian</u>	<u>TX</u>	<u>76065</u>	<u>(817)291-5961</u>
	<u>Budget Blinds of Conroe</u>	<u>1/1/2013</u>	<u>Craig Kincer</u>	<u>229 Woodside Lane</u>	<u>Montgomery</u>	<u>TX</u>	<u>77356</u>	<u>(936)524-7944</u>
	Budget Blinds of NE San Antonio	6/1/2007	Rick and Malinda Delong	220 Spring Hollow	New Braunfels	TX	78132	(830)627-2828
	Budget Blinds of Austin South	3/1/2012	Halbren, LLC	802 House Wren Loop	Pflugerville	TX	78660	(512)670-2222
	Budget Blinds of McAllen	1/1/2003	Hector & Luis Astorga	1101 W. Ferguson St.	Pharr	TX	78577	(956)783-5901
	Budget Blinds of North Plano	10/1/2010	InveStepp, Inc.	2520 Avenue K, Suite 700/2557701 Circleview Court	Plano	TX	75074 <u>75025</u>	(972)955-2072
	Budget Blinds of North Dallas	2/1/2012	Diana Wescoat Austin, Inc.	1333 Maywood Court	Plano	TX	75023	(972)517-1304
	Budget Blinds of Carrollton	3/1/2012	InveStepp, Inc.	2520 Avenue K, Suite 700/2557701 Circleview Court	Plano	TX	75074 <u>75025</u>	(972)955-2072
	<u>Budget Blinds of Plano</u>	<u>1/1/2013</u>	<u>Lloyd White</u>	<u>426 Brook Glen Drive</u>	<u>Richardson</u>	<u>TX</u>	<u>75080</u>	<u>(972)234-4544</u>

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	Budget Blinds of Bellaire	4/1/2012	Joe & Ofelia Rogers <u>Major Max Corporation</u>	7419 Lavaerton Wood Lane	Richmond	TX	77407	(832)535-3767
	<u>Budget Blinds of Missouri City</u>	<u>3/1/2013</u>	<u>Fopac, LLC</u>	<u>7406 Rain Drop Ct</u>	<u>Richmond</u>	<u>TX</u>	<u>77407</u>	<u>(281)407-2724</u>
	<u>Budget Blinds of Rowlett</u>	<u>9/1/2013</u>	<u>Matt & Karen McKinney</u>	<u>2270 Timber Creek Dr</u>	<u>Rockwall</u>	<u>TX</u>	<u>75032</u>	<u>(972)722-9300</u>
	Budget Blinds of Austin	6/1/2011	Mary & Rex Schroeder	1705 Foxfire Dr	Round Rock	TX	78681	(512)310-3000
-	Budget Blinds of Hill Country	6/1/2011	Mary & Rex Schroeder	1705 Foxfire Dr	Round Rock	TX	78681	(512)310-3000
	Budget Blinds of North Austin	6/1/2011	Mary & Rex Schroeder	1705 Foxfire Dr	Round Rock	TX	78681	(512)310-3000
	<u>Budget Blinds of Hill Country</u>	<u>6/1/2011</u>	<u>Mary & Rex Schroeder</u>	<u>1705 Foxfire Dr</u>	<u>Round Rock</u>	<u>TX</u>	<u>78681</u>	<u>(512)310-3000</u>
	Budget Blinds of San Angelo	1/1/2004	Brian and Suzan Gargan	910 Jack St. <u>1917 Knickerbocker Rd.</u>	San Angelo	TX	76903 <u>76904</u>	(325)658-6200
	Budget Blinds of Stone Oak	6/1/2006	The Schield Corporation	1326 Desert Links	San Antonio	TX	78258	(210)490-2272
	Budget Blinds of North San Antonio	11/1/2006	The Schield Corporation	1326 Desert Links	San Antonio	TX	78258	(210)490-2272
	Budget Blinds of East Spring	<u>10/1/1/2007</u> <u>2013</u>	<u>Emily and Larry Deegan</u> <u>Joe & Nicole Bacchi</u>	<u>26003 Bearborough Drive</u> <u>30911 Still Oaks Lane</u>	Spring	TX	77386	(281)298-7676
	Budget Blinds of The Woodlands	<u>7/10/1/2007</u> <u>2013</u>	<u>Emily and Larry Deegan</u> <u>Joe & Nicole Bacchi</u>	<u>26003 Bearborough Drive</u> <u>30911 Still Oaks Lane</u>	Spring	TX	77386	(281)298-7676
-	Budget Blinds of Conroe	1/1/2008	Marc & Jennifer Fowler	31122 Deerwood Park Lane	Spring	TX	77386	(936)524-7944
-	Budget Blinds of Beaumont	8/1/2008	Jody and Tim Farnum	1773 Bill Pruitt Rd	Sulphur	TX	70663	(409)892-3900
	Budget Blinds of Terrell	2/1/2011	SJC Interiors LLC	507 Ninth Street	Terrell	TX	75160	(972)563-3111
-	Budget Blinds of Plano	4/1/2003	Tom & Cheryl Wilcox	4805 Strickland Ave.	The Colony	TX	75056	(972)624-1838
	Budget Blinds of Cypress	11/1/2012	David & Shana Hall	14090 FM 2920, Suite G-102	Tomball	TX	77377	(281)256-7927
	Budget Blinds of Victoria	8/1/2010	<u>Casey Housworth Enterprises Inc.</u>	103 Palomino Ln	Victoria	TX	77904	(361)576-6100
	Budget Blinds of Waco	11/1/2010	Kevin & Kim Garman	7609 Woodway Dr.	Waco	TX	76712	(254)235-2546
4953	Budget Blinds of Weatherford	8/1/2004	James & Linda Jackson	224 Hidden Acres Lane	Weatherford	TX	76087	(817)341-2268
	UTAH							
	Budget Blinds of Davis County	<u>8/1/2004</u> <u>7/19/1994</u>	Carri Lee Neff	360 S. 200 W.	Bountiful	UT	84010	(801)298-0575
	Budget Blinds of St. George	9/1/2009	Clint and Kyle Melling	2400 W. Melling Drive <u>Dr.</u>	Cedar City	UT	84721	(435)691-3435
	Budget Blinds of South Valley 2	5/1/2008	Dan Reeder	5482 Brundisi Way	Herriman	UT	84096	(801)561-0440
	Budget Blinds of Utah Valley	1/1/2009	Dan Reeder	5482 Brundisi Way	Herriman	UT	84096	(801)561-0440
	Budget Blinds of Northern Utah	<u>8/1/2004</u> <u>8/1994</u>	Brian & Mindy Vance	5790 West 4275 South	Hooper	UT	84315	(801)732-6846
6	Budget Blinds of Sandy	12/1/2010	All Blinds, Inc.	439 E. 710 N.	Lindon	UT	84042	(801)938-1222
	VIRGINIA							
	Budget Blinds of Suffolk	6/1/2002	Grice Enterprises, Inc.	1025 Executive Blvd.	Chesapeake	VA	23320	(757)356-

Budget Blinds, Inc.
Current Franchise Roster

								9996
	Budget Blinds of Virginia Beach	9/1/2002	Grice Enterprises, Inc.	1025 Executive Blvd.	Chesapeake	VA	23320	(757)356-9996
	Budget Blinds of Chesapeake	1/1/2004	Grice Enterprises, Inc.	1025 Executive Blvd.	Chesapeake	VA	23320	(757)356-9996
	Budget Blinds of Chester	10/1/2004	The Howles Nest, Inc.	518 Greynshire Drive	Chester	VA	23836	(804)530-1222
	<u>Budget Blinds of Mechanicsville</u>	<u>11/1/2004</u>	<u>Mitchell & Mary Kernstine</u>	<u>8006 Hampton Glen Mews</u>	<u>Chesterfield</u>	<u>VA</u>	<u>23832</u>	<u>(804)598-4990</u>
	Budget Blinds of Charlottesville	7/1/2005	Thomas and Debra Rosenbaum	14119 Chiasso Terrace	Chesterfield	VA	23838	(434)974-1576
	Budget Blinds of Fredericksburg	12/1/2004	William and Karen Booth	7417 Ni River Landing	Fredericksburg	VA	22407	(540)786-5500
	Budget Blinds of Stafford	8/1/2012	Roger & Kimberlee Wilde	2109 Karen Terrace	Fredericksburg	VA	22405	(540)372-3425
	Budget Blinds of Richmond	4/1/2010	Michael & Heidi Ellis	12200 Old Buckingham Road	Midlothian	VA	23113	(804)464-2938
	Budget Blinds of Midlothian	5/1/2004	Mitchell & Mary Kernstine	1368 Palmore Road	Powhatan	VA	23139	(804)598-4990
	Budget Blinds of Mechanicsville	11/1/2004	Mitchell & Mary Kernstine	1368 Palmore Road	Powhatan	VA	23139	(804)598-4990
	Budget Blinds of Herndon	6/1/2005	Michael & Diane Rishmawi, LLC	820 Maple Flats Terrace	Purcellville	VA	20132	(703)389-6721
	Budget Blinds of Tysons Corner	1/1/2012	Michael & Diane Rishmawi, LLC	820 Maple Flats Terrace	Purcellville	VA	20132	(703)389-6721
	Budget Blinds of Fairfax	6/1/2012	Geneva Youngberg & Paul Grant	2206 Sanibel Drive	Reston	VA	20191	(571)223-2277
	Budget Blinds of Glen Allen	7/1/2009	Carytown Interiors, Inc.	1626 Ownby Lane	Richmond	VA	23220	(804)355-1595
	Budget Blinds of Roanoke	6/1/2002	M.G. (Chip) Lilly & James Guilliams	542 Pell Avenue	Rocky Mount	VA	24151	(540)489-4897
	<u>Budget Blinds of The Oceanfront</u>	<u>5/1/2013</u>	<u>Christina Chick</u>	<u>1349 Eagle Avenue</u>	<u>Virginia Beach</u>	<u>VA</u>	<u>23453</u>	<u>(757)452-4000</u>
	Budget Blinds of Sudley Springs	7/1/2004	Byron Wayne & Elizabeth Powers	332 West Lee Highway	Warrenton	VA	20186	(540)428-8777
	Budget Blinds of Ashburn	12/1/2006	Byron Wayne & Elizabeth Powers	332 West Lee Highway	Warrenton	VA	20186	(540)428-8777
	Budget Blinds of South Riding	8/1/2007	Byron Wayne & Elizabeth Powers	332 West Lee Highway	Warrenton	VA	20186	(540)428-8777
	Budget Blinds of Williamsburg	3/6/2005 <u>2000</u>	Bowers, Inc	223-C Parkway Drive	Williamsburg	VA	23185	(757)258-8738
2021	Budget Blinds of Winchester	7 <u>10/1/2004</u>	Scot Swanson	271 Spring Valley Drive	Winchester	VA	22603	(540)542-0033
	WASHINGTON							
	Budget Blinds of East Side	3/1/2008	J & T Business Group Corp	13400 NE 20th Street #15	Bellevue	WA	98005	(425)644-3037
	Budget Blinds of Bellevue-Mercer Island	3/1/2011	J & T Business Group Corp	13400 NE 20th Street #15	Bellevue	WA	98005	(425)644-3037
	<u>Budget Blinds of Moses Lake</u>	<u>5/1/2013</u>	<u>Will & Cindy Johnson</u>	<u>208 Lookout Mtn. Dr.</u>	<u>Ellensburg</u>	<u>WA</u>	<u>98926</u>	<u>(855)925-2242</u>
	Budget Blinds of Mill Creek	12/27/2001 <u>3/1/2002</u>	Window Works Enterprises, LLC.	9915 - 7th Ave. SE	Everett	WA	98208	(425)338-7933
	Budget Blinds of Woodinville	12/27/2001 <u>4/1/2002</u>	Window Works Enterprises, LLC.	9915 - 7th Ave. SE	Everett	WA	98208	(425)338-7933

