



CoolVu Franchise Concepts, Inc.  
A Georgia Corporation  
4939 Lower Roswell Road  
Marietta, GA 30068  
Telephone 949-278-0052  
[www.coolvu.com](http://www.coolvu.com)  
[www.coolvufanchise.com](http://www.coolvufanchise.com)

The franchisee will operate a home-based business selling and installing residential and commercial window film, graphics, and architectural surface products and services and other products and services ancillary thereto, all under the Marks and according to our System.

The total investment necessary to begin operation of a CoolVu Business is from \$68,450 to \$106,850. This includes the amount of \$50,250 to \$70,150 that will be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mike Herrera, CoolVu Franchise Concepts, Inc., 4939 Lower Roswell Road, Marietta, GA 30068. Telephone 949-278-0052.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](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: April 30, 2025

### How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION                                                                                 | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How much can I earn?</b>                                                              | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D. |
| <b>How much will I need to invest?</b>                                                   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.                                                                  |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit E includes financial statements. Review these statements carefully.                                                                                                                                                                    |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.                                                                                                                                                              |
| <b>Will my business be the only CoolVu Business in my area?</b>                          | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.                                                                                                             |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.                                                                                                                      |
| <b>What's it like to be an CoolVu franchisee?</b>                                        | Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                           |
| <b>What else should I know?</b>                                                          | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.                                                   |

## **What You Need To Know About Franchise *Generally***

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor delegates. These items may be more expensive than similar items you could buy or own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from the franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in Georgia rather than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Mandatory Minimum Payments.** You must make minimum royalty and minimum advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Licensing.** The requirements and licensing necessary to operate a CoolVu Business vary from State to State. You need to make sure you can obtain the authorization necessary in your State to operate your CoolVu Business.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO  
TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

**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 shall not preclude a franchisee, after entering into a license agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable 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 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 provisions have been made for providing the required contractual services.

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

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

**ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION**

**DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.**

**COOLVU FRANCHISE CONCEPTS, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

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**COOLVU FRANCHISE CONCEPTS, INC.**

**FRANCHISE DISCLOSURE DOCUMENT**

**ITEM 1**

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

To simplify the language in this franchise disclosure document, the words "we", "our" or "us" mean CoolVu Franchise Concepts, Inc, the franchisor of this business. The word "you" or "your" means the person who buys the franchise whether you are an individual or a corporation, partnership, limited liability company or other legal entity. The words "this FDD" means this franchise disclosure document.

We are a corporation organized in the State of Georgia on May 27, 2021. Our principal place of business is 4939 Lower Roswell Road, Marietta GA 30068 (the "Principal Address"). We do business under our corporate name and under "CoolVu", "CoolVu Franchise" and "CoolVu Franchise Concepts". Our agents for service of process are disclosed in Exhibit B.

Our parent corporation is FutureVu Brands, Inc. ("FutureVu"). FutureVu is a Georgia corporation formed on May 27, 2021. FutureVu's principal place of business is the Principal Address. FutureVu is not a party to nor does it guaranty our performance of the Franchise Agreement.

We have three affiliates including: (a) Window Film Depot, Inc. ("Depot"); (b) Impact Security, LLC ("Impact"); (c) CoolVu, LLC ("CoolVu") and LongVu Wholesale, LLC ("LongVu").

Depot is a Georgia corporation formed on November 29, 2003. Depot's principal place of business is the Principal Address. Depot a national specialty window film installation company for large commercial buildings and retail chains. Depot also owns the Marks and the System. Depot licenses the Marks and the System to us and we are permitted to sublicense the Marks and the System to you.

Impact is a Georgia limited liability company formed on July 11, 2018. Impact's principal place of business is the Principal Address. Impact is a manufacturer of security glazing retrofits for buildings and storefronts.

CoolVu is a Georgia limited liability company formed on October 10, 2018. CoolVu's principal place of business is the Principal Address. CoolVu is a distributor and supplier of window film, graphics, architectural surface products and services and related products and services.

LongVu is a Georgia limited liability company formed on October 10, 2018. LongVu's principal place of business is the Principal Address. LongVu is a supplier of window surface products.

We sell franchises for the operation of a home-based business selling and installing residential and commercial window film products and services and other products and services ancillary thereto, as such products and services may change from time to time (the "CoolVu Products and Services"), all under the Marks and according to the System as described below and in the Franchise Agreement which is attached to this disclosure document as Exhibit A (the "Franchise Agreement"). The "CoolVu Products and Services" may change from time to time but currently include, without limitation, window film, graphics and architectural surface products and services and related products and services for residential and commercial applications.

"Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations as may presently exist or which may be modified,

changed, developed or acquired by us or our affiliates in connection with the operation of a CoolVu Business. Currently the Marks include “CoolVu” and stylized marks using the CoolVu word trademark. "System" means a specially developed method of operating a business selling and providing the CoolVu Products and Services through a home-based business using certain procedures and methods, advertising, sales and promotional techniques, personnel training, trade secrets and any other matters relating to the operation and promotion of a CoolVu Business as they may be changed, improved, modified, further developed or required by us or our affiliates from time to time. Our affiliates including, without limitation, Depot and Distribution, have developed and may develop lines of proprietary products and services that are part of the System. We or our affiliates may be a provider to you of any products or services.

In this disclosure document, “CoolVu Business” means any business which is operated under the System and Marks, whether owned by us, an affiliate of us, or a licensee or franchisee of us or an affiliate of us. You will do business under the fictitious or assumed names of “CoolVu” and/or any other names that we decide to use in the future. In this disclosure document, the CoolVu Business you will operate according to the terms of the Franchise Agreement is referred to as “the Franchised Business” or “your Franchised Business.” “Your Website” means a dedicated webpage under the Marks which will be specific to your Franchised Business but will be linked to our CoolVu website. We will be the administrator of Your Website which will be developed by our approved vendor.

If we approve you as a franchisee, you may sign a Franchise Agreement, in the form attached as Exhibit A, to operate a single CoolVu Business. In no event will you be a franchisee until we have signed and delivered a written Franchise Agreement with you.

The market for the sale of window film, graphics and architectural surface products and services, generally, is well established but fragmented. The products and services offered by our franchisees are used by the general public and specifically, by owners, property managers and tenants of residential and commercial buildings. Your Franchised Business will compete with locally-owned businesses offering similar products and services and which may include sign shops, graphics and printing businesses, other franchisees, other chains, regional and national chains and other businesses that specialize in all or a portion of what you will provide through Your Franchised Business.

Various federal, state and local agencies and jurisdictions have enacted laws, rules, regulations and ordinances (collectively, “Laws”) which may apply to the operation of your Franchised Business. These include, but are not limited to, Laws which: (a) regulate the sale of products and services to homeowners or for application in or on commercial and residential buildings; (b) regulate commercial speech and trade practices for the benefit of consumers; (c) set standards and requirements for safety and emergency preparedness; (d) regulate the proper use, storage and disposal of waste and other hazardous materials; and (e) regulate wage, hour and working conditions for your employees. Your Franchised Business will be subject to various federal, state and local laws, and regulations affecting businesses generally. You must comply with all federal, state and local laws, codes and regulations, regarding the establishment and operation of your Franchised Business. You should check with your local attorney for advice on complying with applicable Laws and requirements as it is your sole responsibility to comply with such Laws and requirements. Lastly, there may be restrictions against home-offices or parking commercial vehicles where you live. You need to confirm what those restrictions are and make sure they will not impact the operation of your Franchised Business.

We began offering franchises on December 1, 2021. We have not conducted a business of the type you will operate and do not engage in any types of business activities other than franchising CoolVu Businesses and providing services and products to our franchisees. Our affiliate; Depot; does, however, operate a business in the same industry as our CoolVu Businesses but Depot does this on a national scale

and only with respect to commercial and larger buildings. Depot has done so continuously since its inception in 2003. Neither we nor our parent nor any of our affiliates have offered franchises in other lines of businesses. Neither we nor our parent nor our affiliate have offered or sold any franchises similar to your Franchised Business.

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

### **Jeff Franson – Founder and CEO**

Since our formation on May 27, 2021, Jeff has been our Founder and CEO. Jeff is and has also been the Founder and CEO of FutureVu and all of our Affiliates since their formations.

### **Mike Herrera – Co-Founder, President and Chief Development Officer**

Since our formation on May 27, 2021, Mike has been a Co-Founder and our President and Chief Development Officer. From April, 2019 through May, 2021, Mike was the Chief Development Officer for CoolVu. Since 2012, Mike has also owned and continues to own his own consulting business called FranMatrix. Mike ceased operations of FranMatrix in 2022 to focus on our business.

### **Michele Popp – Director of Franchise Support**

Since February 2022, Michele has been our Director of Franchise Support. From January 2019 to February 2022, Michele was an Account Manager for CoolVu. From May 2016 through February 2022, Michele was a Senior Executive Assistant with Depot.

### **Chris Sullivan – Western Regional Support Director / Performance Coach**

Since January 2022, Chris has been our Western Regional Support Director (nka Performance Coach). Chris has been a Senior Vice President at Depot from January 1997 to present.

### **Wellerson Bedin – Training and Field Operations Support Director**

Since April, 2024, Wellerson has been our Field Operations Support Director (nka as Training and Field Operations Support Director). From January 2022 to April, 2024, Wellerson was our Southeast Regional Support Director. From 2013 through present, Wellerson has been a Senior Project Manager at Depot.

### **Nick Baker – Eastern Regional Support Director / Performance Coach**

Since April 2024, Nick has been our Eastern Regional Support Director (nka Performance Coach). From 2000 to March 2024, Nick was a Senior Project Manager at Depot. From 2000 through today, Nick has been in the Window Expert Tinting business in the greater Atlanta, Georgia area.

## **ITEM 3** **LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4** **BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

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

You must pay us an Initial Franchise Fee, a Territory Fee and an Onboarding Services Fee.

Our standard Initial Franchise Fee is \$19,900. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$14,925.

If you are or were a full-time firefighter, police officer, or EMT or are or were a military reservist or a spouse of any one of those or if you will operate your CoolVu Business as a woman-owned and controlled or minority owned and controlled business and you provide us with written proof of the above (as applicable), your Initial Franchise Fee is \$9,950. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$7,463.

If you are an honorably discharged veteran or the spouse of an honorably discharged veteran and you provide us with a copy of the applicable DD Form 214 and otherwise meet our qualifications, your Initial Franchise Fee is \$0.

We offer financing of the Initial Franchise Fee. Our financing of the Initial Franchise Fee is described in Item 10 of this FDD.

For your first Territory, you pay us a Territory Fee of \$10,000 and an Onboarding Services Fee of \$40,000. The Onboarding Services fee is to cover our and our affiliates' costs of providing initial training, market analysis, your initial product, tools and marketing package and a 2 day post training field visit. With our approval, you can buy an additional Territory at the same time you buy your first Territory. Each additional Territory will be governed by its own franchise agreement which you will need to sign and deliver along with the Franchise Agreement.

If you acquire an additional Territory at the same time you acquire your first Territory, your Territory Fees for the second Territory will be \$10,000 but your Onboarding Services Fee will be reduced to \$20,000..

In all other instances, your Territory Fee and Onboarding Services Fee for an additional Territory will be our then current Territory Fee.

Unless you finance the Initial Franchise Fee with us, the Initial Franchise Fee is due at the time you signed the Franchise Agreement and is payable in one lump sum. The applicable Territory Fee(s) and Onboarding Services Fee(s) is also due at the time you sign the Franchise Agreement / franchise agreements and is payable in one lump sum. Neither the Initial Franchise Fee, the Territory Fee(s) nor the Onboarding Services Fee(s) are refundable, in whole or in part, under any circumstances. Each of those fees is fully earned upon payment.

We may accept payment of Initial Fees and other amounts by Bitcoin or other cryptocurrency in accordance with our then current cryptocurrency policies. When making payments by cryptocurrency, the value of the currency will be determined by us using the seven day trailing average of the close price of that currency to USD exchange rate in effect at the payment date as published at [www.counmarketcap.com](http://www.counmarketcap.com) or such other exchange rate source that

we then use pursuant to our cryptocurrency policies. To make any payments in cryptocurrency, you will need a digital wallet that supports transfers of cryptocurrency to external digital wallets, compatible hardware and internet access. We will provide you with a digital wallet address in alphanumeric code form. It is your sole responsibility to confirm that the alphanumeric code that we provide to you is accurately reflected in the recipient field of your digital wallet software. Cryptocurrency transactions cannot be reversed or revised. If we do not receive your payment, you will remain responsible for the fee or other amount that you intended to pay with cryptocurrency.

All fees listed in this Item are uniformly imposed and are non-refundable.

**ITEM 6**  
**OTHER FEES\***

| TYPE OF FEE                      | AMOUNT                                                                                                                       | DUE DATE                                                                                                | REMARKS                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty<br>(Note 1)              | Year 1:<br>\$400 monthly<br>Year 2:<br>\$800 monthly<br>Year 3:<br>\$1,200 monthly<br>Years 4 through 10:<br>\$1,600 monthly | On or before the 5 <sup>th</sup><br>of each calendar<br>month for the<br>immediately<br>preceding month | Payable to us. The Royalty Fee begins on the 5 <sup>th</sup> day of the 3 <sup>rd</sup> month after your initial training. Payments of the Royalty Fee and all other amounts paid to us will be made via electronic funds transfer ("EFT").                                                                                                                                                                        |
| Brand Marketing Fund<br>(Note 2) | \$250 monthly                                                                                                                | On or before the 5 <sup>th</sup><br>of each calendar<br>month for the<br>immediately<br>preceding month | Payable to us. We do not currently have a Brand Marketing Fund. We may establish one in the future with the advice of our Franchisee Advisory Board. We reserve the right to increase the Brand Marketing Fund Fee.                                                                                                                                                                                                |
| Technology<br>(Note 3)           | Currently \$250 per<br>month, subject to<br>increase                                                                         | On or before the 5 <sup>th</sup><br>of each calendar<br>month for the<br>immediately<br>preceding month | Payable to us. The Technology Fee begins on the 5 <sup>th</sup> day of the month after your initial training. We reserve the right to increase the Technology Fee.                                                                                                                                                                                                                                                 |
| Annual Conference                | Currently \$500 per<br>attendee which will<br>only be increased<br>for actual cost<br>increases of<br>conference             | Upon registration<br>for conference or<br>120 days before<br>conference, which<br>is earlier            | Payable to us. This fee is to cover our costs of providing meeting space and food for one attendee at an annual conference. It does not cover your cost of travel to and from the conference, room and board, and other out-of-pocket expenses you may incur. If we hold a conference, at least one owner is required to attend who has responsibility for your management. We may increase the fee in the future. |

| TYPE OF FEE                                               | AMOUNT                                                                                       | DUE DATE                                                                         | REMARKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest<br>(Note 4)                                      | Highest applicable legal rate for open account business credit, not to exceed 1.0% per month | On demand                                                                        | Applies to all Royalty Fees, Brand Marketing Fund Fees, Technology Fees and any other amounts due to us or our affiliates.                                                                                                                                                                                                                                                                                                                                                                                         |
| Late Fee<br>(Note 4)                                      | \$100 plus \$100 for every week any fee or other amount is late                              | On demand                                                                        | Payable on all late fees due to us to the extent permitted by applicable law.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Renewal                                                   | \$5,000                                                                                      | At the time of the execution of the then current franchise agreement for renewal | Payable when and if you renew.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Transfer                                                  | \$7,500 plus any brokerage commissions payable by us.                                        | At the time of transfer                                                          | Payable when you transfer your Franchised Business, an interest in you or an interest in the Franchise Agreement. All such transfers require our prior written consent and a new franchise agreement to be signed by transferee.                                                                                                                                                                                                                                                                                   |
| Additional Training and Additional Assistance<br>(Note 5) | \$200 per person per day                                                                     | Upon request or as we require                                                    | This is for additional training and/or additional assistance we may provide from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Non-Compliance<br>(Note 6)                                | \$100 per day                                                                                | Upon demand                                                                      | Payable for each day unauthorized services or products are offered for sale or sold.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Early Termination Fee                                     | 24 months of Royalties                                                                       | Only upon your termination of the term of the Franchise Agreement without cause  | You have the right to terminate the term of the Franchise Agreement, without cause, so long as you are in compliance with the Franchise Agreement as of the effective date of the termination, you have operated your Franchised Business for at least 24 months, you pay us any outstanding principal and interest financed with us and pay us an Early Termination Fee of 24 months of Royalties, you grant us a general release of claims and you sign and deliver our termination agreement then in use by us. |

| TYPE OF FEE                                              | AMOUNT                                          | DUE DATE    | REMARKS                                                                                                                                      |
|----------------------------------------------------------|-------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Indemnification                                          | All costs including attorney's fees             | As invoiced | You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business. |
| Costs and Attorneys' Fees                                | Will vary under circumstances                   | As incurred | Due when you do not comply with the Franchise Agreement and we have to seek assistance to enforce the Agreement.                             |
| Failure to Comply with the Dispute Resolution Provisions | \$5,000 plus our expenses in curing your breach | As incurred | If you or your guarantors do not comply with the provisions in the Dispute Resolution Section of the Franchise Agreement.                    |

\* All fees are non-refundable unless they are payable to a third-party and then, they are only refundable pursuant to the terms required by the applicable third-party. **All payments to us will be made by EFT.** No fees are pro-rated for partial calendar months unless they are payable to a third-party and then, they are only pro-rated pursuant to the terms required by the applicable third-party. All fees payable to third parties will be subject to the third-party's terms. This will include, among other things, the amounts you will pay, any increases, refunds and when payments are due. Third parties may also charge taxes on amounts you pay to them. All fees are uniformly imposed.