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of Mukilteo	5/1/2003	Window Works Enterprises, LLC.	9915 - 7th Ave. SE	Everett	WA	98208	(425)338-7933
-	Budget Blinds of Gig Harbor	6/1/2003	William B. Peach	4784 G Borgen Blvd	Gig Harbor	WA	98332	(253)858-5855
	Budget Blinds of East Richland Kennewick	4/1/2006 2010	Doug & Maryann Roller	8318 W Gage Blvd, Suite F	Kennewick	WA	99336	(509)396-5151
	Budget Blinds of Kennewick East Richland	4/1/2010 2013	Todd & Susan Schuermann Doug & Maryann Roller	8318 W Gage Blvd, Suite F	Kennewick	WA	99336	(509)396-5151
	Budget Blinds of Seattle	4/1/2002	Tommy Jones	8726 122nd Ave NE	Kirkland	WA	98033	(206)262-0387
	Budget Blinds of Renton	5/1/2003	Tommy Jones	8726 122nd Ave NE	Kirkland	WA	98033	(206)262-0387
	Budget Blinds of Bothell	2/1/2005	Ryan DeVries	425 158th St. SE	Mill Creek	WA	98012	(425)742-3448
	Budget Blinds of North Spokane	7/1/2006	Zeal Endeavors, LLC	6245 Gunner Ct. Gunnar Court	Nine Mile Falls	WA	99026	(509)468-1045
	Budget Blinds of Poulsbo	11/1/2004	Nathan and Jennifer Mann	1016 NE Forest Rock Ln	Poulsbo	WA	98370	(360)779-3500
	Budget Blinds of Seattle West	2/1/2005	Hammer Down Investments Inc.	3518 S.W. Genesee St.	Seattle	WA	98126	(206)932-2655
	Budget Blinds of Seattle Central South	1/1/2006	Hammer Down Investments Inc.	3518 S.W. Genesee St.	Seattle	WA	98126	(206)932-2655
	Budget Blinds of Port Angeles	8/1/2005	Gabriel and Amanda Walsh	489 W. Washington St.	Sequim	WA	98382	(360)582-9200
	Budget Blinds of Seattle Northwest	11/1/2004	Brenda & Arnie Perez	14721 Aurora Ave N	Shoreline	WA	98133	(206)306-9710
	Budget Blinds of North Seattle	8/1/2005	Brenda & Arnie Perez	14721 Aurora Ave N	Shoreline	WA	98133	(206)306-9710
-	Budget Blinds of Auburn/Sumner	9/1/2013	Mattingly Designs, LLC	4411 Blackstone Dr. SW	Tumwater	WA	98512	(253)218-3550
-	Budget Blinds of Gig Harbor	6/1/2003	William B. Peach	7010 27th St W	University Place	WA	98466	(253)858-5855
	Budget Blinds of Vancouver	7/1/2006	Floyd W, Inc.	2420 2119 SE Columbia House Blvd, Suite 100 Way, Ste 320	Vancouver	WA	98661	(360)852-8365
	Budget Blinds of Vancouver North	7/1/2006	Floyd W, Inc.	2420 2119 SE Columbia House Blvd, Suite 100 Way, Ste 320	Vancouver	WA	98661	(360)852-8365
	Budget Blinds of Vancouver East	2/1/2007	Floyd W, Inc.	2420 2119 SE Columbia House Blvd, Suite 100 Way, Ste 320	Vancouver	WA	98661	(360)852-8365
	Budget Blinds of Wenatchee	93/1/2007 2000	Greg Crisman	2136 Sunrise Circle P.O. Box 3062	Wenatchee	WA	98801 98807	(509)662-7444
	Budget Blinds of Longview	1/1/2008	North Fork Ventures, Inc.	42403 N.W. 8th Ave.	Woodland	WA	98674	(360)225-8138
2426	Budget Blinds of Lacey	3/1/2005	Amber Koebberling	17103 Lake Point Drive SE 1201 East Yelm Ave Suite 400	Yelm	WA	98597	(360)894-8130
	WISCONSIN							
	Budget Blinds of Fox Valley	7/1/2005 6/16/1995	Jeff & Lori Rakestraw	1830 North Locust St	Appleton	WI	54914	(920)734-0424
	Budget Blinds of New Berlin	4/1/2005	Robert & Colleen Scaife	15700 Burliegh Blvd	Brookfield	WI	53005	(262)781-9510
	Budget Blinds of Eau Claire	96/1/2003 2013	Jeff & Sally Vlasak Amy Talmage	2022 Florence Court 4535	Eau Claire Chippewa Falls	WI	54703 54729	(715)833-

Budget Blinds, Inc.
Current Franchise Roster

				<u>111th St</u>				8921
-	Budget Blinds of Janesville	5/1/2003	Rycam LLC	101 W. Evergreen PKWY	Elkhorn	WI	53121	(262)723-7020
	Budget Blinds of Elkhorn	8/1/2004	Rycam LLC	101 W. Evergreen PKWY	Elkhorn	WI	53121	(262)723-7020
	Budget Blinds of Howard Village	5/1/2009	Kurt & Michele Deneys	2754 Belle Plane Rd <u>2311 Velp Ave</u>	Green Bay	WI	54313 <u>54303</u>	(920)822-0516
	Budget Blinds of East Green Bay	10/1/2009	Joseph Grzelak and Jane Grzelak	3089 Summer Place	Green Bay	WI	54313	(920)494-1682
	Budget Blinds of West Green Bay	5/1/2010	Kurt & Michele Deneys	2754 Belle Plane Rd <u>2311 Velp Ave</u>	Green Bay	WI	54313 <u>54303</u>	(920)822-0516
	<u>Budget Blinds of Door County</u>	<u>6/1/2013</u>	<u>Kurt & Michele Deneys</u>	<u>2311 Velp Ave</u>	<u>Green Bay</u>	<u>WI</u>	<u>54303</u>	<u>(920)822-0516</u>
	Budget Blinds of Madison	2/1/2003	Jeff Morris Enterprises, LLC	6714B Odana Rd.	Madison	WI	53719	(608)827-2212
	<u>Budget Blinds of NW Madison</u>	<u>10/1/2003</u>	<u>Jeff Morris Enterprises, LLC</u>	<u>6714B Odana Rd</u>	<u>Madison</u>	<u>WI</u>	<u>53719</u>	<u>(608)827-2212</u>
	Budget Blinds of SE Madison	7/1/2003	Jeff Morris Enterprises, LLC	6714B Odana Rd.	Madison	WI	53719	(608)827-2212
-	Budget Blinds of NW Madison	10/1/2003	Jeff Morris Enterprises, LLC	6714B Odana Rd.	Madison	WI	53719	(608)827-2212
	Budget Blinds of Franklin	5/1/2005	P McAdams Enterprises, LLC	814 Pinehurst Dr	Mukwonago	WI	53149	(414)427-9290
	Budget Blinds of Greenfield	12/1/2011	P McAdams Enterprises, LLC	814 Pinehurst Dr	Mukwonago	WI	53149	(414)427-9290
	Budget Blinds of Delafield	3/1/2009	PCS Enterprises, LLC	1508 MacKenzie Lane	Oconomowoc	WI	53066	(262)968-4498
	Budget Blinds of Racine	6/1/2002	Jeff Vlasak	5407 Spring Street	Racine	WI	53406	(262)886-2333
	Budget Blinds of Kenosha	4/1/2003	Jeff Vlasak	5407 Spring Street	Racine	WI	53406	(262)886-2333
	Budget Blinds of Sheboygan	10/1/2005	Candace Kornitz	1215 Superior Avenue	Sheboygan	WI	53081	(920)694-1362
-	Budget Blinds of Northeast	8/1/2007	Josh and Mary Monica LeClair	718 Overlook Run	Verona	WI	53593	(608)838-9999
	Budget Blinds of Mequon	1/1/2009	Tim Novak	6754 Settler Ave	Waterford	WI	53185	(262)227-8428
-	Budget Blinds of Lake Country	11/1/2008	Scott and Natalie Jacobson	S50W23515 Woodchuck Lane	Waukesha	WI	53189	(262)309-6710
	Budget Blinds of Washington County	11/1/2008	Scott and Natalie Jacobson	S50W23515 Woodchuck Lane	Waukesha	WI	53189	(262)309-6710
	<u>Budget Blinds of Lake Country</u>	<u>11/1/2008</u>	<u>Scott and Natalie Jacobson</u>	<u>S50W23515 Woodchuck Lane</u>	<u>Waukesha</u>	<u>WI</u>	<u>53189</u>	<u>(262)309-6710</u>
	Budget Blinds of Milwaukee Centre	10/1/2009	Steven and Carol Spieker	2129 Inverness Dr.	Waukesha	WI	53186	(414)419-2700
	Budget Blinds of Menomonee Falls	5/1/2013	Steven & Carol Spieker	2129 Inverness Dr.	Waukesha	WI	53186	(414)419-2700
	Budget Blinds of Brookfield	8/1/2007	Linda and Douglas Wilcox	11019 W. Mequanigo Dr.	West Allis	WI	53227	(414)546-0836
24	Budget Blinds of Ripon	1/1/2005	Timothy and Michelle Scheider	6056 Naples Lane	Winneconne	WI	54986	(920)582-7400
	WEST VIRGINIA							
	Budget Blinds of Teays Valley	9/1/2003	Richard & Melanie Shell	420 B Old Goff Mountain Rd.	Cross Lanes	WV	25313	(304)201-5900
	Budget Blinds of North Central WV	4/1/2009	Sherry Michael	Rt 2 Box 232 C <u>311 Burnside Addition</u>	Janelle <u>Jane Lew</u>	WV	26378	(304)626-0291
3	Budget Blinds of Martinsburg	1/1/2005	Scott and Katherine Mackinnon	231 N. Tennessee Ave.	Martinsburg	WV	25401	(304)262-