## **NOTES**

**Note 1: Royalty.** You are required to pay us a fixed monthly Royalty Fee on or before the 5<sup>th</sup> of each calendar month for the immediately preceding calendar month. Royalties will be prorated for partial calendar months. Upon renewal of the Franchise Agreement, the Royalty will be determined by the then-current Franchise Agreement that you will have entered into with us.

**Note 2: Brand Marketing Fund.** There's a difference between amounts spent on local advertising (described in Item 7 of this FDD) and a Brand Marketing Fund Fee. While we don't currently have one, we may establish a Brand Marketing Fund and impose a Brand Marketing Fund Fee in the future with the advice of our Franchisee Advisory Board. A Brand Marketing Fund Fee will be paid to us and will be spent by us, generally, on promotion of the CoolVu brand. Brand Marketing Fund Fees may be spent on any activities we determine relate to promotion of the Marks, the System or our brand, including, without limitation, any general and administrative costs that we believe are allocable to those activities. We do not and will not hold the Brand Marketing Fund as a fiduciary to you. We cannot guaranty that the Brand Marketing Fund will benefit you directly or equally with other franchisees. We will, however, provide unaudited financials to you of the Brand Marketing Fund so you can see the activities that we spend revenue from the Brand Marketing Fund. We may increase the Brand Marketing Fund Fee in the future upon 30 days prior written notice to you. Members of our Franchisee Advisory Board are selected by us and serve at our pleasure. We may establish, change or abolish our Franchisee Advisory Board at any time. Our Franchisee Advisory Board has no authority over us and we are not required to follow the recommendations of our Franchisee Advisory Board. We do intend to seek its advice, however, regarding any establishment of the Brand Marketing Fund.

**Note 3: Technology.** The Technology Fee includes up to two CoolVu email accounts, the creation and monthly maintenance of Your Website which is a website landing page on our Website and the creation of local Google business pages for your Franchised Business (which Google business pages will be under our control). The Technology Fee also pays for things like your use of and license to

“CoolVuPRO” which is our proprietary business operating system software which will assist you in running your Franchised Business. The ongoing Technology Fee will not be charged until the 5<sup>th</sup> day of the month after your initial training. We have, however, included a full calendar month’s fee in this Item 7. We may increase this fee in the future. We may also develop, upgrade, modify and require any other technology in the future in our discretion.

**Note 4: Interest and Late Fees.** You must pay us interest on any amounts due to us or our affiliates that you pay late, including for Royalty Fees, Brand Marketing Fund Fees, Technology Fees and any other amounts you may owe us or our affiliates, in the amount of the lesser of 1 % per month or the maximum legal rate in the jurisdiction where your Franchised Business is located. If you fail to pay us an amount when due, we can charge you, to the extent permitted by law, a late fee of \$100 plus \$100 for each week your fee or other amount is late. The \$100 fee may also be charged for any insufficient funds check or insufficiency of funds in connection with any EFT program.

**Note 5: Additional Training or Assistance.** We will charge you \$200 per person (per trainee) per day for any additional training or assistance we provide to you or your representatives or employees after the opening of the Franchised Business. You will also be responsible for any travel, meal, incidental, and lodging expenses incurred by you and your employees when attending any training programs (be they initial training or additional training programs) and for our employees or representatives when conducting additional training programs or rendering additional on-site assistance.

**Note 6: Non-Compliance.** Uniformity of products and services offered by all CoolVu Businesses is of utmost importance to us, our franchisees and the System. If you offer to sell or do sell services or products which are not authorized, we will charge you a Non-Compliance Fee of \$250 per day for each day unauthorized services or products are offered or sold and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to any and all of our other rights for non-compliance provided for under the Franchise Agreement.

**Note 7: Taxes.** You agree to indemnify and/or reimburse us and our affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Franchised Business or the license of any of our or our affiliates' intangible property to you (whether required to be paid by us or our affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our affiliates' income.

You will comply with the procedures specified in our Confidential Operations Manual (“Manual”) or as otherwise communicated for any electronic funds transfer program or any other program we institute and shall perform the acts and sign the documents, including authorization forms that we, your bank and our bank may require to accomplish payment by electronic funds transfer, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Brand Marketing Fund Fees, Technology Fees and other amounts, including interest payable to us. In addition, you will pay all costs associated with utilizing an electronic funds transfer payment program.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

|                                                               | <b>AMOUNT<br/>(Low-High Range)</b> | <b>METHOD OF<br/>PAYMENT</b>                         | <b>WHEN DUE</b>                                                              | <b>TO WHOM<br/>PAYMENT IS<br/>TO BE MADE</b> |
|---------------------------------------------------------------|------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------|
| Initial Franchise Fee<br>(Note 1)                             | \$0 - \$19,900                     | Lump sum or paid in installments if financed with us | Upon signing Franchise Agreement or paid in installments if financed with us | Us                                           |
| Territory Fee<br>(Note 2)                                     | \$10,000                           | Lump sum                                             | Upon signing Franchise Agreement                                             | Us                                           |
| Onboarding Services Fee<br>(Note 3)                           | \$40,000                           | Lump sum                                             | Upon signing Franchise Agreement                                             | Us                                           |
| Technology Fee<br>(Note 4)                                    | \$250                              | Monthly                                              | On or before the 5 <sup>th</sup> of each calendar month                      | Us                                           |
| Vehicle<br>(Note 5)                                           | \$1,300 to \$3,500                 | Per terms of third parties                           | Before opening                                                               | Third party                                  |
| Vehicle Graphic Design, Printing and Installation<br>(Note 5) | \$2,500 to \$3,500                 | Per terms of third parties                           | Before opening                                                               | Third party                                  |
| Local Advertising<br>(Note 6)                                 | \$1,000 – \$2,000                  | Per terms of third parties                           | As incurred                                                                  | Third-parties                                |
| Mobile phone with monthly data plan                           | \$100 - \$300                      | Per terms of third parties                           | Before Opening                                                               | Third party                                  |
| Furniture and Fixtures<br>(Note 7)                            | \$0 - \$500                        | Lump sum                                             | Before Opening                                                               | Third parties                                |
| Computer Equipment<br>(Note 8)                                | \$0                                | N/A                                                  | N/A                                                                          | N/A                                          |
| Office Equipment and Office Supplies<br>(Note 9)              | \$500 - \$1,000                    | Lump sum                                             | Before Opening                                                               | Third parties                                |
| Travel Expenses for Training<br>(Note 10)                     | \$1,200 – \$2,500                  | As incurred                                          | Before Opening                                                               | Airlines, restaurants, hotels, etc.          |

|                                                   | <b>AMOUNT<br/>(Low-High Range)</b> | <b>METHOD OF<br/>PAYMENT</b> | <b>WHEN DUE</b> | <b>TO WHOM<br/>PAYMENT IS<br/>TO BE MADE</b> |
|---------------------------------------------------|------------------------------------|------------------------------|-----------------|----------------------------------------------|
| Professional Fees, Licenses and Permits (Note 11) | \$1,000 - \$2,500                  | As incurred                  | Before Opening  | Professionals and governmental agencies      |
| Insurance (Note 12)                               | \$600 - \$900                      | Lump sum                     | Before Opening  | Third Party Insurance Carrier                |
| Additional Funds- 3 months (Note 13)              | \$10,000 - \$20,000                | As incurred                  | As incurred     | Employees, suppliers, other third parties.   |
| TOTAL (Note 14)                                   | \$68,450 - \$106,850               |                              |                 |                                              |

The chart above describes the estimated initial investment for one CoolVu Business with one Territory. Unless otherwise indicated in this FDD or in the terms of third parties (for amounts paid to third parties), none of the amounts are refundable.

**Note 1: Initial Franchise Fee / Installment Payments.** Our standard Initial Franchise Fee is \$19,900. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$14,925.

If you are or were a full-time firefighter, police officer, or EMT or are or were a military reservist or a spouse of any one of those and you provide us with written proof of same, your Initial Franchise Fee is \$9,950. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$7,463.

If you are an honorably discharged veteran or the spouse of an honorably discharged veteran and you provide us with a copy of the applicable DD Form 214 and otherwise meet our qualifications, your Initial Franchise Fee is \$0.

We offer financing of the Initial Franchise Fee. Our financing of the Initial Franchise Fee is described in Item 10 of this FDD.

If you finance the Initial Franchise Fee with us, you will only pay monthly installment payments of \$350 for 72 months or \$310 to us for 36 months, depending on the amount and term financed. Installment payments will be owed to us on the 5<sup>th</sup> of every month.

**Note 2: Territory Fee.** The fee for a single Territory is \$10,000. Upon our approval you may but are not required to purchase a second contiguous Territory. Each Territory, however, will be governed by a separate franchise agreement. For Item 7 in this FDD, we assume you are purchasing a single Territory.

**Note 3: Onboarding Services Fee.** For your first Territory, you pay us an Onboarding Services Fee of \$40,000. The Onboarding Services fee is to cover our and our affiliates' costs of providing initial training, market analysis, your initial product, tools and marketing package and a 2 day post training field visit.

**Note 4: Technology Fee.** We or our approved vendor will develop Your Website based on the design templates we approve. Your Website will be a landing page on our Website. Our ongoing, current

Technology Fee is \$250 a month. The Technology Fee also pays for things like your use of and license to our proprietary software which will assist you in running your Franchised Business. The Technology Fee includes up to two CoolVu email accounts, the creation and monthly maintenance of Your Website and the creation of local Google business pages for your Franchised Business (which Google business pages will be under our control). The ongoing Technology Fee will not be charged until the 5<sup>th</sup> day of the month after your initial training. We have, however, included a full calendar month's fee in this Item 7. We may increase this fee in the future.

**Note 5: Vehicle Graphics and Installation.** You will need a white cargo van or other approved vehicle for your Franchised Business which is capable of hauling inventory and equipment. This can be purchased or leased new or lightly used. We have included information based upon a down payment and a month's payment estimated to be from \$400 to \$700 monthly. You will need to wrap your vehicle to help consumers identify your Franchised Business. We will advise you as to an approved vendor for the design, printing and shipping to you of vehicle graphics. In addition to paying for these graphics, you will have to pay for their installation on your vehicle and provide proof of that installation within 60 days of our signing of your Franchise Agreement. You will, however, need to get it installed at your expense.

**Note 6: Local Advertising.** Local advertising to promote your Franchised Business in your Territory is critical. Local advertising is recommended but is not required by us. We recommend but do not require you spend from \$1,000 to \$2,000 a month in local advertising your first year of operation. Beyond that, we recommend but don't require that you spend 6% of your gross revenue on local advertising. We encourage you to spend more on advertising than the minimum. All advertising must be pre-approved by us. Advertising has to always be preapproved by us. Our advertising requirements and forms of advertising approved by us may change from time to time.

The low end of the range reflected in this Item 7 is based on a single month of your minimum required monthly advertising expenditure of \$500. We may increase the minimum required monthly advertising expenditure upon 30 days prior written notice to you.

**Note 7: Furniture and Fixtures.** You will operate your Franchised Business, initially, out of your home. It is possible, therefore, that you won't need any furniture or fixtures to begin operation of your Franchised Business. We have included an amount in the table in case you elect to do so (e.g., a worktable, an office chair).

**Note 8: Computer Equipment.** You can use a tablet for your Franchised Business. We will provide you with your initial tablet loaded with CoolVuPRO.. With our consent, you are permitted to purchase an additional contiguous Territory along with your first Territory. If you purchase a contiguous Territory along with your first Territory, however, our technology, equipment and initial inventory package will not be the same with any additional Territory as it is with your first. With the first Territory, we will provide you with a tablet, software, tools and inventory package. With any additional Territory, we will provide you with a laptop and software but not additional tools and inventory.

**Note 9: Office and Other Supplies.** We anticipate that you will operate your Franchised Business out of your home with (possibly) a storage space for inventory and equipment. It is possible that you will not need original office and other supplies. You may want to purchase some, however. You may also want to purchase a printer if you do not already have one.

**Note 10: Travel Expenses for Training.** You are not charged an additional fee for initial training for 2 people. However, you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose.

**Note 11: Professional Fees, Licenses and Permits.** This includes legal fees, accounting fees, licenses and permits. While you are solely responsible for determining how to get licenses and permits in your Territory so that you can operate your Franchised Business and solely responsible for getting all licenses and permits necessary to do so, we will help you find out what authorities are involved at the State level in that regard.

**Note 12: Insurance.** The insurance that you are initially required to carry is described in Item 8 of this FDD. We have estimated your first couple of month's premiums in this table. You will, of course, need to carry insurance at all times during term of the Franchise Agreement and afterward as indicated in Item 8 and the Franchise Agreement.

**Note 13: Additional Funds.** This item estimates your expenses during the initial period of operation of the Franchised Business (other than the items identified separately in this table or in Item 6). These expenses include estimated payroll costs, additional supplies, etc., but do not include Royalty Fees, Advertising Fees, Technology Fees or an owners' draw or salary. These figures are estimates, and you may have additional expenses in order to start your Franchised Business. Your costs will depend on factors similar to these: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for CoolVu Products and Services; the prevailing wage rate; competition; and sales level reached during the initial period. In determining the range of additional funds required, we relied on our affiliates' experience in marketing and supporting a window film application business (scaled down to reflect a home based business like the type you will operate) and we relied upon our affiliates' experience as a product supplier and wholesaler to determine the costs of the CoolVu Products you will be purchasing for installation.

**Note 14: Total.** Costs and expenses can vary depending on factors like choice of vendors which are not required by us. These figures are based on the experience of our Depot's business and our knowledge of the industry. The expenses may also differ in various parts of the country. None of the fees or amounts listed in this Item are refundable. Your financial condition and arrangements negotiated, and the business decisions made, by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

The high end of range under the Total amounts includes the \$16,900 Initial Franchise Fee (as if you paid for it up front) but does not include the monthly payments. If you finance the Initial Franchise Fee with us, the high end of the range would not include the \$16,900 but would include the monthly payments.

We offer financing to you for the Initial Franchise Fee (See Item 10 of this FDD). The availability of financing from third parties will depend upon various factors such as the availability of financing generally, your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

We have not included a separate amount for Your Website design, your initial inventory, your original installation equipment or your initial tablet. This is because this is included with the Onboarding Service Fee. With our consent, you are permitted to purchase an additional contiguous Territory along with your first Territory. If you purchase a contiguous Territory along with your first Territory, however, our technology, equipment and initial inventory package will not be the same with your additional Territory as it is with your first. With the first Territory, we will provide you with a lap top, software, tools and initial inventory.. With any additional Territory, we will provide you with a tablet and the software but not with additional tools or inventory.

**ITEM 8**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You will operate your Franchised Business according to our System. You are required to purchase all inventory, products, services, supplies, tablets, computers, equipment and materials required for the operation of your Franchised Business from manufacturers, suppliers, or distributors which we either designate or from other suppliers who meet our specifications and standards as to quality, appearance, and service, and who adequately demonstrate their ability to supply the franchise needs in a timely and reliable manner (collectively, "Approved Suppliers"). We or our affiliates will be among the Approved Suppliers. You will buy all of your inventory from one or more of our affiliates.

Required specifications and standards are provided to potential Approved Suppliers and our general criteria for supplier approval will be made available to franchisees upon their written request for same. Alternative suppliers for inventory suggested by franchisees will not be considered. Alternative suppliers suggested by franchisees for other products and services will be considered by us based upon our then current criteria for supplier approval, including without limitation, the reputation of the suggested supplier, its time in business, its product or service quality, its prices, and its ability to fulfill the needs of franchisees. Financial, operational and other information of a suggested supplier will be necessary in each instance along with any samples we may require. Once we receive all information required by us plus all samples we request, we will approve or disapprove a suggested alternative supplier within 90 days.

We will provide you, in the Manual or other written or electronic form, with a list of authorized equipment, supplies, products and services and, if applicable, a list of Approved Suppliers for some or all of these items (including, without limitation, required suppliers of accounting, marketing and other services and required suppliers of supplies) and may, from time to time issue revisions to this list. Our approval of a supplier may be conditioned on requirements relating to, among other things, quality, reputation, ability to meet demand, frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions or other consideration to us, our affiliates, any advertising or marketing fund and/or otherwise, and may be temporary, in each case, in our discretion. We may, from time-to-time, withhold, condition and/or revoke our approval of particular items or suppliers in our discretion. We have imposed these requirements in order to assure quality and uniformity in the services and products provided to customers. This uniformity is necessary to build brand value.