Budget Blinds, Inc.
Current Franchise Roster

								9101
	WYOMING							
	Budget Blinds of Casper	6/1/2006	Coul Ventures, LLC	4155 Legion Lane Unit #7	Casper	WY	82609	(307)234-4973
	Budget Blinds of Cheyenne	5/1/2007	Tory and Rondalyn Whetham	6715 Snowy River Rd.	Cheyenne	WY	82001	(307)637-5708
	Budget Blinds of Cody	7/1/2008	Tev and Andrea Kelley	41 Rd 2AB	Cody	WY	82414	(307)587-2383
4	Budget Blinds of Sheridan	2/1/2006	James and Julie Jensen	18 Paradise Dr.	Sheridan	WY	82801	(307)674-5100
724776	TOTAL	=	=	=	=	=	=	=

Not Yet Operational on
12/31/20122013

TOTAL	COMPANY	START	OWNER	ADDRESS	CITY	ST	ZIP	PHONE
-	ALASKA	-	-	-	-	-	-	-
1	Budget Blinds of Anchorage	5/1/2013	Jeffrey Rychard	3705 Arctic Blvd #2313	Anchorage	AK	99503	(907)743-8900
-	-	-	-	-	-	-	-	-
	CALIFORNIA							
	Budget Blinds of Mission Viejo Woodland Hills	5/1/20132014	William & Gail Parker David & Ellen Sperling	10 Eric Street 22905 De Kalb Dr.	Ladera Ranch Calabasas	CA	9269491302	(949)366-0000 (818)224-4788
	Budget Blinds of Pleasanton Santa Monica	3/2/1/20132014	Miguel & Fanny Franco David Cheung	333 Caldarella Circle 5221 Zelzah Avenue #211	Roseville Encino	CA	9567891316	(925)397-0922 (310)941-9145
	Budget Blinds of Santa Maria Castro Valley	3/1/4/20132014	Bigfish 805, Inc. Scott & Betsy Rutherford	417 San Juanico 2471 Palmira Place	San Ramon Santa Maria	CA	9345594583	(805)739-8838 (925)216-4857
4	Budget Blinds of Tustin Thousand Oaks	5/3/1/20132014	Cindy Brunner Roger Philipp	13199 Gwyneth Dr Apt B251 Yellowstone Ave	Fustin Thousand Oaks	CA	9278091320	(714)486-1440 (805)499-5452
	COLORADO							
1	Budget Blinds of Littleton The High Country	7/1/4/20132014	SCELR, Inc. Sterling & Jonny Stumpf	1306 Big Rock Loop 4065 Ridge Oaks Dr	Los Alamos Castle Rock	CO	8010487544	(720)344-4188 (505)629-8379
2	Budget Blinds of North Aurora	3/1/2014	Coburn Enterprises LLC	12914 Leyden Way	Thornton	CO	80602	(303)248-3468
	CONNECTICUT							
1	Budget Blinds of Stamford Southington	5/1/4/20132014	Darrell & Donna LaPoint Stuart & Molly Serkin	44 Bennett Street 79 Beverly Dr	Fairfield Southington	CT	0682506489	(203)921-1070 (860)863-5930
	FLORIDA							
	Budget Blinds of West Boca Raton Davie	5/7/1/20132014	Maurice Coombs Jeff & Elizabeth Cottlieb	700 SW 78th Ave Apt 21420042 Boca Ridge Drive West	Boca Raton Fort Lauderdale	FL	3342833324	(561)704-2816 (407)233-8709

Budget Blinds, Inc.
Current Franchise Roster

	Budget Blinds of Seminole	<u>2/1/2013</u> <u>1/2014</u>	Thomas and Jessica McCausland-Fisher Richard Brock & Julia McAfee	1497 Main Street Suite 348 1404 Travertine Terrace	Dunedin Sanford	FL	3469832771	(727)724-4122 (407)671-1261
-3	Budget Blinds of Dunedin Orlando	<u>8/1/2013</u> <u>1/2014</u>	Thomas and Jessica McCausland-Fisher Richard Brock & Julia McAfee	1497 Main Street Suite 348 1404 Travertine Terrace	Dunedin Sanford	FL	3469832771	(727)724-4122 (407)671-1261
-	Budget Blinds of Orange Park	<u>5/1/2013</u>	Shults Creations Inc.	2432 Ivy Ford Lane	Jacksonville	FL	32223	(904)268-6089
5	Budget Blinds of Jacksonville	<u>5/1/2013</u>	Roger & Michelle Richmond	7616 Sunwood Drive	Jacksonville	FL	32256	(904)705-4461
	GEORGIA							
1	Budget Blinds of Savannah Atlanta	<u>5/2/2013</u> <u>2014</u>	GA Window Coverings, Inc. Katherine Weeks & Nancy Becker	1121 Alderman Drive 205 Falligant Ave	Alpharetta Savannah	GA	3141030005	(912)344-4200 (770)720-7227
	IOWA INDIANA							
1	Budget Blinds of Waterloo Valparaiso	<u>3/1/2013</u> <u>1/2014</u>	Cameron & Shauna Moench Joel Moorhead	6205 Muirfield Dr 172 Ridgeland Ave.	Valparaiso Cedar Rapids	IA IN	5240446385	(319)242-7088 (219)465-2009
	ILLINOIS KANSAS							
-	Budget Blinds of Kansas City North	<u>7/1/2014</u>	James W. & James Travis Mullins	1305 Jonathan Drive	Lawrence	KS	66049	(816)592-1251
12	Budget Blinds of Mount Prospect Olathe	<u>5/1/2013</u> <u>1/2014</u>	Deborah Nolan Jennifer Hermreck	421 Mayborne Lane 13309 S. Stanley Road	Geneva Overbrook	IL KS	6013466524	(630)845-3184 (913)221-0724
-	KENTUCKY							
1	Budget Blinds of South Lexington	<u>7/1/2014</u>	Shade to Black, Inc.	425 Gleneagles Way	Versailles	KY	40383	(859)554-3377
-	LOUISIANA							
1	Budget Blinds of Lafayette	<u>2/1/2014</u>	Stephen & Cherry May	702 Huval Dr	Broussard	LA	70518	(337)330-8554
	MASSACHUSETTS							
-	Budget Blinds of Danvers	<u>7/1/2014</u>	Audra Sportello	48 Conant St	Danvers	MA	01923	(339)227-5407
-	Budget Blinds of Shrewsbury	<u>3/1/2014</u>	VonBehren Views, Inc.	8 King Arthur Road	Shrewsbury	MA	01545	(508)842-3373
4	Budget Blinds of Norwell Blackstone Valley	<u>5/1/2013</u> <u>2014</u>	Roger & Susan Adams Robert & Patricia Smaldone	47 Dodge Rd 46 Black Rock Dr	Sutton Hingham	MA	0204301590	(781)749-8500 (508)865-9300
-	Budget Blinds of Westborough	<u>2/1/2014</u>	Merrick Hodsdon	210 Turnpike Road, Suite 3	Westborough	MA	01581	(508)366-1219
-5	MARYLAND Budget Blinds of Sudbury	<u>8/1/2014</u>	Merrick Hodsdon	210 Turnpike Road, Suite 3	Westborough	MA	01581	(508)366-1219
-	MICHIGAN							
1	Budget Blinds of Olney Macomb	<u>5/1/1/2013</u> <u>2014</u>	Joe & Maripaul Parker A and E Enterprises L.L.C.	332 Rubens Circle 3140 Davenport Lane	Martinsburg Rochester Hills	MD MI	2540348309	(301)733-3301 (248)237-1026

Budget Blinds, Inc.
Current Franchise Roster

	NORTH CAROLINA								
	Budget Blinds of St. Paul Asheville	25/1/20132014	Alan BarnettDebler Blinds, LLC	30 Westgate Parkway #1973590 Blue Jay Way #200	AshevilleEagan	NCMN	2880655123	(828)683-5343612)246-6139	
2	Budget Blinds of MatthewsDowntown Minneapolis	32/1/20132014	Cristalera, Inc.BBMWW LLC	2950 Dean Parkway, #12024140 Heather Ln	CharlotteMinneapolis	NCMN	5541628200	(704)676-4785952)270-2898	
	NEBRASKA								
1	Budget Blinds of Omaha CentralPrairie Village	53/1/20132014	John MacKenzieJennifer Hermreck	12402 Deer Hollow Dr13309 S. Stanley Road	OmahaOverbrook	NEMO	6815466524	(402)541-4775913)221-0724	
	NEW JERSEY								
1	Budget Blinds of WestwoodEdgewater	53/1/20132014	Lizabeth GarciaPeter Choi & Soojin Choung	38-2 Smith Street725 Jefferson Avenue	WaldwickCliffside Park	NJ	0746307010	(201)444-2377637-6490	
	Budget Blinds of Ridgewood	6/1/2014	Dirk & Sonja Skogerson	35 Pine Place	Harrington Park	NJ	07640	(201)767-1702	
3	Budget Blinds of Mount Laurel	1/1/2014	William Lampman	400 Berkshire Way	Marlton	NJ	08053	(856)983-7124	
	NEW YORK								
-1	Budget Blinds of MamaroneckManhattan	52/1/20132014	Dennis & Kim MartoranoOnofrio & Mary Ann DeMattia	716 Louis161-44 84th Street	MamaroneckHoward Beach	NY	1054311414	(914)381-9444718)322-1977	
	Budget Blinds of White Plains	11/1/2013	Dennis & Kim Martorano	716 Louis Street	Mamaroneck	NY	10543	(914)381-9444	
3	Budget Blinds of Patchogue	5/1/2013	David R. Wertz	54 W Lakewood St	Patchogue	NY	11772	(631)438-0440	
	OHIO								
1	Budget Blinds of SanduskyHilliard	5/1/1/20132014	Andrew & Maria BirgeAdam A. Rusco	4766 State Route 144604 Comotery Rd Suite 280	HilliardRavenna	OH	4426643026	(614)883-9933330)297-5894	
	OKLAHOMA								
1	Budget Blinds of Western OklahomaPortland Northeast	3/1/20132014	Larry McDaniel & Patricia Lynn LackeyQuantegy Interventures, LTD.	10430 N. 2060 Rd.2000 NE 78th Ave	CanutePortland	OKOR	7362697213	(580)225-3766503)432-8745	
	SOUTH CAROLINA								
1	Budget Blinds of West Greenville	3/1/2014	Gary & Kathleen Moore	217 Ansonborough	Belton	SC	29627	(864)940-8450	
	TEXAS								
-	Budget Blinds of Mansfield	3/1/2013	Joseph & Raquel Elder	6309 Plum Tree Ct.	Arlington	TX	76016	(254)424-2377	
	Budget Blinds of Greater HeightsAllen	1/1/20132014	Andrew & Shari PerezJ&S HTL, Inc.	2032 Gestick3265 Heatherbrook Lane	HoustonRichardson	TX	7700875082	(713)393-7185972)907-1871	
-2	Budget Blinds of PlanoRichardson	5/1/1/20132014	Lloyd WhiteJ&S HTL, Inc.	3265 Heatherbrook Lane426 Brook Glen Drive	Richardson	TX	7508275080	(972)624-1838907-1871	

Budget Blinds, Inc.
Current Franchise Roster

-	Budget Blinds of Conroe	1/1/2013	Craig Kincaid	20519 Pink Granite Vly	Richmond	TX	77407	(936)524-7944
5	Budget Blinds of Missouri City	3/1/2013	Fepac, LLC	7406 Rain Drop Ct	Richmond	TX	77407	(281)407-2724
	WASHINGTON							
	Budget Blinds of Moses Lake Bellingham	5/3/1/2013 2014	Will & Cindy Johnson Paul & Linda Teater	208 Lookout Mtn. Dr. 278th St. NE	Arlington Ellensburg	WA	9892698223	(425)233-5358 (360)435-8700
2	Budget Blinds of East Richland Federal Way	9/1/1/2013 2014	Michael Paul and Cassandra Moorhead Todd & Susan Schuermann	8318 W Gage Blvd, Suite F255 Derbyshire Rd	Kennewick Waterloo	WA	9933650701	(509)396-5154 (253)278-4152
	WISCONSIN							
	Budget Blinds of Janesville	3/1/2014	Riley & Riley LLC	5130 E. U.S. Hwy 14	Janesville	WI	53546	(608)754-4801
	Budget Blinds of SE Madison	1/1/2014	Sansund Enterprises, Inc.	1001 Valderama Court	Waunakee	WI	53597	(608)838-9999
3	Budget Blinds of Northeast Madison	5/1/2014	Sansund Enterprises, Inc.	1001 Valderama Court	Waunakee	WI	53597	(608)838-9999

3339 TOTAL

EXHIBIT F

LIST OF TERMINATED OR TRANSFERRED FRANCHISES

If we grant you this franchise, your contact information may be disclosed to other prospective franchisees when you leave the franchise system.

2013 Terminations

H - Conditional Release = Termination agreement - franchise released a BUDGET BLINDS® Territory - still owns another BUDGET BLINDS® Territory or Territories

I - Termination = Franchise terminated by franchisor

J - Abandonment = Franchisee stopped operating

K - Non Renewal = Franchisee did not renew the BUDGET BLINDS® agreement

TOTAL	STATUS	COMPANY	END DATE	OWNER	CITY	ST	ZIP	PHONE
	<u>CALIFORNIA</u>							
	<u>H - Cond. Release</u>	<u>Budget Blinds of Huntington Beach 1</u>	<u>3/31/2013</u>	<u>Fred Tanner</u>	<u>Anaheim Hills</u>	<u>CA</u>	<u>92808</u>	<u>(714)848-5055</u>
	<u>K - Non-Renewal</u>	<u>Budget Blinds of Nevada City</u>	<u>7/7/2013</u>	<u>Buckley & Laura Armacher</u>	<u>Grass Valley</u>	<u>CA</u>	<u>95945</u>	<u>(530)274-1122</u>
	<u>K - Non-Renewal</u>	<u>Budget Blinds of Healdsburg</u>	<u>7/8/2013</u>	<u>BMWC, Inc.</u>	<u>Gualala</u>	<u>CA</u>	<u>95445</u>	<u>(707)433-3323</u>
	<u>I - Termination</u>	<u>Budget Blinds of Malibu</u>	<u>7/2/2013</u>	<u>Dan & Adela Carpus</u>	<u>Los Angeles</u>	<u>CA</u>	<u>90025</u>	<u>(424)256-4109</u>
	<u>I - Termination</u>	<u>Budget Blinds of Pasadena</u>	<u>1/2/2013</u>	<u>Stephanie Acker</u>	<u>Monrovia</u>	<u>CA</u>	<u>91016</u>	<u>(626)358-5204</u>
<u>6</u>	<u>H - Mutual Release</u>	<u>Budget Blinds of Palo Alto</u>	<u>12/31/2013</u>	<u>Katie Brisichella</u>	<u>Mountain View</u>	<u>CA</u>	<u>94041</u>	<u>(650)325-8050</u>
	<u>DELAWARE</u>							
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Newark</u>	<u>8/12/2013</u>	<u>Ed & Sarah Gomes</u>	<u>Dover</u>	<u>DE</u>	<u>19904</u>	<u>(302)674-8215</u>
	<u>FLORIDA</u>							
	<u>I - Termination</u>	<u>Budget Blinds of Navarre</u>	<u>1/7/2013</u>	<u>Michael's Quality Interior Service LLC</u>	<u>Pensacola</u>	<u>FL</u>	<u>32514</u>	<u>(850)916-4906</u>
<u>2</u>	<u>H - Mutual Release</u>	<u>Budget Blinds of Port St. Lucie</u>	<u>12/31/2013</u>	<u>Colin & Patty Stuart</u>	<u>Stuart</u>	<u>FL</u>	<u>34997</u>	<u>(772)266-4064</u>
	<u>GEORGIA</u>							
<u>1</u>	<u>J - Abandonment</u>	<u>Budget Blinds of West Marietta</u>	<u>3/26/2013</u>	<u>Dale Mallon</u>	<u>Marietta</u>	<u>GA</u>	<u>30064</u>	<u>(770)627-3040</u>
	<u>IDAHO</u>							
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Pocatello</u>	<u>4/10/2013</u>	<u>Paul R., P. Ryan and Debra Wynn</u>	<u>Firth</u>	<u>ID</u>	<u>83236</u>	<u>(208)238-0807</u>
	<u>ILLINOIS</u>							
	<u>H - Mutual Release</u>	<u>Budget Blinds of Crystal Lake</u>	<u>12/31/2013</u>	<u>Reliance Enterprise, Inc</u>	<u>Huntley</u>	<u>IL</u>	<u>60142</u>	<u>(847)669-9007</u>
<u>2</u>	<u>K - Non-Renewal</u>	<u>Budget Blinds of Stephenson County</u>	<u>4/21/2013</u>	<u>Stan Gargani</u>	<u>Loves Park</u>	<u>IL</u>	<u>61111</u>	<u>(815)636-1250</u>
	<u>INDIANA</u>							
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Plainfield</u>	<u>9/10/2013</u>	<u>Edward & Carol Wells</u>	<u>Indianapolis</u>	<u>IN</u>	<u>46278</u>	<u>(317)328-1204</u>
	<u>KANSAS</u>							
<u>1</u>	<u>H - Mutual Release</u>	<u>Budget Blinds of Hutchinson</u>	<u>4/30/2013</u>	<u>Linda Pinsker and Mary Humphries</u>	<u>Hutchinson</u>	<u>KS</u>	<u>67502</u>	<u>(620)662-7500</u>

	MASSACHUSETTS	=	=	=	=	=	=	=
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Marlborough</u>	<u>2/28/2013</u>	<u>Edward & Karen Hanlon</u>	<u>Marlboro</u>	<u>MA</u>	<u>01752</u>	<u>(508)954-8433</u>
=	=	=	=	=	=	=	=	=
	MICHIGAN	=	=	=	=	=	=	=
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of St Joseph</u>	<u>7/2/2013</u>	<u>SWMI Blindz, L.L.C.</u>	<u>Niles</u>	<u>MI</u>	<u>49120</u>	<u>(269)683-0481</u>
=	=	=	=	=	=	=	=	=
	NORTH CAROLINA	=	=	=	=	=	=	=
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Fort Mill</u>	<u>4/11/2013</u>	<u>Lifetime Interior Fashions, LLC</u>	<u>Matthews</u>	<u>NC</u>	<u>28104</u>	<u>(803)746-4794</u>
=	=	=	=	=	=	=	=	=
	TEXAS	=	=	=	=	=	=	=
<u>1</u>	<u>I - Termination</u>	<u>Budget Blinds of Beaumont</u>	<u>2/5/2013</u>	<u>Jody and Tim Farnum</u>	<u>Vidor</u>	<u>TX</u>	<u>77670</u>	<u>(409)892-3900</u>
=	=	=	=	=	=	=	=	=
	WISCONSIN	=	=	=	=	=	=	=
=	<u>K - Non-Renewal</u>	<u>Budget Blinds of Janesville</u>	<u>4/8/2013</u>	<u>Rycam LLC</u>	<u>Elkhorn</u>	<u>WI</u>	<u>53121</u>	<u>(262)723-7020</u>
<u>2</u>	<u>I - Termination</u>	<u>Budget Blinds of Northeast Madison</u>	<u>2/5/2013</u>	<u>Josh and Mary Monica LeClair</u>	<u>Verona</u>	<u>WI</u>	<u>53593</u>	<u>(608)838-9999</u>