We or our affiliates have developed and may continue to develop lines of proprietary products and services which may become an integral part of the System and we and/or our affiliates may be the sole approved supplier of these products and services. We may introduce new products and services as part of the System at any time.

You agree to purchase certain products and services listed in the Manual from time to time or as otherwise communicated to you from us or our affiliate(s). You agree to sell all products and services required by us. You agree that you will only sell products and services that are pre-approved by us. You acknowledge that your agreement to comply with these requirement is a material condition upon which this franchise will be granted. If we or our affiliate(s) fail to offer these products or services, we will designate an Approved Supplier(s) for these products or services. Any products or services purchased from us or our affiliate(s) will generally be at prices exceeding our or our affiliate(s)' costs. Except for ownership in our affiliate(s), there is no Approved Supplier that is owned, in whole or in part, by any of our officers, but we and they reserve the right to do so in the future.

We may receive discounts, rebates, commissions, promotional allowances and other benefits if you buy items from certain Approved Suppliers we designate based on the quantities of products or services you and other franchisees buy. If this occurs, we may have the quantity discount passed on to you and the other franchisees but we are not required to do so. We reserve the right in the future to affiliate ourselves with suppliers, and/or receive revenues from purchases made by franchisees. While we are not required to do so, we may share discounts, rebates, commissions, allowances and benefits with our franchisees using any method we deem equitable.

During the last fiscal year, one of our affiliates received \$2,478,246 from products sold to franchisees. Other than that, neither we nor any affiliate of ours received any revenue from the sale of services or products sold to franchisees. Neither we nor our affiliates currently receive any rebates based on franchisees purchases. We estimate that approximately 50% to 60% of your expenditures and purchases in establishing your Franchised Business and approximately 50% to 60% of your expenditures on an on-going basis will be for products and services which must be purchased from either of us, our affiliate(s) or an Approved Supplier.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the System. In or last fiscal year, we maintained a rebate program for our franchisees based upon their purchases from our affiliate as follows: (a) for annual purchases of \$10,000 or more, a franchisee earned a 4% rebate; (b) for annual purchases of \$15,000 or more, a franchisee earned a 5% rebate; (c) for annual purchases of \$20,000 or more, a franchisee earned a 6% rebate; (d) for annual purchases of \$30,000 or more, a franchisee earned a 8%; and (e) for annual purchases of \$50,000 or more, a franchisee earned 10%. We pay rebates in the year following the year in which they were earned. We reserve the right to change our rebate program at our discretion. Other than the foregoing, we do not provide any material benefits to a franchisee based on a franchisee's use of particular products or services or use of particular suppliers.

In addition to the purchases, expenses and costs described above, you must buy and maintain, at your own expense, insurance coverage that we require and to meet the other insurance-related obligations, as described in greater detail in Section 9.H of the Franchise Agreement and in the Confidential Operations Manual. You will at all times maintain at your sole expense comprehensive public and product liability insurance, death and property damage caused by or occurring in conjunction with the operation of the Franchised Business.

Prior to opening your Franchised Business, you will need to purchase and maintain in full force and effect throughout the term of the franchise agreement, the minimum insurance requirements as outlined below. The insurance will be required to be provided by an approved vendor and underwritten by an insurance company with an A.M. Best Rating of not less than A-VII and be admitted in the state where your Franchised Business is located. We reserve the right to modify these insurance requirements at any time due to changing or increase risks for which you will need to comply upon written notification from us which will be described in the Manual. You will need to send us or our representative a certificate of insurance and applicable endorsements as evidence of the required coverages at least 30 days prior to opening your Franchised Business and at least 30 days prior to every renewal of insurance or any time we request. You are required to name us an additional insured on all liability policies and you will be required to provide us with proof of this at all times. These policies will stipulate that we will receive a 30-day prior written notice of any cancellation, modification or termination. All policies will be primary and non-contributory to any insurance we might carry and provide a waiver of subrogation in our favor. If you do not comply with the minimum insurance requirements as set forth herein and in the Franchise Agreement, we reserve the right but do not have the duty to purchase coverage on your behalf and charge you the premium along with any administration fee that might be due for which you will reimburse us immediately upon notification.

The minimum insurance requirements are as follows:

**Comprehensive General Liability** - \$1,000,000 per occurrence and \$2,000,000 aggregate to provide Bodily Injury and Property Damage. This policy must be on an occurrence form unless not commercially available.

**Automobile Liability** - \$1,000,000 Combined Single Limit Liability to cover any auto used in the franchised business including owned, non-owned and rented/hired vehicles

**Property Insurance** - to cover 100% of the replacement cost of the furniture, fixtures, equipment and inventory used in your Franchised Business including your personal home since this is initially a home-based business. This policy must include Flood and/or Earthquake coverage in geographically prone zones.

**Workers' Compensation and Employer's Liability** – Statutory Workers' Compensation for lost wages and medical payments for job related injuries and Employer's Liability of \$1,000,000 for any claims brought against the employer by an employee for an intentional injury.

All other insurance that is required by any federal, state or local municipality laws for where the Franchised Business is located. None of the insurance may have exclusions for pandemics or government shutdowns.

We also reserve the right to require coverage after the termination or expiration of the term of the Franchise Agreement on any policy required by this section. We will provide 30 days written notice if we elect to exercise this option.

We may, from time to time, in our sole discretion, make such changes in minimum policy limits, coverage, and endorsements as we may determine. The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history. These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. Failure to obtain and maintain the required insurance constitutes a material breach of the Franchise Agreement entitling us to terminate that agreement. We may periodically increase the amounts of coverage required and/or require different or additional coverage. We may require you to purchase insurance from a designated Approved Supplier.

## **ITEM 9**

### **FRANCHISEE'S OBLIGATIONS**

**This table list your principal obligations under the Franchise Agreement 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.**

| <b>Obligation</b>                               | <b>Section in the Franchise Agreement</b>     | <b>Disclosure Document Item</b> |
|-------------------------------------------------|-----------------------------------------------|---------------------------------|
| a. Storage site selection and acquisition/lease | Section III of the Franchise Agreement ("FA") | Items 11 and 12                 |
| b. Pre-opening purchases                        | Sections III and IX of the FA                 | Items 7 and 8                   |
| c. Other pre-opening requirements               | Sections III and IX of the FA                 | Items 6, 7 and 11               |

| <b>Obligation</b>                                                     | <b>Section in the Franchise Agreement</b> | <b>Disclosure Document Item</b> |
|-----------------------------------------------------------------------|-------------------------------------------|---------------------------------|
| d. Initial and ongoing training                                       | Sections VIII and IX of the FA            | Items 11                        |
| e. Opening                                                            | Section IX of the FA                      | Item 11                         |
| f. Fees                                                               | Sections IV and VI of the FA              | Items 5 and 6                   |
| g. Compliance with standards and policies/<br>Manual                  | Sections VII, IX, XI and XV of the FA     | Items 8 and 11                  |
| h. Trademarks and proprietary information                             | Section X of the FA                       | Items 13 and 14                 |
| i. Restrictions on products/services offered                          | Section XIV of the FA                     | Items 8 and 16                  |
| j. Customer service requirements                                      | Section IX of the FA                      | Item 16                         |
| k. Ongoing product/service purchases                                  | Section XIV of the FA                     | Items 8 and 11                  |
| l. Maintenance, appearance, reequipping<br>and retooling requirements | Sections V, IX and XVI of the FA          | Items 11 and 17                 |
| m. Insurance                                                          | Section IX of the FA                      | Items 7 and 8                   |
| n. Advertising                                                        | Section VII of the FA                     | Items 6 and 11                  |
| o. Indemnification                                                    | Section XVII of the FA                    | Item 6                          |
| p. Owner's participation/management/<br>staffing                      | Section IX of the FA                      | Item 15                         |
| q. Records and reports                                                | Section IX of the FA                      | Item 11                         |
| r. Inspections                                                        | Sections VI and IX of the FA              | Items 6 and 11                  |
| s. Transfer                                                           | Section XVI of the FA                     | Items 6 and 17                  |
| t. Renewal                                                            | Section V of the FA                       | Item 17                         |
| u. Post-termination obligations                                       | Sections XI and XI of the FA              | Item 17                         |
| v. Non-competition covenants                                          | Section XII of the FA                     | Item 17                         |
| w. Dispute Resolution                                                 | Section XVIII of the FA                   | Item 17                         |

**ITEM 10**  
**FINANCING**

We offer financing of the Initial Franchise Fee upon the following terms:

| Title                 | Source | Down Payment | Amount Financed | Term in months | Fixed simple interest | Monthly Payment                 | Penalty for pre-payment | Security required | Liability upon default            | Loss of legal rights upon default     |
|-----------------------|--------|--------------|-----------------|----------------|-----------------------|---------------------------------|-------------------------|-------------------|-----------------------------------|---------------------------------------|
| Initial Franchise Fee | Us     | \$0          | \$19,900        | 72 months      | 8.112% per annum      | \$350 Due with your Royalty Fee | None                    | Guaranty          | The balance plus accrued interest | Will be breach of franchise agreement |
| Initial Franchise Fee | Us     | \$0          | \$9,950         | 36 months      | 7.608% per annum      | \$310 Due with your Royalty Fee | None                    | Guaranty          | The balance plus accrued interest | Will be breach of franchise agreement |

Other than as disclosed above, we do not offer any other financing. Neither we nor any affiliate of ours offer any guaranty of any obligation of yours, including without limitation, any lease or debt of yours.

If you finance the Initial Fee, you will need to sign and deliver to us a Promissory Note substantially in the form as is attached hereto as Exhibit II to the Franchise Agreement.

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

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

Before you open the Franchised Business, we will:

1. Designate your Territory. (Franchise Agreement, Sections 2 and 3)
2. Provide you with a list of required equipment, fixtures, inventory and supplies which you are required to purchase and install through your Franchised Business (Franchise Agreement, Section IX.A)

We do not install or deliver any of the equipment, signs, fixtures, etc. You will receive your initial inventory from Distribution at no additional cost. Otherwise, you will purchase initial supplies, equipment, signs, fixtures, and inventory from Approved Suppliers which may include us or our affiliate(s).

3. Provide an initial training program for up to 2 of your principal owners or 1 principal owner and 1 technician (if your technician is not one of your principal owners). This training is described in detail later in this Item. (Franchise Agreement, Section VIII.A). You must pay your own travel and living expenses associated with attending our initial training program, including the salary of any employee of yours who attends this training.

4. Provide on-site opening assistance and guidance to you within the first few months of your operations of your Franchised Business by 1 of our representatives for up to a 2-day period. (Franchise Agreement, Section VIII.C)

5. Provide to you, on loan, one copy of the Manual (Franchise Agreement, Section XV). You will operate your Franchised Business in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual which are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments thereto, (the "Supplements") all of which become part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our affiliates for use in the operation of the Franchised Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place within your Franchised Business. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right, at any time and from time to time, to make additions to, deletions from or revisions to the Manual which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including page numbers showing allocation of pages to each subject, is included as Exhibit C to this disclosure document.

#### Time for Opening the Franchised Business.

We estimate that the typical length of time between signing of the Franchise Agreement and the opening of your CoolVu Business is approximately 90 days. The opening your CoolVu Business may be delayed only if the delay is caused by contingencies not within your control, such as acts of God. You will agree to use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which the event actually prevents opening of your Franchised Business. You must notify us of any delays promptly. If you do not open the Franchised Business within 6 months from the date of the Franchise Agreement, we have the right to terminate the Franchise Agreement.

We recommend that you operate your Franchised Business out of a home-office. If you choose not to do so, we need to pre-approve your site for Franchised Business but our approval is generally limited to whether or not the site is within your Territory. We will approve or disapprove of a proposed site that is not a home-office within 21 days of receiving the address of the proposed site. If you and we cannot

agree to a site that is not your home-office, you must operate the Franchised Business out of your home-office.

During the Operation of your Franchised Business, we will:

1. Maintain an advisory relationship with you, including ongoing telephone consultation, during normal business hours, to aid in the proper and effective operation of your Franchised Business. (Franchise Agreement, Section VIII.D)
2. Provide additional support and telephonic, on-line and in-person assistance and communication with you as we deem necessary in our sole discretion.
3. Provide additional training to you as we deem necessary in our sole discretion. This training may be on-line or may be in person. We may charge an additional fee for additional training. You must also pay your own travel and living expenses associated with any additional in-person training in addition to any other amounts described herein. (Franchise Agreement, Section VIII.B)
4. Continue to loan you one copy of the Manual. (Franchise Agreement, Section XV)
5. May be (and one or more of our affiliates will be) an Approved Supplier for products and services and provide you other Approved Suppliers which will sell products and services to you. (Franchise Agreement, Section XIV).
6. Pay you a referral fee up to \$10,000 if you refer to us a candidate who was not a franchisee prior to your referral and with whom we had had no contact prior to your referral and who, within 6 months of your referral, purchases a franchise from us. (Franchise Agreement, Section VIII.F).

## **ADVERTISING**

### Brand Marketing Fund

We reserve the right to establish a Brand Marketing Fund to which you may be required to contribute \$250, on a monthly basis, as may be adjusted from time to time. When and if developed, we will direct all advertising programs with sole discretion over the creative concepts, materials and media used in these programs and their placement and allocation. The media used may include print, television, radio, Internet or other media and may be local, regional or national in scope. We are not obligated to spend monies from the Brand Marketing Fund in any particular market, and we cannot and do not represent or ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. The Brand Marketing Fund contributions may be used to meet any costs of maintaining, administering, directing, producing and preparing promotions, media placement and advertising (including the cost of conducting public relations activities; conducting advertising; producing promotional brochures and other marketing materials to make available to you and other franchisees; and the costs of salaries and fringe benefits paid to our employees engaged in promoting the Marks and the System, generally administering the Brand Marketing Fund and other overhead costs allocated to all of the above).

An unaudited accounting of the operation of the Brand Marketing Fund will be prepared annually and made available to you upon request. We reserve the right, at our option, to require that this annual accounting be audited by a certified public accountant which we select and at the expense of the Brand Marketing Fund. It is anticipated that all contributions to the Brand Marketing Fund will be expended for advertising and promotional purposes during the year in which the contributions are made. Contributions not spent in any fiscal year will be carried over for future use. In the event our expenditures for the Brand

Marketing Fund in any one fiscal year shall exceed the total amount contributed to the Brand Marketing Fund during such fiscal year, we shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Brand Marketing Fund or to use such excess as a credit against its future contributions. The Brand Marketing Fund may be terminated at any time once all contributions have been expended for advertising and promotional purposes. If we terminate the Brand Marketing Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Marketing Fund.

We will not use any of the Brand Marketing Fund to directly solicit new franchisees. Any CoolVu Business owned by us or our affiliates will contribute to the Brand Marketing Fund on the same basis as the majority of our franchisees. CoolVu will also contribute to the Brand Marketing Fund. Although we currently do not, we may in the future receive an administrative fee to cover related sales promotions, marketing and administrative expenses we incur.

The Brand Marketing Fund will not be our asset, nor will it be a trust. We will have a contractual obligation to hold all Brand Marketing Fund contributions for the benefit of the contributors and to use the contributions only for their permitted purposes as described above. We have no fiduciary obligation to us for administering the Brand Marketing Fund.

We do not have a franchisee advertising council that advises us on advertising policies.

#### Local Advertising

For Local Advertising, we recommend but do not require you to spend from \$1,000 to \$2,000 every month. After your first year, we recommend but do not require you to spend at least 6% of your gross revenues on local advertising. Advertising has to always be preapproved by us. Our advertising requirements and forms of advertising approved by us may change from time to time. Advertising may also include in person meetings with referral sources, vehicle signage, local print media, local pay per click, promotional handouts, ads in magazines, etc.

You must submit to us for our prior consent all promotional materials and advertising you wish to use. If we do not consent to or reject your proposed promotional materials and advertising within 20 days from the date we receive the material, we shall be deemed to have consented to your use of these materials. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark or service mark symbols ("©", "®", "TM" or "SM") as we direct. If we later determine that your once-approved advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our consent.

#### Grand Opening Advertising

There is no required grand opening advertising.

#### Advertising on the Internet and Social Media.

You acknowledge that we are the lawful, rightful and sole owner of the Internet addresses [www.CoolVu.com](http://www.CoolVu.com) and [www.coolvufranchise.com](http://www.coolvufranchise.com) (URLs), and you unconditionally disclaim any ownership interest in those or any similar Internet addresses. You will not maintain a website, mobile application or social media (e.g., Instagram, Facebook or Twitter) account or username, or any other

presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Franchised Business, without our prior written consent and in a manner we pre-approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within 5 days after our request, dismantle any frames and links between your web pages and any other websites.

### **COMPUTER SYSTEM:**

The computer system you will need ("Computer System") is not complicated. You will need a tablet. We will provide you with one tablet per Territory.

We may revise our specifications for the Computer System as we deem necessary to meet the needs of the System and there is no contractual limitation on our ability to require the hardware or software to be improved or upgraded. We reserve the right to require different or additional software programs and hardware at any time in the future and you will be responsible for the cost of any new, modified or updated Computer System.

The cost of the Computer System and software required if you are purchasing a single Territory is included in the Initial Franchise Fee so you pay nothing for the initial purchase of that beyond paying the Initial Franchise Fee. If you choose to purchase a laptop (even though it is not required) we do not anticipate that the cost of that laptop will exceed \$2,500. We do not anticipate that the annual cost to provide maintenance, repairs and updates to your Computer System will exceed \$1,000, but that depends upon the how a Computer System is cared for by the franchisee. There is no contractual limitation on that cost. While we will provide updates to our proprietary software that we require you to use, the number or frequency of those updates is not guaranteed. Neither we nor our affiliates provide any other maintenance, repair or updates to your Computer System.

We will have independent 24/7 access to all information and data on your Computer System. We have no obligation to upgrade or update any hardware or software. We are not obligated to provide or to assist you in obtaining the above products or services related therewith, or to provide any maintenance or support thereof. You are solely responsible for purchasing maintenance and upgrades on the Computer System.

### **TRAINING**

We will provide our initial training program to up to 2 of your principal owners or 1 principal owner and your initial technician (if different from your principal owners). The attendance of up to 2 of your principal owners or 1 principal owner and your initial technician is mandatory. We suspect, in the beginning, that your technician will be a principal owner of your Franchise Business. Successful completion of this training program to our satisfaction is mandatory for all attendees. The initial training program consists of approximately 5 days of training (generally on a Monday through Friday) in the operation and management of your Franchised Business. You are not required to send replacement technicians to this initial training program so long as you provide each technician with our prescribed

training program prior to their assuming responsibility at the Franchised Business. However, we reserve the right to require you or your technicians to attend our training program in the event we believe that you, they or your Franchised Business are underperforming pursuant to the guidelines described in the Manual.

The initial training program will need to be successfully completed by a principal owner and your initial technician before you open your Franchised Business. Initial training will generally be completed no later than 1 week before you open your Franchised Business.

Any additional training will be provided in our sole discretion and may be in Marietta, GA, on-line or at the location of your Franchised Business. You must pay all expenses incurred during training including travel, lodging and meal expenses and your employee's salaries. The initial training program currently consists of the following:

#### **TRAINING PROGRAM**

| SUBJECT*               | HOURS OF CLASSROOM TRAINING | HOURS OF ON THE JOB TRAINING | LOCATION                                                |
|------------------------|-----------------------------|------------------------------|---------------------------------------------------------|
| The Journey Begins     | 2                           | 0                            | Marietta, GA, online or at other locations we designate |
| Product Knowledge      | 4                           | 1                            | Marietta, GA, online or at other locations we designate |
| Marketing / Sales      | 4                           | 1                            | Marietta, GA, online or at other locations we designate |
| Technology / CoolVuPRO | 4                           | 1                            | Marietta, GA, online or at other locations we designate |
| Measuring / Pricing    | 3                           | 1                            | Marietta, GA, online or at other locations we designate |
| Ordering               | 2                           | 1                            | Marietta, GA, online or at other locations we designate |
| Business Planning      | 2                           | 0                            | Marietta, GA, online or at other locations we designate |
| Financial Management   | 2                           | 0                            | Marietta, GA, online or at other locations we designate |
| Installations          | 12                          | 1                            | Marietta, GA, online or at other locations we designate |

| SUBJECT* | HOURS OF CLASSROOM TRAINING | HOURS OF ON THE JOB TRAINING | LOCATION  |
|----------|-----------------------------|------------------------------|-----------|
|          |                             |                              | designate |
| Total    | 35                          | 6                            |           |

\* Note that some subjects may be intermingled and time periods and subject matter may be subject to change. The hours listed for "On the Job Training" will typically include more than one subject matter. It is the nature of the business that all aspects of training are integrated. The above are merely estimates.

The training programs are managed by the following persons who will also participate in the training along with other selected team members of our affiliate who may change from time to time but who are experienced in the aspects of training they will provide:

**Jeff Franson – Founder and CEO**

Since our formation on May 27, 2021, Jeff has been our Founder and CEO. Jeff is and has also been the Founder and CEO of FutureVu and all of our Affiliates since their formations.

**Mike Herrera – President and Chief Development Officer**

Since our formation on May 27, 2021, Mike has been our President and Chief Development Officer. From April, 2019 through May, 2021, Mike was the Chief Development Officer for CoolVu.

**Michele Popp**

Michele has worked closely with our Founder and other top- level management since 2016, providing executive support across all brands. A NYC college graduate, Michele brings prior advertising, marketing, and e-commerce experience to the group, providing essential organizational reinforcement at a high level of commitment and accuracy. Along with other management, Michele works with CoolVu partners to support daily operations and procedures to maintain the integrity of the CoolVu brand.

**Chris Sullivan**

Chris has over 25 years of experience in the glass and surface enhancement industry. In his last role as Senior Vice President of Window Film Depot, the nation's premier window film and commercial graphics company, Chris was responsible for all west coast operations including training, sales, project management, and installation.

**Wellerson Bedin**

For over 10 years, Wells has managed window film and commercial graphics projects throughout the United States. An expert installer of all CoolVu products, Wells has experience in team building, professional development, strategic implementation, and company collaboration. Wells trains and supports installation crews in the field across the U.S. making sure projects are delivered above expectations.

## **Nick Baker**

Since April 2024, Nick has been our Eastern Regional Support Director. From 2000 to March 2024, Nick was a Senior Project Manager at Depot. From 2000 through today, Nick has been in the Window Expert Tinting business in the greater Atlanta, Georgia area.

## **ITEM 12** **TERRITORY**

You are granted the rights to operate your Franchised Business at one specific location (generally, your home). Your location must be consented to by us, however, prior to your operation of your Franchised Business. We also must consent to any relocation of your Franchised Business. We anticipate you may, eventually, relocate your business from your home to a warehouse / industrial space. This is not required, however. Any relocation must be in your Territory (defined below) and your Territory will not change as a result of your relocation. Upon our approval of the specific location of your Franchised Business, you and we will determine a specified limited distance from your location and describe that area in Exhibit I of the Franchise Agreement (the territory within this limited distance being referred to as your "Territory"). The boundaries and size of territories may vary among different franchisees, based on various factors we consider relevant, including, but not limited to: demographics, the location of other CoolVu Businesses, degree of competition, the population, etc. Generally, the Territory will include 70,000 qualified households, commercial and retail buildings and will be ultimately defined by U.S. postal zip codes. We use information from the U.S. Census Bureau and other resources to determine numbers of households, commercial and retail buildings. We cannot and do not guaranty that your Territory will have the number of households, commercial and retail buildings described herein or the same number of households, commercial and retail buildings as other franchisees' Territories. Further, your Territory may be different in geographic size from other franchisees' Territories, depending upon, among other things, population densities. You are also permitted to offer to sell and sell approved products and services through Your Website.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Other than personally through your Franchised Business and through Your Website and in all cases in manners and methods that we approve, you are prohibited from selling products or services through any other channel of distribution. Further, you may only advertise products and services to persons physically located within your Territory (each, a "Client" and collectively, "Clients"). With our prior written consent which may be withheld in our absolute discretion, you may provide products or services to persons outside your Territory. In no circumstance may you solicit any person in another franchisee's Territory. In no circumstance, without our prior written consent which may be withheld in our absolute discretion, may you solicit any person outside of your own Territory. Subject to the foregoing, if your Client is located within another franchisee's Territory, however, regardless of how you got that Client and regardless of getting our prior consent, you must pay that franchisee 60% of the gross revenue from all products or services you provided within that franchisee's Territory within 15 days of your receipt of same.

For purposes of our System, a "Regional Account" is any referral source for the sale of CoolVu Products and Services that has more than one location with not all of their locations located in a single franchisee Territory. We reserve the right to negotiate terms for CoolVu Products and Services that are

sold as a result of referrals from Regional Accounts. If we do so, you are required to abide by those terms that we negotiate. Subject to all the above-described limitations, you will, however, be offered the ability to service Regional Accounts. During calendar year 2022, Depot referred 127 work projects worth \$136,273 to our franchisees from Regional Accounts.

So long as the Franchise Agreement is in force and effect and you are not in default: (a) we and our affiliates will not locate, operate, or grant a franchise for a CoolVu Business within your Territory; and (b) subject to our retention of rights below, we will also not grant a Territory to another franchisee operating a CoolVu Business that will overlap with your Territory.

Except as limited above, we and our affiliates retain all rights with respect to CoolVu Businesses, the Marks, the System and the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including without limitation: (1) the right to open, franchise, operate, and/or manage businesses under different marks or under different systems within the Territory and outside of the Territory; (2) the right to sell any products and services to non-franchisees, in or outside the Territory, including without limitation, the sale of products and services under the Marks on a wholesale basis; (3) the right to operate, or license or franchise others to operate businesses under the Marks and System outside of the Territory; (4) the right to advertise the System inside and outside of the Territory, including, without limitation, on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks; and (5) the right to develop, merchandise, sell and license others to sell services and products bearing the Marks through other channels of distribution such as through the Internet (except for through Your Website) and to promote services and products bearing or relating to the Marks including at special events or through Regional Accounts, both inside and outside of the Territory. We are not required to pay you if we exercise any of the rights specified in this Item 12 inside of your Territory.

With our consent, you are permitted to purchase an additional contiguous Territory along with your first Territory. Other than that, you do not receive the right to acquire additional franchises or Territories. You must sign a separate Franchise Agreement for each CoolVu Business and each Territory we approve you to own. If you purchase an additional contiguous Territory along with your first Territory, however, our technology, equipment and initial inventory package will not be the same with any additional Territory as it is with your first. With the first Territory, the package includes a tablet, software, tools and initial inventory.. With any additional Territory, we will provide you with a tablet and software but not with additional tools and inventory.

We and our affiliates have the right to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and either we, our affiliates or our successor have the right to operate, franchise or license those businesses and/or facilities as CoolVu Businesses operating under the Marks or any other marks following that purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Territory, near your Territory, or near any of your locations).

We and our affiliates may sell ourselves, our assets, our proprietary marks (including the Marks) and/or our system (including the System) to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Franchise Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or

any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under the Franchise Agreement. If we assign our rights in the Franchise Agreement, nothing in this disclosure document or in the Franchise Agreement will be deemed to require us to remain in this business.

The continuation of your Territory is not dependent upon sales quotas, market penetration or opening additional locations. However, your territorial protection is dependent upon your compliance with the Franchise Agreement. The boundaries of your Territory may not be altered without approval of you and us.

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

You may use certain Marks in operating your Franchised Business. The principal Marks are as follows:

| <b>MARK</b>        | <b>REGISTRATION<br/>NUMBER<br/>(Serial Number)</b> | <b>REGISTRATION DATE<br/>(Filing Date)</b> |
|--------------------|----------------------------------------------------|--------------------------------------------|
| CoolVu             | 5785656                                            | June 25, 2019                              |
| CoolVu Window Film | 3828946                                            | August 3, 2010                             |

Our affiliate, Depot, owns the Marks and has registered the above marks on the Principal Register of the United States Patent and Trademark Office ("PTO"). All required affidavits and renewals with respect to these Marks have been filed.

Under a license agreement dated December 1, 2021, Depot has licensed us to use the Marks and to sublicense the Marks to our franchisees to use in operating a CoolVu Business. The license agreement has a term of 50 years, but either we or Depot may terminate it with 30 days' notice to the other if there is a default which is not cured. However, if there is a default that is not cured under that license agreement and the agreement is terminated, Depot will still allow you to use the Marks until the end of the term and any renewal term(s) of your Franchise Agreement. There are no agreements which significantly limit our right to use or license the use of the Marks in the United States.

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Marks at your Franchised Business. You must follow our rules when you use the Marks. You cannot use a name or the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized services or products or in a manner not authorized in writing by us.

There are currently no effective material determinations of the PTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Marks, and you may not communicate with any person

other than us and our counsel regarding any infringements, challenges or claims, unless you are legally required to do so. We may take whatever action we deem appropriate in these situations, and have the right to control exclusively any settlement, litigation or PTO or other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must execute any instruments and documents, render assistance, take actions which in the opinion of our counsel, may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

We can require you to modify or discontinue use of any Mark and/or to use one or more additional or substitute trademarks or service marks. We will not be required to reimburse you for your expenses to modify or discontinue the use of a Mark or to substitute a trademark or service mark for a discontinued Mark.

#### **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We own no special patents which pertain to the System.

We own certain copyrights in the Manual, marketing materials and other copyrightable items which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights but need not do so to protect them. You may use these items only as we specify while operating your Franchised Business and must stop using them if we direct you to do so.

There currently are no effective adverse determinations of the PTO, the Copyright Office (Library of Congress) or any court regarding the copyrighted materials. Our right to use or license others to use copyrighted items is not materially limited by any agreement. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if we determine it to be in the best interest of the System.

Although we have not filed an application for a copyright registration for these materials, they have copyright rights and the information is proprietary. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information in a manner we think is appropriate.

The Franchise Agreement provides that all ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you will assign ownership of that item, and all related rights to that item, to us and must sign whatever assignment or other documents we request to show ownership or to help us obtain intellectual property rights in the item.

The Franchise Agreement provides that you acknowledge that the System and the methods of operation licensed by us for the operation of the Franchised Business, are proprietary, confidential trade

secrets of ours, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason.

Further, under the Franchise Agreement, you agree that you shall not, during the term of the Franchise Agreement or after its expiration, transfer or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain. You also agree to exercise the highest degree of diligence and will make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement.

#### **ITEM 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

We believe the Principal Owner's participation in the operation and management of your Franchised Business to critical to your success. "Principal Owner" means you if you are sole proprietor, your majority shareholder if you are a corporation, or a partner owning a major share of the partnership if you are a partnership or member owning the majority interest of a limited liability company. Therefore, we require that the Principal Owner use his or her best efforts and be personally responsible for the operation and management of the Franchised Business on a day-to-day basis, unless otherwise consented to by us. We, in our sole discretion, may allow you to hire a qualified manager to operate the day-to-day affairs of the Franchised Business in the future but you or the Principal Owner must remain actively involved in the operations and management of the Franchised Business and is responsible for overall operation and management of the Franchised Business. We must consent to any manager and we may require any manager to complete our initial training program prior to that manager managing the Franchised Business. This will be at your sole cost. Any replacement manager you hire with our prior consent, however, will not be required to attend this initial training program so long as you provide each replacement manager with our prescribed training program prior to assuming any management responsibility. Notwithstanding the foregoing, we reserve the right to require you and/or any of your managers to attend our training program in the event we believe that you, they or your Franchised Business are underperforming. The Principal Owner is required to carefully monitor and be responsible for the performance of anyone with any management or supervisory responsibility related to the Franchised Business. All supervisory or managerial personnel are required to sign a confidentiality and non-competition agreement in a form acceptable to us.

If you are a corporation, limited liability company or partnership, all your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete. The Guaranty and Assumption of Liability is included as part the Franchise Agreement.

#### **ITEM 16**

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

You must offer and sell only those products and services that we have approved. You must offer all products and services that we designate as required for all franchisees. You must operate your Franchised Business during the business hours specified by us. You must operate the Franchised Business in strict conformity with those methods, standards and specifications in the Manual designated as mandatory and as we may require otherwise in writing. You must refrain from deviation from our standards and specifications without first obtaining our written consent and you must discontinue selling

and offering for sale any products or services that we may, in our sole discretion, disapprove in writing at any time.

Subject to applicable law, we may set minimum and maximum prices at which you will be required to sell your products and services. You will be required to add any equipment and make any alterations, at your expense, as we may deem necessary to equip your Franchised Business for sale of the products and services we may require. You recognize that you may need to make an additional investment to do so.

We may require you, if permitted by applicable law, to participate in various programs and activities with other CoolVu Businesses, including programs in which customers place orders through electronic means, such as the Internet or cellular telephone "text messaging" and any gift card program or loyalty program or other discount program we or our affiliate(s) may establish from time to time, in accordance with the provisions either described in the Manual or otherwise disclosed to you. In order to participate, you may be required to purchase additional equipment and pay all applicable fees and costs. If we establish a gift card program, we have the right to determine how the amount of the gift card is divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising, or direct digital marketing, anywhere outside of your Territory without our consent.