21 **TOTAL**

Budget Blinds, Inc.
Transferred Roster 2013

TOTAL	STATUS	COMPANY	END DATE	OWNER	CITY	ST	PHONE
-	ARIZONA	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of Chandler	3/1/2013	Joel & Marcella Schroedel	Chandler	AZ	(480)629-8854
2	G - Transfer 1. Owne	Budget Blinds of White Mountains	3/1/2013	John & Lindy Davis	Snowflake	AZ	(928)536-2015
-	CALIFORNIA	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Mill Valley	7/1/2013	Rudy Meiswinkel	Novato	CA	(415)899-1854
-	COLORADO	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Littleton	1/1/2013	Bruce and Karen Anderson	Highlands Ranch	CO	(720)344-4188
-	CONNECTICUT	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Stamford	1/1/2013	Topper Interior Products & Services, LLC	Stamford	CT	(203)921-1070
-	GEORGIA	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Covington East	2/1/2013	Thomasia Knight Alexander	Rutledge	GA	(706)557-7503
-	INDIANA	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of Carmel	10/1/2013	Dean Dye	Fishers	IN	(317)354-1334
2	G - Transfer 1. Owne	Budget Blinds of West Indianapolis	10/1/2013	Brian and Jeanette Tipmore	Indianapolis	IN	(317)821-9187
-	LOUISIANA	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of Alexandria #2	10/1/2013	D & D Flooring, LLC	Alexandria	LA	(318)443-9730
-	G - Transfer 1. Owne	Budget Blinds of St. Tammany	5/1/2013	Jeffery S. Canipe & David Adcock	Mandeville	LA	(985)867-5175
3	G - Transfer 1. Owne	Budget Blinds of Slidell	8/1/2013	Jimmy and Kelly Corkern	Slidell	LA	(985)726-9756
-	MARYLAND	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of Bel Air North	7/1/2013	Ron Turing	Abingdon	MD	(410)569-3305
-	G - Transfer 1. Owne	Budget Blinds of Olney	1/1/2013	Scott & Donna Meyers	Gaithersburg	MD	(301)607-4760
-	G - Transfer 1. Owne	Budget Blinds of Silver Spring	5/1/2013	Scott & Donna Meyers	Gaithersburg	MD	(301)607-4760
-	G - Transfer 1. Owne	Budget Blinds of Germantown	7/1/2013	Scott & Donna Meyers	Gaithersburg	MD	(301)527-0074
-	G - Transfer 1. Owne	Budget Blinds of Potomac	7/1/2013	William Naron	Potomac	MD	(301)358-5100
6	G - Transfer 1. Owne	Budget Blinds of Bethesda	7/1/2013	William Naron	Potomac	MD	(301)358-5100
-	MINNESOTA	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Edina	5/1/2013	Barry & Cheryl Schopf	Woodbury	MN	(651)578-0223
-	MISSOURI	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of Liberty	4/1/2013	Gary & Charessa Henke	Kansas City	MO	(816)256-8589
-	G - Transfer 1. Owne	Budget Blinds of Chesterfield/Ballwin	5/1/2013	Blinds Plus, Inc.	Valley Park	MO	(636)529-0632
3	G - Transfer 1. Owne	Budget Blinds of South County	5/1/2013	Blinds Plus, Inc.	Valley Park	MO	(636)529-0632
-	NEW HAMPSHIRE	=	=	=	=	=	=
1	G - Transfer 1. Owne	Budget Blinds of Portsmouth	5/1/2013	Lisa Bellman	Stratham	NH	(603)431-3888
-	NEW JERSEY	=	=	=	=	=	=
-	G - Transfer 1. Owne	Budget Blinds of North & South Brunswick	7/1/2013	James Shapiro	East Brunswick	NJ	(732)257-0551
2	G - Transfer 1. Owne	Budget Blinds of Bridgewater	7/1/2013	James Shapiro	East Brunswick	NJ	(732)257-0551

-	=	=	=	=	=	=	=
-	NEW YORK	=	=	=	=	=	=
1	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Hampton Bay</u>	<u>1/1/2013</u>	<u>Brian Quigley</u>	<u>East Hamptons</u>	<u>NY</u>	<u>(631)329-8663</u>
-	=	=	=	=	=	=	=
-	OHIO	=	=	=	=	=	=
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Westerville</u>	<u>7/1/2013</u>	<u>Clear Creek Marketing, LTD.</u>	<u>Galena</u>	<u>OH</u>	<u>(740)549-1530</u>
2	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Hudson</u>	<u>7/1/2013</u>	<u>Stefanie and Jeremy Thiessen</u>	<u>Kent</u>	<u>OH</u>	<u>(330)289-2762</u>
-	=	=	=	=	=	=	=
-	OREGON	=	=	=	=	=	=
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Corvallis</u>	<u>5/1/2013</u>	<u>Graylynn Window Coverings, LLC</u>	<u>Corvallis</u>	<u>OR</u>	<u>(541)738-2806</u>
2	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of McMinnville</u>	<u>10/1/2013</u>	<u>Lifestyle Enterprises, Inc.</u>	<u>Seaside</u>	<u>OR</u>	<u>(503)472-0792</u>
-	=	=	=	=	=	=	=
-	PENNSYLVANIA	=	=	=	=	=	=
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of East York</u>	<u>7/1/2013</u>	<u>Todd Finkenbiner</u>	<u>Dallas Town</u>	<u>PA</u>	<u>(717)880-2468</u>
2	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of South Johnstown</u>	<u>3/1/2013</u>	<u>Ed Friend</u>	<u>Johnstown</u>	<u>PA</u>	<u>(814)288-2707</u>
-	=	=	=	=	=	=	=
-	TEXAS	=	=	=	=	=	=
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Mansfield</u>	<u>3/1/2013</u>	<u>Kris Timmerman</u>	<u>Fort Worth</u>	<u>TX</u>	<u>(817)561-9090</u>
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Conroe</u>	<u>1/1/2013</u>	<u>Marc and Jennifer Fowler</u>	<u>Spring</u>	<u>TX</u>	<u>(936)524-7944</u>
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of East Spring</u>	<u>10/1/2013</u>	<u>Emily and Larry Deegan</u>	<u>Spring</u>	<u>TX</u>	<u>(281)298-7676</u>
-	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of The Woodlands</u>	<u>10/1/2013</u>	<u>Emily and Larry Deegan</u>	<u>Spring</u>	<u>TX</u>	<u>(281)298-7676</u>
5	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Plano</u>	<u>1/1/2013</u>	<u>Tom & Cheryl Wilcox</u>	<u>The Colony</u>	<u>TX</u>	<u>(972)624-1838</u>
-	=	=	=	=	=	=	=
-	WASHINGTON	=	=	=	=	=	=
1	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of East Richland</u>	<u>1/1/2013</u>	<u>Doug & Maryann Roller</u>	<u>Kennewick</u>	<u>WA</u>	<u>(509)396-5151</u>
-	=	=	=	=	=	=	=
-	WISCONSIN	=	=	=	=	=	=
1	<u>G - Transfer 1. Owne</u>	<u>Budget Blinds of Eau Claire</u>	<u>6/1/2013</u>	<u>Jeff & Sally Vlasak</u>	<u>Eau Claire</u>	<u>WI</u>	<u>(715)833-8921</u>

38 **TOTAL**

EXHIBIT G
INDUSTRY-SPECIFIC
LICENSES REQUIRED

INDUSTRY SPECIFIC LICENSES REQUIRED BY STATE

STATE	LICENSE REQUIRED	CONTACT
ALABAMA	Yes	<p>Home Builders Licensure Board (Residential) 445 Herron Street Montgomery, AL 36104 (334) 242-2230 http://www.hblb.state.al.us/</p> <p>Alabama Licensing Board for General Contractors (Commercial) 2525 Fairlane Drive Montgomery, Alabama 36116 (334) 272-5030 http://genconbd.alabama.gov/default.aspx</p>
ALASKA	Yes	<p>Department of Commerce, Community and Economic Development Division of Corporations, Business and Professional Licensing 333 Willoughby Avenue, 9th Floor P.O. Box 110806 Juneau, AK 99811-0806 (907) 465-2550 http://www.dced.state.ak.us/occ/pcon.htm</p>
ARIZONA	Yes	<p>Arizona Registrar of Contractors Phoenix Office 3838 North Central Avenue, Suite 400 Phoenix, Arizona 85012-1946 (602) 542-1525 http://www.azroc.gov/</p>
ARKANSAS	Yes	<p>Arkansas Contractors Licensing Board (Commercial jobs only) 4100 Richards Road North Little Rock, Arkansas 72117 (501) 372-4661 http://aclb.arkansas.gov/Pages/default.aspx</p>
CALIFORNIA	Yes	<p>Contractors State License Board 9821 Business Park Drive Sacramento, CA 95827 Phone (800) 321-CSLB (2752) http://www.cslb.ca.gov/</p>
COLORADO	No	
CONNECTICUT	Yes	<p>Department of Consumer Protection 165 Capitol Avenue Hartford, CT 06106 (860) 713-6000 http://www.ct.gov/dcp/cwp/view.asp?a=1622&q=446460</p>
DELAWARE	Yes	<p>Division of Revenue Carvel State Building 820 North French Street Wilmington, DE 19801 (302) 577-5800 http://revenue.delaware.gov/services/Business_Tax/Cont_New.shtml</p>
FLORIDA	Yes	<p>Department of Business & Professional Regulation Construction Industry Licensing Board 1940 North Monroe Street Tallahassee, FL 32399-1039 (850)</p>