## **ITEM 17**

### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

#### **THE FRANCHISE RELATIONSHIP**

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

| <b>Provision</b>                                  | <b>Section in franchise or other agreement</b> | <b>Summary</b>                                                                                  |
|---------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------|
| a. Term of the franchise                          | Section V of the Franchise Agreement ("FA")    | The initial term is 10 years.                                                                   |
| b. Renewal or extension of the term               | Section V.C of the FA                          | You may renew for 2 additional terms of 10 years each subject to (c) below.                     |
| c. Requirements for franchisee to renew or extend | Section V.C of the FA                          | Give timely notice, sign new, then-current franchise agreement, update and pay the renewal fee. |

| Provision                                      | Section in franchise or other agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| d. Termination by franchisee                   | Section XIII.B of the FA                | If you are in compliance and we materially breach the Franchise Agreement and fail to cure or begin to cure within 60 days of receiving your written notice. You may also terminate the term of the Franchise Agreement without cause so long as you are in compliance with the Franchise Agreement as of the termination date, you have operated the Franchised Business for at least 24 continuous months, you pay us all principal and interest financed with us and pay us 24 future months of Royalties you would have paid to us pursuant to the Franchise Agreement if you had not terminated, you grant us a general release of all claims and a you sign and deliver a termination agreement then in use by us. |
| e. Termination by franchisor without cause     | Not Applicable                          | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| f. Termination by franchisor with cause        | Section XIII.A of the FA                | We only may terminate the term of the Franchise Agreement if you default.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| g. "Cause" defined-defaults which can be cured | Section XIII.A of the FA                | Curable defaults: if you fail to make payments due us; lose any necessary permit or license; fail to comply with mandatory specifications in the Franchise Agreement or Manual; commit any other act which constitutes good cause under law; fail to keep the Franchised Business open for a period of 5 consecutive days; fail to pay any lawful debt or tax; improperly transfer control of the Franchised Business; you generally have 30 days to cure. If you fail to make payments to us, or our Affiliates or your suppliers; failure to timely open; failure to immediately correct a threat or danger, you generally have 10 days to cure.                                                                       |

| Provision                                                                 | Section in franchise or other agreement  | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| h. "Cause" defined-defaults which cannot be cured                         | Section XIII.A of the FA                 | Non-curable defaults: allegation or conviction of a felony, abandonment; giving insufficient funds checks, bankruptcy; violations of any non-compete or confidentiality obligations, fraudulent activity; abandonment of the Franchised Business; material misrepresentation; misuse of the Marks; behavior which negatively impacts our brand or the System, in our opinion; your receipt of notices of default 2 or more times in any 12 month period; or any other act which permits termination without cure. |
| i. Franchisee's obligations on termination/nonrenewal                     | Sections XIII.C, D and E of the FA       | Complete de-identification and payment of all amounts due, return materials and Manual, direct transfer of phone if requested.                                                                                                                                                                                                                                                                                                                                                                                    |
| j. Assignment of contract by franchisor                                   | Section XVI.A of the FA                  | There are no restrictions on our right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| k. "Transfer" by franchisee-definition                                    | Section XVI.B of the FA                  | Includes transfer of any ownership in your Franchised Business, attempted sale of any interest in the Franchise Agreement, or sale of your assets.                                                                                                                                                                                                                                                                                                                                                                |
| l. Franchisor's approval of transfer by franchisee                        | Section XVI.B of the FA                  | Approval required for all Transfers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| m. Conditions for franchisor's approval of transfer                       | Section XVI.B of the FA                  | Transferee qualifies, Transfer Fee paid, new Franchise Agreement signed, successful completion of training of transferee, release by you and your guarantors signed.                                                                                                                                                                                                                                                                                                                                              |
| n. Franchisor's right of first refusal to acquire franchisee's business   | Section XVI.D of the Franchise Agreement | We may match an offer for your Franchised Business or an ownership interest you propose to sell.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| o. Franchisor's option to purchase franchisee's business                  | Section XVI.D of the Franchise Agreement | We are not obligated to do so, but, if the term of the Franchise Agreement is terminated or expires, we may purchase the assets of the Franchised Business at their book value, excluding your home.                                                                                                                                                                                                                                                                                                              |
| p. Death or disability of franchisee                                      | Section XVI.C of the Franchise Agreement | Heir must be approved but no right of first refusal or Transfer Fee.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| q. Non-competition covenants during the term of the franchise             | Section XII.A of the Franchise Agreement | No involvement in a Competitive Business except as licensed by us.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| r. Non-competition covenants after the franchise is terminated or expires | Section XII.B of the Franchise Agreement | No involvement in a Competitive Business except as duly licensed by us for 2 years anywhere within 50 miles of the location where you operated your Franchised Business or any other CoolVu Business.                                                                                                                                                                                                                                                                                                             |

| <b>Provision</b>                                | <b>Section in franchise or other agreement</b> | <b>Summary</b>                                                                                                                                                                                                                                    |
|-------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| s. Modification of the agreement                | Sections XIX. B and C of the FA                | No modification generally but every part of the Manual and the System are always subject to change.<br>Any amendments of the Franchise Agreement must be in writing and signed by you and us.                                                     |
| t. Integration/merger clause                    | Section XIX.C of the FA                        | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this disclosure document and Franchise Agreement may not be enforceable. |
| u. Dispute resolution, arbitration or mediation | Section XVIII. of the Franchise Agreement      | Subject to state law, except for certain disputes involving the Marks or injunctive relief, all disputes must be submitted to mediation. Certain types of disputes must be submitted to arbitration.                                              |
| v. Choice of forum                              | Section XVIII of the Franchise Agreement       | Subject to state law, any litigation must be pursued in federal courts located in Fulton County, Georgia, subject to applicable other state law.                                                                                                  |
| w. Choice of law                                | Section XIX.F of the Franchise Agreement       | Subject to applicable other state law, Georgia law applies.                                                                                                                                                                                       |

If a state regulator requires us to make additional disclosures related to the information contained in this disclosure document, these additional disclosures are contained in State Specific Addenda included in this disclosure document Exhibit F.

## **ITEM 18** **PUBLIC FIGURES**

We do not presently use any public figure to promote its franchise.

## **ITEM 19** **FINANCIAL PERFORMANCE REPRESENTATION**

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.

We do not sell outlets to our franchisees. We sell territories. Our financial performance representation contains the historical average invoiced price of projects actually installed for all of calendar year 2023 and for all of calendar year 2024 for every territory owned by our franchisees as of December 31, 2023 and December 31, 2024 (no matter how long they operated) and for every territory owned by our franchisees that operated the entire 2023 and the entire 2024 calendar year. As of December 31, 2023, our franchisees owned 81 territories in all, 39 of which were operated for the entire 2023 calendar year. As of December 31, 2024, our franchisees owned 107 territories in all, 79 of which operated for the entire 2024 calendar year. The 2023 and the 2024 average invoiced prices of projects installed information does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profits.

#### **AVERAGE 2023 INVOICE PRICE OF PROJECTS INSTALLED FOR ALL TERRITORIES**

| <b>Average Invoiced Price of Projects Installed In 2023</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|-------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------------|
| \$2,701.42                                                  | 37                                                         | 44                                         | 46%                                                  | 54%                                            |

#### **AVERAGE 2024 INVOICE PRICE OF PROJECTS INSTALLED FOR ALL TERRITORIES**

| <b>Average Invoiced Price of Projects Installed In 2024</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|-------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------------|
| \$3,591.15                                                  | 10                                                         | 97                                         | 9%                                                   | 91%                                            |

#### **AVERAGE 2023 INVOICE PRICE OF PROJECTS INSTALLED FOR TERRITORIES OPERATING ALL 2023 CALENDAR YEAR**

| <b>Average Invoiced Price of Projects Installed In 2023</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|-------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------------|
| \$2,979.19                                                  | 14                                                         | 25                                         | 36%                                                  | 64%                                            |

#### **AVERAGE 2024 INVOICE PRICE OF PROJECTS INSTALLED FOR TERRITORIES OPERATING ALL 2024 CALENDAR YEAR**

| <b>Average Invoiced Price of Projects Installed In 2024</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|-------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------------|
| \$3,568.44                                                  | 6                                                          | 73                                         | 8%                                                   | 92%                                            |

We also reflect the average project proposal closing percentage which is calculated by taking the number of proposals approved by customers within our franchisees' territories over the total proposals sent to potential customers located within those territories.

#### **AVERAGE 2023 CLOSING PERCENTAGE FOR ALL TERRITORIES**

| <b>Average Proposal Closing Percentage In 2023</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Franchise Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|----------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------|
| 57%                                                | 30                                                         | 51                                                   | 37%                                                  | 63%                                            |

#### **AVERAGE 2024 CLOSING PERCENTAGE FOR ALL TERRITORIES**

| <b>Average Proposal Closing Percentage In 2024</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Franchise Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|----------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------|
| 58%                                                | 39                                                         | 68                                                   | 36%                                                  | 64%                                            |

#### **AVERAGE 2023 CLOSING PERCENTAGE FOR TERRITORIES OPERATING ALL 2023 CALENDAR YEAR**

| <b>Average Proposal Closing Percentage In 2023</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Franchise Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|----------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------|
| 57%                                                | 18                                                         | 21                                                   | 21%                                                  | 54%                                            |

#### **AVERAGE 2024 CLOSING PERCENTAGE FOR TERRITORIES OPERATING ALL 2024 CALENDAR YEAR**

| <b>Average Proposal Closing Percentage In 2024</b> | <b>Number of Franchise Territories at or above Average</b> | <b>Number of Franchise Territories below Average</b> | <b>Percentage of Territories at or above Average</b> | <b>Percentage of Territories below Average</b> |
|----------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------|
| 55%                                                | 47                                                         | 32                                                   | 60%                                                  | 30%                                            |

We or our Affiliate referred 2,136 leads to our franchisees in calendar year 2023 and 5,875 leads to our franchisees in calendar year 2024.

You should conduct an independent investigation of the costs and expenses you may incur in operating your Franchised Business. These results are based on amounts reported to us from our franchisees and have not been audited.

#### **Bases and Assumptions**

The average invoiced price of projects numbers do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you may incur in operating your Franchised Business.

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

The information above is not a forecast, projection or prediction of how your franchise will perform. We encourage you to consult with your own accounting, business and legal advisors to assist you to identify the expenses you likely will incur in connection with your Franchised Business. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 franchise's management by contacting Mike Herrera, CoolVu Franchise Concepts, Inc., 4939 Lower Roswell Road, Marietta, GA, 30068. Telephone 949-278-0052, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

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

| <b>Outlet Type</b>   | <b>Year</b> | <b>Outlets at the<br/>Start of the Year</b> | <b>Outlets at the<br/>End of the Year</b> | <b>Net Change</b> |
|----------------------|-------------|---------------------------------------------|-------------------------------------------|-------------------|
| <b>Franchised</b>    | <b>2022</b> | 0                                           | 39                                        | 39                |
|                      | <b>2023</b> | 39                                          | 81                                        | 42                |
|                      | <b>2024</b> | 81                                          | 107                                       | 26                |
| <b>Company-Owned</b> | <b>2022</b> | 1                                           | 2                                         | 1                 |
|                      | <b>2023</b> | 2                                           | 3                                         | 1                 |
|                      | <b>2024</b> | 3                                           | 3                                         | 0                 |
| <b>Total Outlets</b> | <b>2022</b> | 1                                           | 42                                        | 41                |
|                      | <b>2023</b> | 41                                          | 84                                        | 42                |
|                      | <b>2024</b> | 84                                          | 110                                       | 36                |

We award our franchisees Territories. A single franchisee may own multiple Territories. The tables indicate the number of Territories.

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

| <b>State</b> | <b>Year</b> | <b>Number of Transfers</b> |
|--------------|-------------|----------------------------|
|--------------|-------------|----------------------------|

|              |             |   |
|--------------|-------------|---|
| <b>Texas</b> | <b>2022</b> | 0 |
|              | <b>2023</b> | 0 |
|              | <b>2024</b> | 1 |
| <b>Total</b> | <b>2022</b> | 0 |
|              | <b>2023</b> | 0 |
|              | <b>2024</b> | 1 |

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

| <b>State</b>         | <b>Year</b> | <b>Outlets at Start of Year</b> | <b>Outlets Opened</b> | <b>Terminations</b> | <b>Non-Renewals</b> | <b>Reacquired by Franchisor</b> | <b>Ceased Operations-Other Reasons</b> | <b>Outlets at End of the Year</b> |
|----------------------|-------------|---------------------------------|-----------------------|---------------------|---------------------|---------------------------------|----------------------------------------|-----------------------------------|
| <b>Arizona</b>       | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 3                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
|                      | <b>2024</b> | 3                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
| <b>Arkansas</b>      | <b>2022</b> | 0                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
|                      | <b>2023</b> | 1                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
|                      | <b>2024</b> | 1                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
| <b>Colorado</b>      | <b>2022</b> | 0                               | 2                     | 0                   | 0                   | 0                               | 0                                      | 2                                 |
|                      | <b>2023</b> | 2                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
|                      | <b>2024</b> | 3                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
| <b>Idaho</b>         | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
|                      | <b>2024</b> | 1                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
| <b>Illinois</b>      | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 3                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
|                      | <b>2024</b> | 3                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 3                                 |
| <b>Indiana</b>       | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2024</b> | 0                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
| <b>Iowa</b>          | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2024</b> | 0                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
| <b>Nebraska</b>      | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 1                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
|                      | <b>2024</b> | 1                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 1                                 |
| <b>New Hampshire</b> | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 2                     | 0                   | 0                   | 0                               | 0                                      | 2                                 |
|                      | <b>2024</b> | 2                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 2                                 |
| <b>New Jersey</b>    | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2023</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |
|                      | <b>2024</b> | 0                               | 2                     | 0                   | 0                   | 0                               | 0                                      | 2                                 |
| <b>New York</b>      | <b>2022</b> | 0                               | 0                     | 0                   | 0                   | 0                               | 0                                      | 0                                 |

|                       |             |    |   |   |   |   |   |    |
|-----------------------|-------------|----|---|---|---|---|---|----|
|                       | <b>2023</b> | 0  | 1 | 0 | 0 | 0 | 0 | 1  |
|                       | <b>2024</b> | 1  | 0 | 0 | 0 | 0 | 0 | 1  |
| <b>Ohio</b>           | <b>2022</b> | 0  | 0 | 0 | 0 | 0 | 0 | 0  |
|                       | <b>2023</b> | 0  | 1 | 0 | 0 | 0 | 0 | 1  |
|                       | <b>2024</b> | 1  | 3 | 0 | 0 | 0 | 0 | 4  |
| <b>Oregon</b>         | <b>2022</b> | 2  | 0 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2023</b> | 2  | 0 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2024</b> | 2  | 0 | 0 | 0 | 0 | 0 | 2  |
| <b>Texas</b>          | <b>2022</b> | 0  | 9 | 0 | 0 | 0 | 0 | 9  |
|                       | <b>2023</b> | 9  | 7 | 0 | 0 | 0 | 0 | 16 |
|                       | <b>2024</b> | 16 | 2 | 0 | 0 | 0 | 0 | 18 |
| <b>Tennessee</b>      | <b>2022</b> | 0  | 2 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2023</b> | 2  | 4 | 0 | 0 | 0 | 0 | 6  |
|                       | <b>2024</b> | 6  | 1 | 0 | 0 | 0 | 0 | 7  |
| <b>Utah</b>           | <b>2022</b> | 0  | 0 | 0 | 0 | 0 | 0 | 0  |
|                       | <b>2023</b> | 0  | 3 | 0 | 0 | 0 | 0 | 3  |
|                       | <b>2024</b> | 3  | 1 | 0 | 0 | 0 | 0 | 4  |
| <b>Georgia</b>        | <b>2022</b> | 0  | 4 | 0 | 0 | 0 | 0 | 4  |
|                       | <b>2023</b> | 4  | 1 | 0 | 0 | 0 | 0 | 5  |
|                       | <b>2024</b> | 5  | 4 | 0 | 0 | 0 | 0 | 9  |
| <b>Florida</b>        | <b>2022</b> | 0  | 3 | 0 | 0 | 0 | 0 | 3  |
|                       | <b>2023</b> | 3  | 5 | 0 | 0 | 0 | 0 | 8  |
|                       | <b>2024</b> | 8  | 5 | 0 | 0 | 0 | 0 | 13 |
| <b>North Carolina</b> | <b>2022</b> | 0  | 2 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2023</b> | 2  | 1 | 0 | 0 | 0 | 0 | 3  |
|                       | <b>2024</b> | 3  | 4 | 0 | 0 | 0 | 0 | 7  |
| <b>Louisiana</b>      | <b>2022</b> | 0  | 2 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2023</b> | 2  | 0 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2024</b> | 2  | 1 | 0 | 0 | 0 | 0 | 3  |
| <b>South Carolina</b> | <b>2022</b> | 0  | 3 | 0 | 0 | 0 | 0 | 3  |
|                       | <b>2023</b> | 3  | 2 | 0 | 0 | 0 | 0 | 5  |
|                       | <b>2024</b> | 5  | 1 | 0 | 0 | 0 | 0 | 6  |
| <b>Minnesota</b>      | <b>2022</b> | 0  | 2 | 0 | 0 | 0 | 0 | 2  |
|                       | <b>2023</b> | 2  | 1 | 0 | 0 | 0 | 0 | 3  |
|                       | <b>2024</b> | 3  | 0 | 0 | 0 | 0 | 0 | 3  |

|                   |             |   |   |   |   |   |   |   |
|-------------------|-------------|---|---|---|---|---|---|---|
| <b>Kansas</b>     | <b>2022</b> | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
|                   | <b>2023</b> | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
|                   | <b>2024</b> | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| <b>Alabama</b>    | <b>2022</b> | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
|                   | <b>2023</b> | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
|                   | <b>2024</b> | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| <b>Nevada</b>     | <b>2022</b> | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
|                   | <b>2023</b> | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
|                   | <b>2024</b> | 1 |   |   |   |   |   |   |
| <b>California</b> | <b>2022</b> | 0 | 3 | 0 | 0 | 0 | 0 | 3 |

|                   |             |    |    |   |   |   |   |     |
|-------------------|-------------|----|----|---|---|---|---|-----|
|                   | <b>2023</b> | 3  | 1  | 0 | 0 | 0 | 0 | 4   |
|                   | <b>2024</b> | 4  | 4  | 0 | 0 | 0 | 0 | 8   |
| <b>Virginia</b>   | <b>2022</b> | 0  | 0  | 0 | 0 | 0 | 0 | 0   |
|                   | <b>2023</b> | 0  | 1  | 0 | 0 | 0 | 0 | 1   |
|                   | <b>2024</b> | 1  | 0  | 0 | 0 | 0 | 0 | 1   |
| <b>Washington</b> | <b>2022</b> | 0  | 0  | 0 | 0 | 0 | 0 | 0   |
|                   | <b>2023</b> | 0  | 1  | 0 | 0 | 0 | 0 | 1   |
|                   | <b>2024</b> | 1  | 0  | 0 | 0 | 0 | 0 | 1   |
| <b>Wisconsin</b>  | <b>2022</b> | 0  | 0  | 0 | 0 | 0 | 0 | 0   |
|                   | <b>2023</b> | 0  | 1  | 0 | 0 | 0 | 0 | 1   |
|                   | <b>2024</b> | 1  | 3  | 0 | 0 | 0 | 0 | 4   |
| <b>Totals</b>     | <b>2022</b> | 0  | 39 | 0 | 0 | 0 | 0 | 39  |
|                   | <b>2023</b> | 39 | 42 | 0 | 0 | 0 | 0 | 81  |
|                   | <b>2024</b> | 81 | 26 | 0 | 0 | 0 | 0 | 107 |

We award our franchisees Territories, not outlets. A single franchisee may own multiple Territories. The table above designates Territories.