INDUSTRY SPECIFIC LICENSES REQUIRED BY STATE

		487-1395 https://www.myfloridalicense.com/intentions2.asp
GEORGIA	Yes	Professional Licensing Boards Division 237 Coliseum Drive Macon, GA 31217-3858 (478) 207-2440 http://sos.georgia.gov/plb/
HAWAII	Yes	Professional and Vocational Licensing King Kalakaua Building 335 Merchant Street, Rm. 301 Honolulu, Hawaii 96813 (808) 586-3000 http://hawaii.gov/dcca/pvl/boards/contractor
IDAHO	No	
ILLINOIS	No	
INDIANA	No	
IOWA	Yes	Iowa Workforce Development Division of Labor 1000 E. Grand Ave. Des Moines, IA 50319-0209 (515) 242-5871 http://www.iowaworkforce.org/labor/contractor.htm
KANSAS	No	
KENTUCKY	No	
LOUISIANA	Yes	Louisiana State Licensing Board For Contractors 2525 Quail Drive Baton Rouge, LA 70808 (225) 765-2301 http://www.lslbc.louisiana.gov/
MAINE	No	
MARYLAND	Yes	Department of Labor, Licensing and Regulation Division of Occupational and Professional Licensing Maryland Home Improvement Commission 500 North Calvert Street Baltimore, MD 21202-3651 410-230-6309 http://www.dllr.state.md.us/license/mhic/
MASSACHUSETTS	Yes	Office of Consumer Affairs and Business Regulation 10 Park Plaza, Suite 5170 Boston, MA 02116 (617) 973-8700 http://www.mass.gov/ocabr/
MICHIGAN	Yes	Corporations, Securities, & Commercial Licensing Bureau Licensing Division 2501 Woodlake Circle Okemos, MI 48864 (517) 241-9288 http://www.michigan.gov/lara/0,4601,7-154-35299_61343_35414_60647_35455---,00.html
MINNESOTA	No	
MISSISSIPPI	Yes	Mississippi State Board of Contractors 2679 Crane Ridge Drive, Suite C

INDUSTRY SPECIFIC LICENSES REQUIRED BY STATE

		Jackson, MS 39216 (601) 354-6161 http://www.msboc.us/
MISSOURI	No	
MONTANA	Yes	Montana Department of Labor and Industry 1805 Prospect Avenue P.O. Box 8011 Helena, MT 59624-8011 (406) 444-6543 http://erd.dli.mt.gov/workers-comp-regulations/montana-contrator.html
NEBRASKA	Yes	Nebraska Department of Labor Labor Law/Contractor Registration 550 So. 16th Street. 3rd Floor Lincoln, NE 68508 (402) 471 - 2239 http://www.dol.nebraska.gov/center.cfm?PRICAT=2&SUBCAT=5G
NEVADA	Yes	Nevada State Contractors Board (Southern Nevada) 2310 Corporate Circle, Ste 200 Henderson, NV 89074 (702) 486-1100 http://www.nvcontractorsboard.com/ Nevada State Contractors Board (Northern Nevada) 9670 Gateway Drive, Ste 100 Reno, NV 89521 (775) 688-1141 http://www.nvcontractorsboard.com/
NEW HAMPSHIRE	No	
NEW JERSEY	Yes	Division of Consumer Affairs 124 Halsey Street Newark, NJ 07102 (973) 504-6200 http://www.state.nj.us/lps/ca/HIC/
NEW MEXICO	Yes	Construction Industries Division CID - Santa Fe 2550 Cerrillos Road - 3rd Floor Santa Fe, NM 87505 (505) 476-4700 http://www.rld.state.nm.us/
NEW YORK	No	
NORTH CAROLINA	Yes (only for jobs exceeding \$30,000)	North Carolina Licensing Board for General Contractors 5400 Creedmoor Road Raleigh, NC 27612 919 571-4183 http://www.nclbgc.org/
NORTH DAKOTA	Yes	Secretary of State State of North Dakota 600 E Boulevard Avenue Dept. 108 Bismarck ND 58505-0500

INDUSTRY SPECIFIC LICENSES REQUIRED BY STATE

		http://www.nd.gov/sos/licensing/
OHIO	No	
OKLAHOMA	No	
OREGON	Yes	Construction Contractors Board 700 Summer St. NE, Suite 300 P.O. Box 14140 Salem, OR 97309-5052 503-378-4621 http://www.oregon.gov/ccb/Pages/Licensing_1.aspx
PENNSYLVANIA	No	
RHODE ISLAND	Yes	Contractors' Registration and Licensing Board 1 Capitol Hill, 2nd Floor Providence, RI 02908 http://www.crb.state.ri.us/residentialcontractors/index.php
SOUTH CAROLINA	Yes	South Carolina Department of Labor, Licensing and Regulation Synergy Business Park; Kingstree Building 110 Centerview Dr. Columbia, SC 29210 (803) 896-4300 http://www.llr.state.sc.us/POL/ResidentialBuilders/
SOUTH DAKOTA	No	
TENNESSEE	Yes	Board for Licensing Contractors 500 James Robertson Pkwy. Nashville, TN 37243-1150 (615) 741-8307 http://www.tn.gov/regboards/contractors/index.shtml
TEXAS	No	
UTAH	Yes	Utah Division of Occupational & Professional Licensing P.O. Box 146741 Salt Lake City, Utah 84114-6741 (801) 530-6628 http://dopl.utah.gov/#
VERMONT	Yes (business license required)	State Number (802) 828-2363 http://www.vermont.gov/portal/business/
VIRGINIA	Yes	Department of Professional and Occupational Regulation 9960 Mayland Drive Suite 400 Richmond VA 23233-1463 (804) 367-8500 http://www.dpor.virginia.gov/licenses/
WASHINGTON	Yes	Department of Labor & Industries Contractor Registration P.O. Box 44450 Olympia, WA 98504-4450 360-902-5226 (Option 1) http://www.lni.wa.gov/TradesLicensing/Contractors/HowReg/default.asp
WASHINGTON DC	Yes	Department of Consumer and Regulatory Affairs 1100 4th Street SW

INDUSTRY SPECIFIC LICENSES REQUIRED BY STATE

		Washington, DC 20024 (202) 442-4400 http://dcra.dc.gov/DC/DCRA
WEST VIRGINIA	Yes	West Virginia Division of Labor 749 B Building 6, Capitol Complex Charleston, WV 25305 (304) 558-7890 http://www.wvlabor.com/newwebsite/Pages/contractor_licensing.html
WISCONSIN	Yes	Department of Safety and Professional Services 1400 East Washington Avenue, Room 112 Madison, WI 53703 (608) 266- 2112 http://dsps.wi.gov/Licenses-Permits/Credentialing
WYOMING	No	

EXHIBIT H

**STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF
PROCESS**

STATE ADMINISTRATORS

Commissioner of Corporations
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
(866) 275-2677 Toll Free

Commissioner of Securities
of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Chief
Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Franchise Section
Indiana Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Franchise Administrator
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Dept. of Attorney General
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

Commissioner of Commerce
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101

(651) 296-4026
Assistant Attorney General
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Director of the Rhode Island
Department of Business Regulation
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

Franchise Administrator
Division of Securities
Department of Labor & Regulation
445 East Capitol Avenue
Pierre, South Dakota 57501-3185
(605) 773-4823

State Corporation Commission
Division of Securities & Retail Franchising
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507
(360) 902-8760

EXHIBIT H

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission

345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

Commissioner of Corporations
1515 K Street, Suite 200
Sacramento, California 95814

Commissioner of Securities of the State of
Hawaii
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois Attorney General Office
500 South Second Street
Springfield, Illinois 62706

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Director of the Division of Securities
445 E. Capitol Avenue
Pierre, South Dakota 57501-3185

Clerk, State Corporation Commission
1300 East Main Street, 1st floor
Richmond, Virginia 23219

Administrator of Securities
Department of Financial Institutions
General Administration Building
Securities Division - 3rd Floor West
150 Israel Road SW
Tumwater, Washington 98501

Commissioner of Commerce
State of Minnesota
Department of Commerce
Registration Division
85 Seventh Place East
St. Paul, Minnesota 55101

Secretary of State of New York
41 State Street
Albany, New York 11231

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

Director of Business Regulation
1511 Pontiac Avenue
Cranston, Rhode Island 02920

Commissioner of Securities
Office of the Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

EXHIBIT I
TABLE OF CONTENTS OF
CONFIDENTIAL OPERATING
MANUAL

TABLE OF CONTENTS FROM THE OPERATIONS MANUAL

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Section 19	4 Week BEST Program	8
Total Pages	 507 <u>584</u>

CONSENT TO CREDIT INVESTIGATION

The undersigned hereby consents to the conduct of a credit investigation by Budget Blinds, Inc. ("BBI"), including both personal, consumer and commercial credit inquiries, and authorizes BBI to obtain one or more credit reports. BBI shall have the right in its sole discretion to disapprove any franchise application based on any information obtained during that investigation or contained in any report or because it is unable to obtain a report from its usual sources.

Dated: _____

Print Name of Applicant

Signature of Applicant

Print Name of Party Signing

Social Security Number of Applicant

EXHIBIT J

DEPOSIT RECEIPT

Budget Blinds, Inc. ("Company") acknowledges that it has received from _____ ("Applicant") the sum of () \$10,000.00 (for one territory) or () \$20,000.00 (for two territories) in the form of () cash, () personal check, or () _____ as a non-refundable deposit (the "Deposit").

In exchange for the Deposit, Company will reserve the territory(ies) described below for a maximum of 60 days while Applicant applies to become a "Budget Blinds" franchisee on the terms and conditions contained in the form of Franchise Agreement furnished to Applicant with Company's Franchise Disclosure Document. The geographic area reserved for Applicant (which, upon execution of the Franchise Agreement(s), will become the "Territory(ies)") is described as follows:

1. Company will not issue a Franchise Agreement for the Territory(ies) to anyone other than Applicant before the earlier of: (a) 60 days following execution of this Deposit Receipt, or (b) the date on which Applicant notifies Company, in writing, that Applicant no longer desires to become a "Budget Blinds" franchisee.