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

| <b>State</b>   | <b>Year</b> | <b>Outlets at Start of the Year</b> | <b>Outlets Opened</b> | <b>Outlets Reacquired From Franchisee</b> | <b>Outlets Closed</b> | <b>Outlets Sold to Franchisee</b> | <b>Outlets at End of the Year</b> |
|----------------|-------------|-------------------------------------|-----------------------|-------------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| <b>Georgia</b> | <b>2022</b> | 1                                   | 1                     | 0                                         | 0                     | 0                                 | 2                                 |
|                | <b>2023</b> | 2                                   | 1                     | 0                                         | 0                     | 0                                 | 3                                 |
|                | <b>2024</b> | 3                                   |                       |                                           |                       |                                   |                                   |
| <b>Total</b>   | <b>2022</b> | 1                                   | 1                     | 0                                         | 0                     | 0                                 | 2                                 |
|                | <b>2023</b> | 2                                   | 1                     | 0                                         | 0                     | 0                                 | 3                                 |
|                | <b>2024</b> | 3                                   | 0                     | 0                                         | 0                     | 0                                 | 3                                 |

**Table No. 5**  
**Projected Openings As Of December 31 2025**

| <b>State</b> | <b>Franchise Agreements Signed But Outlet Not Opened</b> | <b>Projected New Franchised Outlets In The Next Fiscal Year</b> | <b>Projected New Company-Owned Outlet In the Next Fiscal Year</b> |
|--------------|----------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| <b>CA</b>    | 0                                                        | 2                                                               | 0                                                                 |
| <b>FL</b>    | 0                                                        | 8                                                               | 0                                                                 |
| <b>KY</b>    | 0                                                        | 2                                                               | 0                                                                 |
| <b>IN</b>    | 0                                                        | 1                                                               | 0                                                                 |
| <b>MI</b>    | 0                                                        | 2                                                               | 0                                                                 |
| <b>MN</b>    | 0                                                        | 0                                                               | 0                                                                 |

|              |   |    |   |
|--------------|---|----|---|
| <b>TX</b>    | 0 | 10 | 0 |
| <b>WI</b>    | 0 | 0  | 0 |
| <b>Total</b> | 0 | 16 | 0 |

See Exhibit D for the name, address, and telephone number of each of our current franchisees. Also, see Exhibit D for a list of names, cities and states, and current business or last known home telephone numbers of every franchisee who, from the previous fiscal year, had a franchise terminated, canceled, transferred, not renewed or who have otherwise voluntarily or involuntarily ceased to do business, or who have not communicated with us within a 10-week period preceding this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not signed any confidentiality clauses during the last 3 fiscal years.

There are no trademark-specific franchise organizations associated with our System.

## **ITEM 21** **FINANCIAL STATEMENTS**

Our unaudited financial statements as of December 31, 2025 and our audited financial statements for the years ending December 31, 2024, 2023 and 2022 are attached as Exhibit E.

## **ITEM 22** **CONTRACTS**

The following agreements are attached to this disclosure document:

Exhibit A - Franchise Agreement

## **ITEM 23** **RECEIPTS**

Exhibit G contains 2 detachable receipts acknowledging your receipt of this disclosure document.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**

**COOLVU FRANCHISE CONCEPTS, INC.**

**FRANCHISE AGREEMENT**  
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**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

|             |                          |
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**COOLVU FRANCHISE CONCEPTS, INC.  
FRANCHISE AGREEMENT**

This Franchise Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between COOLVU FRANCHISE CONCEPTS, INC., a Georgia corporation ("us," "our," or "we"), and \_\_\_\_\_, a \_\_\_\_\_ ("you" or "your"). We and you may each be referred to as a "Party" and collectively, the "Parties".

**RECITALS**

1. We and our Affiliates (as defined below) have the rights to and have developed and refined the System (as defined below);
2. Our Affiliate, Window Film Depot, Inc., licensed us the right to license the Marks (as defined below) and the System in connection with the operation of a CoolVu Business (as defined below); and
3. You recognize the benefits from being identified with and licensed by us, you desire to establish and operate a franchised CoolVu Business using the Marks and System, and we are willing to grant such a franchise to you on the terms and conditions in this Agreement.

NOW, the Parties agree as follows:

**I. DEFINITIONS**

For purposes of this Agreement, the following terms will have the meaning as defined below:

A. "Affiliates" means individually or collectively, any and all entities controlling, controlled by, or under common ownership with us including, without limitation, Window Film Depot, Inc., Impact Security, LLC, CoolVu, LLC and Long Vu Wholesale Company. In this definition, "control" and similar terms means owning more than 50% of the voting interest in an entity.

B. "CoolVu Business" means your Franchised Business and any business which is operated under the System and Marks, whether owned by us, an affiliate of us, or a licensee or franchisee of us or an affiliate of us.

C. "Competitive Business" means any business or commercial enterprise that, on a wholesale or a retail basis, derives more than 25% of its gross revenue from the sale of Film and Graphic Products and Services.

D. "Film and Graphic Products and Services" includes residential and commercial window film, graphics and architectural surface products and services products and services and other products and services ancillary thereto and any products and services sold from time to time by CoolVu Businesses.

E. "Franchised Business" means the CoolVu Business which is the subject of this Agreement. "Franchised Business" may sometimes be referred to in this Agreement as "your Franchised Business" or "the Franchised Business".

F. "Gross Sales" means the total amount of all sales of products, services and merchandise sold from, through or in connection with the Franchised Business whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.

G. "Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations as may presently exist or which may be modified, changed, developed or acquired by us or our affiliates in connection with the operation of a CoolVu Business. Currently the Marks include "CoolVu" and stylized marks using the CoolVu word trademark.

H. "Principal Owner" means you if you are a sole proprietor, the majority shareholder of you if you are a corporation, a partner owning a majority interest of you if you are a partnership or a member owning the majority interest of you if you are a limited liability company. In the event there are multiple owners with equal interest in you, then you will designate 1 of these owners to be the Principal Owner for purposes of this Agreement.

I. "System" means a specially developed method of operating a business selling and providing the Film and Graphic Products and Services through a home-based business using certain procedures and methods, advertising, sales and promotional techniques, personnel training, trade secrets and any other matters relating to the operation and promotion of a CoolVu Business as they may be changed, improved, modified, further developed or required by us or our Affiliates from time to time. Our Affiliates have developed and may develop lines of proprietary products and services that are part of the System. We or our affiliates may be a provider to you of any products or services.

J. "Term" means, individually or collectively the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

K. "Transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or the Franchised Business, including: (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon disability or transfer upon the death of you or a Principal Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights, or rights to acquire any equity or voting interest; (g) assignment of contract rights; or (h) sale of assets (including the inventory, furniture, fixtures, vehicles, equipment, tools and other operating assets of the Franchised Business, other than in the ordinary course of business).

L. "You" or "Your" also includes: (a) those persons and their spouses owning any interest in you if you are a corporation or a limited liability company; (b) all partners and their spouses owning any partnership interest in you if you are a partnership; (c) the individual and his or her spouse who owns you if you are a sole proprietorship; (d) the guarantors of this Agreement; and (e) the Principal Owner. For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

M. "Your Website" means a dedicated webpage under the Marks which will be specific to the Franchised Business but will be linked to our CoolVu website. We will be the administrator of Your Website which will be developed by our approved vendor.

## **II. GRANT OF FRANCHISE**

A. **Grant of License.** We grant to you and you accept from us, a non-exclusive right to use the System and Marks to open and operate one CoolVu Business through your home based office and

through “Your Website” during the Term of this Agreement. You are permitted to offer and sell Film and Graphic Products and Services approved and required by us through the Franchised Business. Other than through your home based office and Your Website, you are prohibited from selling Film and Graphic Products and Services through any other channel of distribution.

**B. Territory.** You are granted a Territory, which is described on Exhibit I attached to this Agreement (“Territory”) which you and we will initial. The Territory will be determined at the time the specific location of your home-based office of the Franchised Business is established which will also be identified on Exhibit I. During the Term of this Agreement so long as you are not in default, we and our Affiliates will not locate, operate, or grant a license or franchise for another CoolVu Business within your Territory. In order for you to operate a CoolVu Business at an additional Territory, you and we must execute a separate Franchise Agreement (which at our option may be our then-current form of Franchise Agreement) and you will be required to pay us an additional Territory Fee. You may only advertise products and services to persons physically located within your Territory (each, a “Client” and collectively, “Clients). Notwithstanding the foregoing, you may provide products or services to persons outside your Territory so long as you did not improperly solicit that person (e.g., you did not advertise to that person while that person lived or worked within another franchisee’s Territory). If your Client is located within another franchisee’s Territory, however, regardless of how you got that Client, you must pay that franchisee 60% of the gross revenue from all products or services you provided within that franchisee’s Territory within 15 days of your receipt of same. For purposes of our System, a “Regional Account” is any referral source for the sale of or any purchaser of Film and Graphic Products and Services that has more than one location with not all of their locations located in a single franchisee’s Territory. We reserve the right to negotiate terms for Film and Graphic Products and Services that are sold as a result of referrals from or sales to Regional Accounts. If we do so, you are required to abide by those terms that we negotiate. Subject to all the above-described limitations, you will, however, be offered the ability to service Regional Accounts. So long as the Franchise Agreement is in force and effect and you are not in default: (a) we and our affiliates will not locate, operate, or grant a franchise for a CoolVu Business within your Territory; and (b) subject to our retention of rights below, we will also not grant a Territory to another franchisee operating a CoolVu Business that will overlap with your Territory.

**C. Retention of Rights.** We, on behalf of ourselves and our Affiliates, reserve all rights not specifically granted to you pursuant to this Agreement, all without compensation to you, including but not limited to the following:

1. the right to open, franchise, operate, and/or manage businesses under different marks or under different systems within the Territory and outside of the Territory;

2. the right to sell any products and services to non-franchisees, in or outside the Territory, including without limitation, the sale of products and services under the Marks on a wholesale basis;

3. the right to operate, or license or franchise others to operate businesses under the Marks and System outside of the Territory;

4. the right to advertise the System inside and outside of the Territory, including, without limitation, on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks;

5. the right to develop, merchandise, sell and license others to sell services and products bearing the Marks through other channels of distribution such as through the Internet (except for through Your Website) and to promote services and products bearing or relating to the Marks including at special

events (e.g., trade shows, other events) or through Regional Accounts, both inside and outside of the Territory;

6. the right to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities;

7. the right to operate, franchise or license those businesses and/or facilities as CoolVu Businesses operating under the Marks or any other marks following that purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Territory, near your Territory, or near the Franchised Business);

8. the right to sell ourselves, our assets, our proprietary marks (including the Marks) and/or our system (including the System) to a third party; the right to go public; the right to engage in a private placement of some or all of our securities; and

9. the right to merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or the right to undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

D. **Waivers.** With regard to any of the above sales, assignments, transactions and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under the Franchise Agreement. If we assign our rights in the Franchise Agreement, nothing in the disclosure document or in this Franchise Agreement will be deemed to require us to remain in this business. If we assign our rights in this Agreement, nothing will be deemed to require us to remain in the business or to offer or sell any products or services to you.

### **III. RELOCATION.**

A. **Relocation.** We will need to consent to any relocation of your office for your Franchised Business. Any new location will need to be within your Territory. Your relocation will not change your Territory. You are not required to relocate out of your home based office. You may want to but are not required to rent a small storage space for inventory and tools. We are not responsible for and do not make any warranty regarding the suitability of either your home-based office or any other location for your Franchise Business. Our consent to any location only means that it meets our then-current minimum standards for an acceptable location of a CoolVu Business. You are responsible for investigating any location and having any lease or sales contract reviewed and approved by your attorney.

B. **Our Consent to Lease.** We will also need to consent to the provisions of any lease for any location out of which you intend to conduct your Franchised Business. You will need to get that consent before you execute any such lease. Our consent to a lease, however, only means that the lease meets our minimum standards and is not a warranty as to the appropriateness of the lease or its provisions. Within 10 days of signing any such lease, you must provide us with a copy of the executed lease. We recommend that you hire a professional leasing agent to assist you with any lease negotiations. We may recommend or approve leasing agents; however, we are not liable for any acts or omissions of these agents, and any agent will be an independent contractor.

#### **IV. INITIAL FRANCHISE FEE / FINANCING / TERRITORY FEE / ONBOARDING SERVICES FEE**

You must pay us an initial franchise fee ("Initial Franchise Fee") when you sign this Agreement. Our standard Initial Franchise Fee that you will pay is \$19,900. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$14,925. If you are or were a full-time firefighter, police officer, or EMT or are or were a military reservist or a spouse of any one of those and you provide us with written proof of same, your Initial Franchise Fee is \$9,950. If you pay the Initial Franchise Fee up front and do not finance it with us, however, your Initial Franchise Fee is reduced by 25% to \$7,463. If you are an honorably discharged veteran or the spouse of an honorably discharged veteran and you provide us with a copy of the applicable DD Form 214 and otherwise meet our qualifications, your Initial Franchise Fee is \$0.

We do offer financing of the Initial Franchise Fee. If you elect to finance the Initial Franchise Fee with us and we approve you for financing, you will pay to us monthly installment payments of \$350 for 72 months or \$310 to us for 36 months, depending on the amount financed and you will be required to sign a promissory note in a form substantially similar to that attached to this Agreement as Exhibit II. Installment payments will be owed to us on the 5<sup>th</sup> of every month.

You will pay us a territory fee ("Territory Fee") when you sign this Agreement. The Territory Fee is \$10,000. If we agree, you can buy an additional Territory at the same time you buy your first Territory. Any additional Territory will be governed by its own franchise agreement which you will need to sign and deliver along with this Agreement.

You will also pay us an onboarding services fee ("Onboarding Services Fee") which you sign this Agreement. The Ongoing Services Fee is \$40,000. The Ongoing Services Fee helps to cover our and our affiliates' cost of providing you with initial training, market analysis services, an initial product, tools, inventory and marketing package and a 2 day post-training field visit. All fees you pay us are non-refundable.

Unless you finance the Initial Franchise Fee with us, the Initial Franchise Fee is due at the time you signed the Franchise Agreement and is payable in one lump sum. The applicable Territory Fee(s) and Onboarding Services Fee(s) are also due at the time you sign the Franchise Agreement / franchise agreements and is payable in one lump sum. Neither the Initial Franchise Fee nor the Territory Fee(s) are refundable, in whole or in part, under any circumstances. Each of those fees is fully earned upon payment.

#### **V. TERM**

A. **Term.** The initial term of this Agreement will begin on the date of this Agreement, and, unless it is terminated earlier according to the terms of this Agreement, will expire 10 years later ("Initial Term").

B. **Continuation.** If you continue to operate the Franchised Business with our express or implied consent following the expiration of the Term of this Agreement, the continuation ("Continuation Term") will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All

provisions of this Agreement will apply while you continue to operate the Franchised Business. This Agreement will then be terminable by either party on 30 days written notice to the other party.