2. The Deposit is intended in part to demonstrate Applicant's desire to become a franchisee of Company, and in part to compensate Company for the lost opportunity costs of reserving the Territory(ies) for Applicant.

3. If Company grants a Franchise Agreement to Applicant, the Deposit will be applied toward the Initial Franchise Fee payable under the Franchise Agreement.

4. The Deposit is not refundable. If this Deposit Receipt is terminated (by Applicant or Company) or expires by the passage of time (unless Company agrees to extend the time period), then Company may retain the Deposit as compensation for (among other things) the opportunity costs of reserving the Territory(ies). Upon termination or expiration in accordance with this provision, neither Company (including its officers and employees) nor Applicant will have any further obligations to the other.

Initials:

EXHIBIT K

5. This document is neither an offer by Company nor a contract for the purchase or sale of a franchise, license, or similar rights.

6. Any dispute between Company and Applicant arising out of or relating to this Deposit Receipt or its breach, including any claim that this Deposit Receipt or any of its parts, is invalid, illegal or otherwise voidable or void, will be resolved by submission to arbitration conducted by a single impartial arbitrator appointed by the American Arbitration Association according to its Commercial Arbitration Rules, or any other single impartial arbitrator mutually agreed to by the parties. Any arbitration will take place in Orange County, California.

7. The United States Arbitration Act (9 U.S.C. 1 et seq.) shall govern jurisdictional issues respecting arbitration of disputes under this Agreement. Otherwise this Deposit Receipt and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

8. This Deposit Receipt contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise shall be deemed to exist or to bind any of the parties hereto and all prior agreements and understandings are superseded hereby. No officer or employee or agent of Company has any authority to make any representation or promise not contained in this Deposit Receipt. Applicant agrees that it has executed this Deposit Receipt without reliance upon any such unauthorized representation or promise. This Deposit Receipt cannot be modified or changed except by written instrument signed by all of the parties hereto.

9. Should any party hereto commence any action or proceeding for the purpose of enforcing or preventing the breach of any provision hereof, whether by judicial or quasi-judicial action, arbitration, or otherwise or any appeal therefrom or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including reasonable attorney's fees for the services rendered to such prevailing party.

10. If Applicant consists of more than one person or entity, or a combination thereof, the obligation and liabilities to Company of each such person or entity are joint and several.

11. This Deposit Receipt may be executed in any number of copies, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

****REMAINDER OF PAGE INTENTIONALLY LEFT BLANK****

12. Capitalized terms used in this Deposit Receipt will, unless expressly otherwise provided, have the meaning given those terms in the Franchise Agreement.

BUDGET BLINDS, INC.

By: _____
Todd Jackson, Executive Vice President

The undersigned "Applicant" acknowledges understanding of and agreement to the terms and conditions set forth above and receipt of a copy of this Deposit Receipt.

Signature

Printed Name

Applicant's Address:

Applicant's Phone Numbers:
Home: _____

Business: _____

CONSENT TO TRANSFER AND ASSUMPTION OF FRANCHISE AGREEMENT

This Consent to Transfer and Assumption of Franchise Agreement (“Consent and Assumption”) is entered into by and among Budget Blinds, Inc., a California corporation, the franchisor (“BBI”), _____ (“Existing Franchisee”), and _____ (“New Franchisee”).

WHEREAS, BBI and Existing Franchisee presently are parties to that certain Franchise Agreement, dated _____ (the “Franchise Agreement”), pursuant to which BBI licensed Existing Franchisee the right to operate a business (the “Franchised Business”) including the service marks of BBI (the “Franchise”) in the territory known as _____ (the “Territory”).

WHEREAS, with BBI’s consent, Existing Franchisee is transferring the Franchise to New Franchisee and New Franchisee is accepting the Franchise in accordance with the obligations set forth in the Franchise Agreement, including, but not limited to, the obligations regarding assignment set forth in paragraph 9.2 of the Franchise Agreement, which are hereby expressly incorporated and made a part of this Consent and Assumption.

NOW, THEREFORE, in consideration of the foregoing and of the covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Existing Franchisee shall transfer the Franchise to New Franchisee on or about _____ (the “Transfer Date”) subject to the provisions of paragraph 3, below, and paragraph 9.2 of the Franchise Agreement.

2. Existing Franchisee will transfer physical possession of the Confidential Operating Manual to Franchisor and to New Franchisee of all items required by the Franchise Agreement, including, without limitation, (i) all books, manuals, financial records, receipts, invoices, and documents relating to the Franchised Business; and (ii) all other documents, property and other objects containing BBI’s service marks. New Franchisee has reviewed the Confidential Operating Manual and agrees that the Confidential Operating Manual shall apply fully to its operation of the Franchised Business. New Franchisee agrees to abide by all other manuals and guidelines, present and future, of BBI, including, but not limited to, those pertaining to advertising.

EXHIBIT L

3. If New Franchisee has not already done so to the satisfaction of BBI, New Franchisee shall comply with the training requirements set forth in the Franchise Agreement by attending the next available training program offered by BBI for new licensees.

4. Concurrently upon the Transfer Date New Franchisee shall become a franchisee of BBI under the Franchise Agreement and Existing Franchisee shall immediately cease operating under the Franchise Agreement. Existing Franchisee shallthereupon comply with all provisions in the Franchise Agreement concerning termination set forth in Article XII thereof, including, but not limited to, ceasing all use of the service marks of BBI.

5. As between Existing Franchisee and BBI, and with the exception of the rights and obligations set forth in Article XII of the Franchise Agreement (which is incorporated herein by reference), the franchise relationship created by the Franchise Agreement is hereby terminated and released and superseded by this Consent and Assumption and in all respects having been assumed by New Franchisee as of the Transfer Date. Existing Franchisee hereby waives all rights to relief from forfeiture under §1179 of the California Code of Civil Procedure and acknowledges that there is no subsisting franchise agreement between BBI and existing Franchisee.

6. Existing Franchisee shall execute all documentation deemed necessary by BBI to transfer the Franchise to New Franchisee.

7. New Franchisee shall execute BBI's current form of franchise agreement for a new ten (10) year term. Upon execution of the current form of franchise agreement by New Franchisee, the Franchise Agreement shall be terminated and superseded by the franchise agreement executed pursuant to this Section 7.

8. (a) As consideration for BBI and New Franchisee to enter into this Consent and Assumption, Existing Franchisee shall refrain from, either directly or indirectly, for [itself or himself or herself or themselves] or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other entity, within the Territory, and from the date of this Agreement through _____:

- (i) Diverting or attempting to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or doing or performing, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with BBI's service marks and the System (as that term is defined in the Franchise Agreement);

- (ii) Employing or seeking to employ any person who is at that time employed by BBI, affiliates of BBI, or by any other franchisee or franchisee of BBI, including but not limited to New Franchisee, or otherwise directly or indirectly inducing or seeking to induce such person to leave his or her employment thereat; or
- (iii) Within the Territory and within a twenty five (25) mile radius of any business franchised or operated by BBI in existence or under development as at the Transfer Date owning, maintaining, engaging in, or having any interest in any business (including any business operated by Existing Franchisee prior to entry into this Agreement) specializing, in whole or in part, in the retail and/ or installation of window coverings, or providing the same or similar goods or services provided, sold, or offered through the System.

(b) The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Consent and Assumption. If all or any portion of a covenant in Paragraph 8(a) is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which BBI is a party, Existing Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph.

(c) The parties understand and acknowledge that BBI shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph 8(a) or any portion thereof effective immediately upon receipt by Existing Franchisee of written notice thereof from BBI, and Existing Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

(d) Paragraph 8(a) shall not apply to ownership by Existing Franchisee of less than a one percent (1%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

9. New Franchisee shall resolve any problems or complaints raised by customers of Existing Franchisee with the same high standards of customer service, and in the same fashion, as New Franchisee responds to problems or complaints raised by customers of New Franchisee and shall not resolve such problems or complaints in a manner that is less advantageous to the customers of Existing Franchisee than the manner in which New Franchisee resolves problems or complaints from New Licensee's own customers.

10. New Franchisee acknowledges that it has received the Confidential Operating Manual and other books and records of Existing Franchisee and has undertaken an independent investigation of the Franchised Business.

11. Existing Franchisee releases, indemnifies and agrees to hold harmless BBI in respect of any liabilities which may arise as a result of this transfer.

12. Failure to comply with any of the provisions of this Consent and Assumption shall constitute a material breach hereof and shall entitle BBI to any of the remedies provided in this Consent and Assumption or the Franchise Agreement, or as may be available at law or in equity.

13. Except as previously provided herein, as among the undersigned parties, each shall bear their respective costs and attorneys' fees incurred in connection with this Consent and Assumption, and events preceding its negotiation and execution.

14. In granting its consent to this Consent and Assumption, BBI has elected not to exercise its right of first refusal as provided in paragraph 9.2 of the Franchise Agreement. Notwithstanding the foregoing, however, the Existing Franchisee shall have a period of 90 days after the date of execution of this Consent and Assumption to complete the transfer of the Franchise and the Existing Franchisee shall again be required to comply with Article 9 of the Franchise Agreement before the transfer can be effected.

15. In consideration for this Consent and Assumption, Existing Franchisee, for itself, its successors, assigns, and anyone claiming through or under it, hereby remises, releases, acquits and forever discharges BBI, and its predecessors, successors, assigns, heirs, executors and administrators (as the case may be), and its past, present and future associates, owners, stockholders, agents, directors, officers, partners, employees, attorneys, accountants and representatives of and from any and all manner of action or actions, cause or causes of action, in law or in equity, arbitrations, suits, debts, agreements, promises, liabilities, claims, demands, damages, loss, cost or expense, known or unknown, fixed or contingent, which Existing Franchisee has or may hereafter have against BBI by reason of any matter, cause or thing whatsoever, from the beginning of time to the date hereof, including all matters, causes or things whatsoever, that were or have been or could have in any way been alleged in any pleading filed in any arbitration proceeding or suit, which are related to the Franchise Agreement, except for those matters expressly excepted herein.

16. Existing Franchisee and New Franchisee have had adequate opportunity to obtain the advice of legal counsel prior to signing this Consent and Assumption. Existing Franchisee executes this Consent and Assumption

voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, i.e., the extinguishment of all obligations, except as expressly excepted herein.

17. Except as expressly stated to the contrary herein, any dispute arising out of this Consent and Assumption shall be resolved pursuant to the provisions contained in Article 11 of the Franchise Agreement.

18. Although the Franchise Agreement provides that no interest in the Franchise Agreement can be transferred without the prior written consent of BBI, New Franchisee acknowledges that BBI does not represent or warrant that Existing Franchisee has not made any unauthorized prior transfers or otherwise has any interest free and clear to anything being transferred now. BBI advises New Franchisee to conduct its own investigation to confirm that Existing Franchisee has the right to transfer the Franchise, and that Existing Franchisee has not made any transfer without consent from BBI.

19. BBI will be provided with a copy of the written sales agreement made by and between the Existing Franchisee and New Franchisee.

20. This Consent and Assumption may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single document. Each of the signatories below expressly covenants that he, she or it has the authority to enter into this Consent and Assumption.

*** REMAINDER OF PAGE INTENTIONALLY LEFT BLANK ***

IN WITNESS WHEREOF, the parties hereto have duly executed this Consent and Assumption on the dates set forth below, it being effective upon the latest of those dates.

CAUTION. THIS CONSENT AND ASSUMPTION CONTAINS IMPORTANT TERMS. READ BEFORE SIGNING.

BUDGET BLINDS, INC.

Dated: _____

By: _____
Todd Jackson, Executive Vice President

EXISTING FRANCHISEE

Dated: _____

By: _____
Name: _____
Title: _____

Dated: _____

By: _____
Name: _____
Title: _____

NEW FRANCHISEE(S)

Dated: _____

By: _____
Name: _____
Title: _____

Dated: _____

By: _____
Name: _____
Title: _____

SOFTWARE LICENSE AGREEMENT

This License Agreement is a legal agreement between you (either a natural person or a other legal entity) ("You") and BUDGET BLINDS INC. ("BBI"), for the authorized use by You of BBI's proprietary Symphony(tm) software ("Symphony"). By installing, copying, downloading, accessing or otherwise using Symphony, You agree to be bound by the terms of this License Agreement. If You do not agree to the terms of this License Agreement, do not install, access or use Symphony; instead, You must delete it from your computer (if already installed) and notify BBI that You do not agree to the terms of this License Agreement.

1. Scope of License

BBI grants to You, while an authorized BBI franchisee or licensee in good standing, a revocable, nonexclusive right to use a single copy of Symphony, including any associated media, printed materials and electronic documentation (the "Software") in perpetuity. The Software shall also include any software updates, add-on components, web services and/or supplements that BBI may provide to You or make available to You after the date You obtain Your initial copy of the Software to the extent that such items are not accompanied by a separate license agreement or terms of use. Upon ceasing to be an authorized BBI franchisee or licensee, or upon ceasing to be in good standing, the license granted by this License Agreement shall automatically terminate and You must immediately remove and destroy any and all versions of the Software then installed on Your computer and return any physical elements of the Software to BBI.

2. Rights Retained by BBI

You acknowledge and agree that the Software is a proprietary product of BBI protected under U.S. copyright law. You further acknowledge and agree that all right, title, and interest in and to the Software, including all trademarks, trade names, copyrights, patent rights and all other associated intellectual property rights, are and shall remain the sole and exclusive property of BBI. This License Agreement does not convey to You any interest in or to the Software, but only a limited right of use which is revocable by BBI at any time in its absolute discretion.

3. Restrictions

You agree that You shall not decompile, disassemble, reverse engineer, translate or otherwise attempt to discover any source code or underlying trade secrets pertaining to the Software or modify the Software or any graphic generated by use of the Software. You may not use, copy, modify, sublicense or distribute the Software (electronically or otherwise), or any copy, adaptation, transcription, or merged portion thereof, except as expressly authorized by BBI in writing.

EXHIBIT M

4. Support

BBI may provide reasonable technical support for the Software. However, any support offered by BBI shall only be for the most current version of the Software and You are solely responsible for ensuring You obtain and substitute or incorporate any new releases or "fixes" issued by BBI.

5. No Warranties

THE SOFTWARE IS LICENSED AS IS, AND BBI DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. BBI DOES NOT WARRANT THAT USE OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE, THAT DEFECTS WILL BE CORRECTED OR THAT THE SOFTWARE IS FREE FROM BUGS OR VIRUSES OR OTHER HARMFUL COMPONENTS. YOU ASSUME ALL RESPONSIBILITY FOR THE COST ALL NECESSARY REPAIRS OR CORRECTIONS.

6. Limitations of Liability

BBI WILL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, EVEN IF BBI SHALL HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. SOME STATES DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

7. Miscellaneous

This License Agreement may be amended only by a written agreement executed by both parties. Should any term of this License Agreement be declared void or unenforceable by any court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof. This License Agreement shall be construed and governed in accordance with the laws of the State of California. In the event BBI is required to institute legal proceedings to enforce the terms of this License Agreement, BBI shall be entitled to recover its reasonable attorney's fees of and incidental thereto.

BUDGET BLINDS, INC.

Dated: _____

By: _____
Todd Jackson, Executive Vice President

"You"

Dated: _____

By: _____
Its: _____

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement (this “*Addendum*”) is entered into as of _____, 2014, (“*Effective Date*”), between Budget Blinds, Inc., a California corporation (“*Franchisor*”), and _____, a(n) _____ (“*Franchisee*”), to amend a Franchise Agreement intended to bear the same date as this Addendum (the “*Franchise Agreement*”), for a Territory in the state of _____ known as Budget Blinds of _____ (“*Territory*”).

This Addendum amends some of the provisions of the Franchise Agreement to reflect the agreement between the parties as to fees payable under the Franchise Agreement. Any capitalized terms that are defined in the Franchise Agreement are used in this Addendum as defined in the Franchise Agreements.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

1. Territory Fee. Section 4.2 of the Franchise Agreement is amended as follows:

“Subject to Section 2.5, above, Franchisee also will pay Franchisor a territory fee of \$25,000.”

3. Reaffirmation. Except as specifically modified by this Addendum, all terms and provisions of the Franchise Agreements are reaffirmed in their entirety.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on or as of the dates indicated below:

Dated: _____, 2014

Sign here is Franchisee is an individual:

FRANCHISEE:

Print Name: _____

Print Address: _____

EXHIBIT N

Sign here if Franchisee is a company:

FRANCHISEE:

Print company name:

BY: _____

ITS: _____

ACCEPTED as of the Effective Date first above written.

FRANCHISOR:

BUDGET BLINDS, INC.

BY: _____

ITS: _____

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.

The franchisor is Budget Blinds, Inc., located at 1927 North Glassell Street, Orange, California 92865, Telephone (714) 637-2100.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us 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 signing and delivery of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the signing and delivery of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 state agency listed on Exhibit H.

We authorize the agents listed in Exhibit H to this disclosure document to receive service of process for us.

Issuance Date: ~~November 11, 2013~~ March 20, 2014

On _____, I received a disclosure document dated ~~November 11, 2013~~ March 20, 2014, that included the following exhibits:

ADDENDUM: SPECIFIC STATE DISCLOSURES

EXHIBITS:

- A: Franchise Agreement and Schedules
State Addendum to Franchise Agreement
- SCHEDULES:
 - 1: Personal Covenant and Guarantee
 - 2: Description of Territory
 - 3: Budget Blinds Start-Up Package
 - 4: Schedule of Names and Addresses of Sole Proprietor, Shareholders, Partners and/or Principal Officers, as Applicable
- B: Secured Promissory Note
- C: General Security Agreement
- D: Financial Statements
- E: List of Current Franchisees

- F: List of Terminated or Transferred Franchises
- G: Industry-Specific Licenses Required
- H: List of State Franchise Administrators and Agents for Service of Process
- I: Table of Contents of Confidential Operating Manual
- J: Consent to Credit Investigation
- K: Deposit Receipt
- L: Consent to Transfer and Assumption of Franchise Agreement
- M: Software License Agreement
- N: Veterans' Addendum to Franchise Agreement
- Q-1: Receipt (Your copy)
- ~~NO-2~~: Receipt (Our copy)

Signature of Prospective Franchisee

Print Name of Prospective Franchisee

The seller(s) of this franchise is/ are listed on the following page:

EXHIBIT ~~NO~~-1 (Your copy)

Employee Salespersons:

- Dayn Benson
- Nancy Beskar
- Aaron Cady
- Troy Molen
- Ralph Rooney
- Jonathan Thiessen

In addition to the above salespersons who are our employees, we also use a network of brokers to sell our franchises. If a broker was involved in the sale of this franchise, that individual's name is listed below:

- _____

EXHIBIT NO-1 (Your copy)

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.

The franchisor is Budget Blinds, Inc., located at 1927 North Glassell Street, Orange, California 92865, Telephone (714) 637-2100.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us 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 signing and delivery of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the signing and delivery of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 state agency listed on Exhibit H.

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- B: Secured Promissory Note
- C: General Security Agreement
- D: Financial Statements
- E: List of Current Franchisees

- F: List of Terminated or Transferred Franchises
- G: Industry-Specific Licenses Required
- H: List of State Franchise Administrators and Agents for Service of Process
- I: Table of Contents of Confidential Operating Manual
- J: Consent to Credit Investigation
- K: Deposit Receipt
- L: Consent to Transfer and Assumption of Franchise Agreement
- M: Software License Agreement
- N: Veterans' Addendum to Franchise Agreement
- Q-1: Receipt (Your copy)
- NQ-2: Receipt (Our copy)

Signature of Prospective Franchisee

Print Name of Prospective Franchisee

The seller(s) of this franchise is/ are listed on the following page:

EXHIBIT NQ-2 (Our copy)

Employee Salespersons:

- Dayn Benson
- Nancy Beskar
- Aaron Cady
- Troy Molen
- Ralph Rooney
- Jonathan Thiessen

In addition to the above salespersons who are our employees, we also use a network of brokers to sell our franchises. If a broker was involved in the sale of this franchise, that individual's name is listed below:

- _____

EXHIBIT NQ-2 (Our copy)