C. **Renewal.** If you are in full compliance with the terms of this Agreement, you will have the right to renew for 2 additional terms of 10 years each (each a "Renewal Term"), provided you agree to execute the most current form of the franchise agreement being used by us at the time you renew. The most current form of the franchise agreement may contain significantly different terms than this Agreement. You agree to give us not less than 6 nor more than eighteen 18 months written notice of an election to renew this Agreement, prior to the end of the Initial Term. Your failure to give us this notice will be deemed an election not to renew this Agreement. You will also be required to pay us a renewal fee of \$5,000 for any Renewal Term. Additionally, you must re-equip and re-tool the Franchised Business to meet our then current standards of in accordance with the provisions of our Confidential Operations Manual, and you must execute a general release, to the extent permitted by applicable law, of any and all claims against us and our Affiliates, and our and our Affiliates' respective owners, officers, directors, employees, agents, successors and assigns arising under or from this Agreement and/or any related agreements between you and us or our Affiliates, or under any applicable law, rule or regulation.

## VI. **FEES**

A. **Royalty Fee.** Beginning on the 5<sup>th</sup> of the 3<sup>rd</sup> month after your initial training, you will pay us a royalty fee ("Royalty Fee") as follows: (1) \$400 monthly for year 1; (2) \$800 monthly for year 2; (3) \$1,200 monthly for year 3; and (4) \$1,600 monthly for years 4 through 10.

B. **Brand Marketing Fund Fee.** Once the Brand Marketing Fund (as defined below) is established, you will pay us the then-current monthly marketing fund fee ("Brand Marketing Fund Fee") which is currently \$250. We may increase the Brand Marketing Fund Fee in the future. Brand Marketing Fund Fees will be deposited into the Brand Marketing Fund.

C. **Technology Fee.** You will pay us the then-current monthly technology fee (the "Technology Fee") beginning the month after your initial training. when your Franchised Business is open. The Technology Fee is currently \$250. We may increase the Technology Fee in the future. The Technology Fee includes up to two CoolVu email accounts, the creation and monthly maintenance of Your Website and the creation of local Google business pages for your Franchised Business (which Google business pages will be under our control). The Technology Fee also pays for things like your use of and license to "CoolVu Pro" which is our proprietary software which will assist you in running your Franchised Business.

D. **Annual Conference Fee.** You will pay us the then-current annual conference fee ("Annual Conference Fee") which is currently \$500 per attendee. Notwithstanding anything to the contrary contained in this Agreement, you will pay the Annual Conference Fee upon your registration for our conference or 120 days before our conference, whichever is earlier. At least one of your owners must attend any conference we have. We may increase the Annual Conference Fee in the future for our actual increase in costs related to the conference.

E. **Time and Manner of Payments.** Royalty Fees, Advertising Fees and Technology Fees will be paid on the 5<sup>th</sup> of every month (unless a Federal holiday falls on that day, in which case the payment will be made on the next day which is not a Federal holiday). All fees and payments together with the other amounts due to us or our Affiliates will be made via electronic funds transfer ("EFT") or such other manner which we may designate from time to time. None of these fees are refundable. Any payment or report not received by us on or before the date they are due will be deemed overdue. You will comply with the procedures specified in the Confidential Operations Manual or as otherwise

communicated for such EFT program and will perform the acts and sign the documents, including authorization forms that we, our bank, and your bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program.

F. **Interest on Late Payments.** If Royalty Fees, Brand Marketing Fund Fees, Technology Fees or any other amounts due to us or our Affiliates are overdue, we have the right to charge interest on these overdue amounts equal to the lesser of 1% per month or the maximum legal rate in the jurisdiction where the Franchised Business is located. Our right to interest is in addition to any other remedies that we may have.

G. **No Right of Offset.** You agree to make prompt payment, without deduction or set-off, of all charges which are properly due, including the Royalty Fees, Brand Marketing Fund Fees and Technology Fees. You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

H. **Late Fee.** If you fail to pay us or our affiliate or fail to send us any report when due, we can charge you, to the extent permitted by applicable law, a late fee of \$100 plus \$100 for each week your payment is late or the report is late.

I. **Taxes.** You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Franchised Business's business or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our Affiliates' income,

## **VII. ADVERTISING**

A. **Brand Marketing Fund.** We reserve the right to establish an ("Brand Marketing Fund"). The Brand Marketing Fund will be used to provide advertising and promotional activities we deem beneficial to the System. We agree to use the Brand Marketing Fund Fees received from you for the payment of costs associated with the creation, production, distribution, media placement, website maintenance and enhancements and administration of local, state, regional or national advertising programs we may develop or have developed, and for any taxes incurred on these funds. The Brand Marketing Fund is intended to maximize recognition of the Marks and the patronage of CoolVu Businesses generally. We are not obligated to spend monies from the Brand Marketing Fund in any particular market, and we cannot and do not represent or ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. The Brand Marketing Fund contributions may be used to meet any costs of maintaining, administering, directing, producing and preparing promotions, media placement and advertising (including the cost of conducting public relations activities; conducting advertising; producing promotional brochures and other marketing materials to make available to you and other franchisees; the cost of maintaining and improving our website and the actual costs of salaries and fringe benefits paid to our employees engaged in promoting the Marks and the System and administering the Brand Marketing Fund).

An unaudited accounting of the operation of the Brand Marketing Fund will be prepared annually and made available to you upon your reasonable request. If we do not use all of the funds deposited in the Brand Marketing Fund in a particular fiscal year, the remaining funds will be carried over to the next

fiscal year and be included in that year's Brand Marketing Fund budget. In the event our expenditures for the Brand Marketing Fund in any one fiscal year exceed the total amount contributed to the Brand Marketing Fund during such fiscal year, we will have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Brand Marketing Fund or to use such excess as a credit against its future contributions. We are entitled to reimbursement from the Brand Marketing Fund to cover our administrative and overhead expenses associated with operating the Brand Marketing Fund. The Brand Marketing Fund is not our asset. The Brand Marketing Fund is not a trust. If we terminate the Brand Marketing Fund, which we may do in our discretion, we have the right to reinstate it at any time and you must again contribute to the Brand Marketing Fund.

**Your Own Advertising.** Other than contributions to the Brand Marketing Fund and the portion of the Technology Fee and other fees used to establish Your Website and Google business pages which we will control, we recommend but do not require you to spend from \$500 to \$1,500 every month for local advertising. After your first year, we recommend but do not require you to spend at least 6% of your gross revenues on local advertising. Advertising has to always be preapproved by us. Our advertising requirements and forms of advertising approved by us may change from time to time. Advertising may also include in person meetings with referral sources, vehicle signage, local print media, local pay per click, promotional handouts, ads in magazines, etc.

You must submit to us for our prior consent all promotional materials and advertising you wish to use. If we do not consent to or reject your proposed promotional materials and advertising within 20 days from the date we receive the material, we shall be deemed to have consented to your use of these materials. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark or service mark symbols ("©", "®", "TM" or "SM") as we direct. If we later determine that your once-approved advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our consent.

You acknowledge that we are the lawful, rightful and sole owner of our website and the Internet addresses [www.coolvufranchise.com](http://www.coolvufranchise.com) and [www.coolvu.com](http://www.coolvu.com) and you unconditionally disclaim any ownership interest in that or any similar Internet addresses. You will not maintain a website, mobile application or social media (e.g., Instagram, Facebook or Twitter) account or username, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Franchised Business, without our prior written consent and in a manner we pre-approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within 5 days after our request, dismantle any frames and links between your web pages and any other websites.

Other than personally through your Franchised Business and through Your Website and in all cases in manners and methods that we approve, you are prohibited from selling products or services through any other channel of distribution. Further, you may only advertise products and services to

persons physically located within your Territory (each, a “Client” and collectively, “Clients). Without our prior written consent which we may withhold in our absolute discretion, , you may not provide products or services to persons outside your Territory. In no event will you be permitted to sell products or services to any persons in another franchisee’s Territory.. Subject to the foregoing, if your Client is located within another franchisee’s Territory, regardless of how you got that Client and regardless of our consent, you must pay that franchisee 60% of the gross revenue from all products or services you provided within that franchisee’s Territory within 15 days of your receipt of same.

For purposes of our System, a “Regional Account” is any referral source for the sale of CoolVu Products and Services that has more than one location with not all of their locations located in a single franchisee Territory. We reserve the right to negotiate terms for CoolVu Products and Services that are sold as a result of referrals from Regional Accounts. If we do so, you are required to abide by those terms that we negotiate. Subject to all the above-described limitations, you will, however, be offered the ability to service Regional Accounts.

## **VIII. OUR GENERAL DUTIES**

A. **Initial Training.** We will provide an initial training program for the operation of a CoolVu Business using the System and Marks for up to 2 of your Principal Owners or 1 Principal Owner and 1 technician (if your technician is not one of your Principal Owners). The Initial Training Program is furnished after this Agreement is signed and prior to the opening of your Franchised Business. The Initial Training Program will be furnished at such time and place as we may designate. You will pay all transportation, lodging, meals and other expenses incurred by you and your employees in attending this program. Your Principal Owners and technician must complete the Initial Training Program to our satisfaction before opening the Franchised Business. If these persons fail to complete the Initial Training Program to our satisfaction, we have the right to terminate this Agreement. Satisfactory completion of the Initial Training Program is, however, no assurance of the success of the Franchised Business. If you currently operate a CoolVu Business, the Initial Training Program will not be mandatory or provided for the Principal Owners or technician unless we deem it necessary, and may be modified by us as we deem necessary. We do not charge for the Initial Training Program for up to 2 people, but you are responsible for wages, travel, and living expenses for you and your employees for the training. Any training may be provided telephonically, on-line or in person in our sole discretion.

B. **Additional Training.** You are not required to send additional technicians to the initial training program so long as you provide each technician with our prescribed training program prior to their assuming management responsibility at the Franchised Business. However, we reserve the right to require you or your technician(s) to attend our training program in the event we believe that you, they or your Franchised Business are underperforming or otherwise would benefit from same. We may also provide refresher programs to experienced employees. We charge you \$200 per person per day for any additional training. We reserve the right to designate certain training programs or meetings as mandatory and to treat your failure to have a representative attend as a breach of this Agreement. You must pay the compensation of the trainees as well as such trainees' travel, lodging and personal expenses during any subsequent training. You will also be charged any trainer’s travel, lodging and meal costs for any on-site additional training.

C. **Opening Assistance.** We will, at our expense, also provide on-site, opening assistance, consisting of at least 1 representative who will be on-site at your Franchised Business for up to a 2 day period. Opening assistance is conducted around but may be after opening of your Franchised Business.

If you already operate a CoolVu Business, on-site assistance will not be provided unless we deem it necessary.

D. **Continuing Advisory Assistance.** We will make available continuing advisory assistance in the operation of the Franchised Business, rendered in such manner and available from time to time, as we may deem appropriate. If we send our representative to your Franchised Business to provide assistance, we reserve the right to charge \$200 per day per representative plus travel, lodging and meal expenses related thereto. Support and advisory services may be provided telephonically, on-line or in-person in our sole discretion.

E. **Technology, Equipment and Inventory Package.** We will provide you with your initial tablet preloaded with CoolVuPRO (which is our proprietary business operating system software). We or a third-party we require will create Your Website design. We or suppliers indicated by us will determine and supply you with your initial inventory and your original installation tools, the specific initial inventory and installation tools to be determined by us in our sole discretion. The installation equipment will not include the vehicle that we will require. We or a supplier we require will set up your Google business pages which will be controlled, at all times, by us.

With our consent, you are permitted to purchase an additional contiguous Territory along with your first Territory. You must sign a separate franchise agreement for each Territory. If you purchase an additional contiguous Territory along with your first Territory, however, our technology, equipment and initial inventory package will not be the same with your additional Territory as it is with your first. With the first Territory, we will provide a tablet, software, tools and initial inventory package. With any additional Territory, we will provide you with additional laptops and the software but not with additional tools and inventory.

F. **Referral Fee.** We will pay you a referral fee up to \$10,000 if you refer to us a candidate who was not a franchisee prior to your referral and with whom we had had no contact prior to your referral and who, within 6 months of your referral, purchases a franchise from us

## **IX. YOUR GENERAL DUTIES**

A. **Franchised Business Opening.** You agree to begin operation of the Franchised Business within 6 months after this Agreement is accepted by us. You will equip the Franchised Business according to our specifications. The deadline to open the Franchised Business may be delayed only if the delay is caused by contingencies not within your control, like acts of God, governmental restrictions, strikes or labor disputes, the occurrence of which we are given notice within a reasonable period time. You will use your best efforts to cure any delay. Any permitted delay in completion will only be for a period of days equal to the number of days during which such event actually prevents completion.

B. **Use of Name and System.** You agree that during the Term, you will operate, advertise and promote the Franchised Business under the name "CoolVu" without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by us. You agree to identify the Franchised Business in accordance with our requirements. with an external sign in compliance with applicable local ordinances and approved by us.

C. **Compliance with Laws.** You agree to operate the Franchised Business in compliance with applicable laws and governmental regulations and in accordance with the operational standards we may establish from time to time. At all times you will comply with all federal, state, municipal and local laws, rules, regulations, ordinances and codes applicable and related to this Agreement, the Franchised

Business, and all aspects of the conduct of the Franchised Business. You must obtain all licenses and permits required by any applicable federal, state, municipal, and local law, rule, regulation, ordinance, and code to operate the Franchised Business as required by this Agreement. You must make timely filings of all tax returns and pay when due all taxes levied or assessed on, and related to this Agreement and the Franchised Business. At no time are we required to inform you of any federal, state, municipal, or local law, rule, regulation, ordinance, code, or tax. You represent to us that your signature on and performance of this Agreement does not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party.

D. **Standards of Operation.** The Franchised Business must conform with the mandatory standards relating to signage, color scheme, appearance, hours of operation, cleanliness, sanitation, size type and quantity of inventory, supplies, equipment, tools, vehicles, graphics, furniture, fixtures, computer systems, and décor, as designated by us. Unless we give you our prior written consent, you must offer all products and services required by us in our Confidential Operations Manual or in any other written instruction we give to you. You will not conduct any business or sell any film or other products or provide any other services other than those approved by us in writing. Uniformity of products and services offered by all CoolVu Businesses is of utmost importance to us and the entire System. If you offer to sell or do sell products or services which are not pre-authorized by us, you agree that we will be damaged. These damages will be calculated at the rate of \$100 per day for each day you offer or sell unauthorized products or services and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services are difficult to determine and the Parties desire certainty in this matter and agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

You will not sell any product which is adulterated, contaminated, damaged or unsafe. We may, to the extent permitted by applicable law, set minimum and/or maximum prices for the products or services you offer at the Franchised Business. You agree to, and will take all steps as are necessary to, ensure that all of your employees treat each customer fairly and provide services in an honest, ethical, and non-discriminatory manner. You must not advertise in a deceptive, misleading, or unethical manner and agrees to meet such minimum standards as we may establish from time to time in the Manual.

We require you, if permitted by applicable law, to participate in various programs and activities with other CoolVu Businesses, including any gift card or loyalty program we or our Affiliates may establish from time to time, in accordance with the provisions either set forth in the Manual or otherwise required by us. In order to participate in these programs and activities, you may be required to purchase additional equipment, tools and vehicles and pay applicable fees associated with the purchase, installation and training for this equipment, tools and vehicles. If we establish a gift card program, we have the right to determine how fees will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

E. **Staffing.** You will maintain a competent, conscientious, and trained staff. You will be solely responsible for all employment decisions and functions of your Franchised Business including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

F. **Safety Procedures.** You are solely responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with you, those coming on the premises of your Franchised Business and the general public at large. We do not in any way share any of that responsibility.

G. **Actual Participation.** You recognize the importance of the Principal Owner's participation in the management of the Franchised Business and that the Principal Owner's agreement to participate in the management of the Franchised Business is a material inducement for us to enter into this Agreement. Therefore, you agree that the Principal Owner who has satisfactorily completed our Initial Training Program is required to use his or her best efforts and is personally responsible for the management of the Franchised Business on a day-to-day basis. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage or oversee the operation of the Franchised Business. Supervisory personnel, including any managers are required to sign an agreement regarding confidentiality and covenants not to compete in a form acceptable to us. We, in our sole discretion, may allow you to hire a qualified manager to operate the day-to-day affairs of the Franchised Business in the future but the Principal Owner must remain actively involved in the operations and management of the Franchised Business and is responsible for overall operation and management of the Franchised Business. We must consent to any manager and we may require any manager to complete our initial training program (administered as additional training pursuant to the provisions hereof dealing with additional training) prior to that manager managing the Franchised Business. This will be at your sole cost. Any replacement manager you hire with our prior consent, however, will not be required to attend this initial training program so long as you provide each replacement manager with our prescribed training program prior to assuming any management responsibility. Notwithstanding the foregoing, we reserve the right to require any of your managers to attend our training program in the event we believe that you, they or your Franchised Business are underperforming. The Principal Owner is required to carefully monitor and be responsible for the performance of anyone with any management or supervisory responsibility related to the Franchised Business. All supervisory or managerial personnel are required to sign a confidentiality and non-competition agreement in a form acceptable to us. If you are a corporation, limited liability company or partnership, all your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete. The Guaranty and Assumption of Liability is included as part the Franchise Agreement.

H. **Insurance.** Prior to opening your Franchised Business, you will need to purchase and maintain in full force and effect throughout the term of the franchise agreement, the minimum insurance requirements set forth in the Manual or otherwise required by us. This will be at your sole cost. We may, from time to time, in our sole discretion, make such changes in required minimum types of insurance and policy limits, coverage, and endorsements that you must maintain as we may determine. You agree to comply with any of these changes, at your sole cost and expense. All general liability insurance policies will name us and our successors and assigns as additional insured and will provide that we must receive 30 days prior written notice of any termination, expiration or cancellation of the insurance policy. Each year you must provide us with a certificate and applicable endorsements, and other documentation that we may request, evidencing your compliance with our insurance requirements. If you fail to maintain such insurance, we may procure such insurance on your behalf and will be entitled to reimbursement from you of our costs to do so, in addition to any other rights and remedies we may have under this Agreement. However, we are not obligated to obtain such insurance on behalf of you. Regardless of the amounts required hereby, it will be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of the Term of this Agreement. You recognize that the levels of insurance required hereby are merely minimum requirements. You should determine if additional insurance is necessary through consultation with your advisors. Your failure to maintain coverage will not relieve you of any contractual responsibility or obligation or liability under this Agreement.

I. **Inspection and Review.** You must permit our representatives or agents or the representatives or agents of our Affiliates, without notice and during regular business hours, to review and inspect the Franchised Business and to audit its business operations, including all books and records. You

also grant us permission to examine all records of any supplier from whom you have made purchases. You will keep on file and make available for our review the following documents and reports: weekly inventory sheets, deposit slips, bank statements and canceled checks, sales and purchase records, business tax returns and such other accounting records for such periods of time as is necessary to provide appropriate documentation in the event of an audit of your business by any governmental taxing authority having jurisdiction over you. Our right to approve certain matters, to inspect the Franchised Business and its operation and to enforce our rights, exists only to the extent necessary to protect our interest in the System and Marks for the benefit of us, our Affiliates and all CoolVu Businesses and to ensure compliance with this Agreement. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor will they be construed to do so. The obligations of this provision survive termination or expiration of the Term of this Agreement.

J. **Cooperation for Financial Performance Representations.** You will maintain your books and records in accordance with generally acceptable accounting principles, consistently applied. If we at any time desire to utilize a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may require and in the form or manner in which we may require in order to properly prepare such representation, and will permit us to utilize such information as we deem necessary.

K. **Innovations.** All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning a CoolVu Business, whether or not protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item. In the event that this provision is found to be invalid or unenforceable, you and your owners grant to us a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

L. **Reequipping and Retooling.** We may require you to make capital expenditures to reequip and retool, at your sole expense, the Franchised Business and update to comply with our then current standards for CoolVu Businesses. Compliance with these standards may be an ongoing obligation of yours, and may be a condition of our consenting to a renewal of the Term, or our consenting to a Transfer. This may cost you money (e.g., for new equipment, new tools).

M. **Financial Reports.** You will maintain and preserve for at least 6 years from the dates of their preparation, full, complete and accurate books, records and accounts in consistently applied accounting principles and in the form and manner prescribed by us from time to time. You will send us annual income and expense statements within 60 days of the end of your fiscal year. You will also send us any other information or reports including copies of balance sheets, copies of sales tax returns, and such other financial reports and information as we may request. However, you will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with generally accepted accounting principles, consistently applied. .

N. **Assignment by You.** You grant us an irrevocable, world-wide, royalty-free license to use your likeness or images of the Franchised Business and its representatives, in any manner we deem appropriate in our sole discretion, including our or our Affiliates' use on any Internet domain or website

we create or through any other Internet representation we deem appropriate for the System. This provision will survive the termination or expiration of the Term of this Agreement.

O. **Maintenance of Your Franchised Business.** You must keep all equipment, tools, furnishings, inventory, supplies, tablets / computer equipment and software, vehicles and signs used in connection with your Franchised Business in the highest degree of cleanliness, orderliness, sanitation and repair and in accordance with the Manual and as otherwise required by us. You will equip the Franchised Business with all equipment, tools, furnishings, inventory, supplies, tablets / computer equipment and software, vehicles and signs as required in the Manual, which we may change or modify from time to time, or as otherwise required by us. You acknowledge and understand that in the future, and from time to time, you may be required, at your expense, to upgrade, repair or purchase or lease new, different and additional equipment, tools, furnishings, inventory, supplies, tablets / computer equipment and software, vehicles and signs. You acknowledge that we have full 24//7 access to all the information or data on your tablet / computer system. You acknowledge and agree that we will own all customer / client data.

## **X. PROPRIETARY MARKS**

A. **Right to Use Marks.** You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and our Affiliates. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive, and that we and/or our Affiliates, in our and/or their sole discretion, and only subject to any restrictions expressly contained in this Agreement, have the right to operate businesses under the Marks on any terms and conditions we or they deem fit. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos, commercial symbols and copyrights hereafter authorized for use by, and licensed to, you.

B. **Contest of Marks.** You will not directly or indirectly contest or aid in contesting the validity or ownership of the Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our and our Affiliates' rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. We and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

C. **Prohibition on Use of Name.** You will not use any of the Marks or the names "Cool" or "CoolVu" as part of your corporate name with any prefix, suffix, or other modifying words, terms, designs or symbols. You will, however, identify yourself as our franchisee, solely with the logos and marks licensed by us to you hereunder. You will not incur any obligations or indebtedness except in your name. Further, you will not use our name or Marks (or any marks or names confusingly similar to our name or Marks) as an Internet domain name or in the content of any world-wide website.

D. **Change of Marks.** We will have the right to change the Marks to be used by you at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

E. **Use of Marks on the Internet.** You will not maintain a website, mobile application or social media (e.g., Instagram, Facebook or Twitter) account or user name, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with the Franchised Business, without our prior written consent or in the manner we approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks. However, you are permitted to sell Film and Graphic Services and Products through Your Website. We retain the right to pre-approve your use of linking and framing between Your Website and all other websites. You will, within 5 days after our request, dismantle any frames and links between your web pages and any other websites.

## **XI. CONFIDENTIAL INFORMATION**

You acknowledge that the trade secrets, information, ideas, research, methods, manuals, sales and marketing procedures, systems, improvements and copyrighted materials, etc., including, without limitation, the Manual, owned or developed by or licensed to us, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of us. This information is provided or revealed to you in trust and confidence. You will not, during the Term of this Agreement, or after a Transfer, or the termination or expiration of the Term of this Agreement, communicate or divulge to anyone, any such information or knowledge, including products, services, specifications, standards, methods, procedures, sales and marketing materials, knowledge of the System customer lists, customer information, vendor lists and information and experience in operating a CoolVu Business, and other information or material which we may designate as confidential from time to time (collectively, "Confidential Information"), nor will you disclose, use or divulge, in whole or in part, any Confidential Information, unless the information is generally known and in the public domain, and except to the extent necessary to operate the Franchised Business. You will ensure that each of your employees and representatives exercises the highest degree of diligence and makes every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the Term of this Agreement. You may only disclose Confidential Information to your employees or representatives on a need to know basis and only to the extent necessary to perform their jobs. All managerial and all supervisory employees will be required to sign a non-disclosure and non-compete agreement in a form acceptable to us.

## **XII. NON-COMPETITION**

A. **Competing Business During the Term of this Agreement.** You acknowledge the uniqueness of the System and that we are making our knowledge, know-how, and expertise available to you for the purpose of operating the Franchised Business strictly and solely within the Territory. You agree that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of the Franchised Business under this Agreement. You further

recognize the importance of devoting substantial time and energy to the Franchised Business. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of us (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended).

B. **Non-Competition After Term.** For 2 years after a Transfer, or the termination or expiration of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the Site and the area within a 50 mile radius around where you maintained your office for your Franchised Business within your Territory and the area within a 50 mile radius around the office of any CoolVu Business that is established or subject to an executed Franchise Agreement at the time this restriction begins to be enforced.

C. **Reasonableness of Restrictions.** You and any guarantor of this Agreement acknowledge and confirm that the length of the term, definition of a Competitive Business and geographical restrictions contained in Sections XI and XII are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in Sections XI and XII will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Sections XI and XII will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

D. **Enforcement.** You acknowledge that to disregard the provisions of Sections XI and XII would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the goodwill of and training you receive from us. Moreover, our franchisees and the CoolVu Businesses could be severely disadvantaged if you compete against them using the Marks or other Confidential Information. We intend to restrict your activities under Sections XI and XII of this Agreement only to the extent necessary for the protection of our, our Affiliates' and our franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Sections XI and XII, without your consent, effective immediately upon receipt by you of our written notice; and you will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief for you violation or threatened violation of any covenant described in Sections XI and XII. The terms of this non-compete are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms "us", "our" or "we" were defined in this Agreement to include such entity.

### **XIII. DEFAULT AND TERMINATION**

A. **Termination By Us.**

1. **With 30 Days' Opportunity to Cure.** We may, at our option, and without prejudice to any other rights or remedies provided for in this Agreement, or at law or in equity, terminate the Term of this Agreement for "good cause". Without limitation as to other situations, "good cause" for termination also exists if you or any guarantor of this Agreement: (a) do not substantially perform all of the lawful terms, conditions, and obligations of this Agreement, or the mandatory obligations of the Manual; (b) lose any permit or license which is a prerequisite to the operation of the Franchised Business; (c) commit any other act which constitutes good cause under applicable state law or court decision; (d) fail to keep the Franchised Business open for a period of 5 consecutive days without our prior written consent; (e) fail to pay any lawful debt or tax when due; or (f) surrender or transfer control of the Franchised Business (including entering into a management arrangement with any person who does not meet our standards, such as satisfactorily completing our Initial Training Program), or make an unauthorized direct or indirect Transfer. Subject to applicable law and except as otherwise provided in this Agreement, we will give you 30 days' prior written notice of default (except that, if state law requires a longer period, you will be granted the longer period, and except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the default will be deemed cured. If the default is not corrected within this period, we have the right to terminate the Term of this Agreement immediately.

2. **10 Days' Opportunity to Cure.** We may also terminate the Term of this Agreement for: (a) non-payment of sums due to us or our Affiliates or suppliers; (b) your failure to open the Franchised Business for business within 6 months after our acceptance of this Agreement; or (c) your failure to correct a threat or danger to the public health or safety resulting from the operation or maintenance of the Franchised Business. Subject to applicable law and except as otherwise provided in this Agreement, if termination is based on the foregoing, we will give you at least 10 days' prior written notice of default (except that, if state law requires a longer period, you will be granted the longer period, and except that if state law permits, we will have the right to terminate earlier if the claimed deficiency constitutes a default that is not curable). The notice will state the reason(s) for default and will provide you with at least 10 days from the date of the notice to correct any claimed deficiency. If the deficiency is corrected within this period of time, the notice will be considered cured. If the deficiency is not corrected within this period of time, then we have the right to terminate the Term of this Agreement effective 10 days after the date we gave you notice of default.

3. **Without Opportunity to Cure.** Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate the Term of this Agreement immediately and without notice when the basis or grounds for termination is: (a) allegation of, or pleading guilty or no contest to, or conviction of a felony or engaging in any other criminal misconduct that materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the System; (b) fraudulent activity that materially and adversely affects the operation, maintenance, reputation, or goodwill of the Franchised Business or the System; (c) abandonment of the Franchised Business; (d) your bankruptcy or insolvency or that of your guarantors; (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our or any of our Affiliates' receipt of any similar notice when utilizing any EFT payment; (f) your making or having made any material misrepresentation or omission in the application for this franchise; (g) misuse the Marks or Confidential Information; (h) your or any guarantor's violation of any non-compete, non-solicit, non-compete or confidentiality related to this Agreement; (i) you or any guarantor engage in conduct which, in our opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the System; (j) you repeatedly fail or refuse to comply with the lawful provisions of this

Agreement (i.e., 2 or more times in any 12-month period), whether or not the repeated failures or refusals are corrected after notice; or (k) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

B. **Termination by You.** You must notify us in writing of any failure of us to perform any of our obligations pursuant to this Agreement. You may terminate the Term of this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within 30 days of this material default, and we fail to cure this material default within 60 days of our receipt of your written notice of default. You may also terminate the Term of this Agreement without cause and with prior written notice to us so long as: (1) you are in compliance with this Agreement as of the termination date; (2) you have operated the Franchised Business for at least 24 continuous months; (3) you pay us all principal and interest financed with us that remains outstanding; (4) you pay us 24 future months of Royalties that you would have paid to us pursuant to this Agreement if you had not terminated; (5) you grant us a general release of all claims; and (6) you sign a mutual termination agreement which may be in use by us at the time of your voluntary termination. The effective date of a termination by you without cause will be no later than 60 days after you give us notice of such termination as determined by us in our sole discretion.

C. **Consequences of Termination.** Upon the termination or expiration of the Term of this Agreement for any reason whatsoever, all of your rights hereunder will terminate, and you will do each of the following: (1) you will cease to be a franchisee of us and cease to operate the Franchised Business under the System and Marks. You will not thereafter directly or indirectly represent to the public that any business of yours is or was operated or is in any way connected with the System, or hold yourself out as a present or former franchisee of us; (2) you will immediately discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of our business, any CoolVu Business or the System and return any Confidential Information or other copyrighted materials, including but not limited to customer information and customer lists and the Manual, to us; (3) if we request, you will assign your telephone numbers, any telephone references, and any advertising to us or any of our designees, including any other CoolVu Business we designate; (4) you will immediately pay all amounts due to us, our Affiliates, and suppliers; (5) you will cancel any assumed name registration or equivalent registration which contains the Marks, and you will furnish us with evidence satisfactory to us of your compliance with this obligation within 5 days of a Transfer, or the termination or expiration of the Term of this Agreement; (6) you irrevocably appoint us or our nominee to be your attorney-in-fact coupled with an interest, and with power of substitution, to execute and to file for you any relevant document to transfer your telephone number or telephone listing. We have the right to file an original counterpart or a copy of this Agreement with the telephone company, landlord or any court, agency or person as written evidence of your appointment of us or our nominee to be your attorney-in-fact; and (7) you and your owners and guarantors will comply with all post-term covenant obligations including the trade secrets, Confidential Information, non-competition, non-solicitation and indemnification covenants set forth in this Agreement.

Neither a Transfer, nor the termination or expiration of the Term of this Agreement will relieve you of any of your obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of the Term of this Agreement. Furthermore, a Transfer, or the termination or expiration of the Term of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

D. **Our Right to Purchase Personal Property.** After the termination or expiration of the term of this Agreement, but not upon an approved Transfer expressly permitted by this Agreement, we

will have the right, but not the obligation, to purchase any or all of your equipment, inventory, supplies and other personal property used in connection with the operation of the Franchised Business. The purchase price for such property will be the book value less any liens. We will have 30 days after the determination of such value, to exercise our rights granted by this Section, and we will have an additional 30 days to pay for the property we desire to purchase. If we fail to exercise our rights within the time periods set forth above, you will be free to otherwise sell or dispose of the personal property used in connection with the operation of the Franchised Business.

E. **Our Operation of the Franchised Business.** In order to prevent any interruption of the Franchised Business which would cause harm to the Franchised Business, if you are unable to operate the business for any reason whatsoever, you abandon or fail to actively operate the Franchised Business for any period or you fail to cure a breach within the applicable cure period (if any), you authorize us and our agents and Affiliates to operate the Franchised Business if we desire to do so, in our sole discretion, for so long as we deem necessary and practical. All income from the operation of the business shall be kept in a separate account, and the expenses of the business, including our reasonable compensation and expenses, and, those of our agents and Affiliates, shall be charged to this account. We may charge you a reasonable management fee that we specify plus any out-of-pocket expenses incurred in connection with the management of the Franchised Business. We and our designees will have a duty only to use reasonable efforts upon assuming the Franchised Business's management and will not be liable for any debts, losses or obligations that the Franchised Business incurs, or to any creditors for any supplies or other products or services purchased for the Franchised Business in connection with such management. Nothing contained herein shall be construed to require us to operate the business in the case of your inability to operate same, and the rights set forth herein may be exercised in our sole and absolute discretion.

#### **XIV. SOURCES OF PRODUCTS**

A. **Required Purchases from Us or Our Affiliates.** So long as this Agreement is in effect, you agree to purchase from us or our Affiliates the products and services we identify as required for the operation of the Franchised Business (as modified from time to time in the Manual or otherwise by us). Currently we or our Affiliates are the sole supplier of certain products or services. You acknowledge that your agreement to comply with the foregoing is a material condition upon which this franchise is granted. If our Affiliates or we are unable to offer any of these proprietary products or services, we may designate an alternative approved supplier or suppliers for these products or services.

1. **Availability.** Contingent upon the availability of products or services, we or our Affiliates will use our commercially reasonable efforts to supply such products and services to you within a reasonable time after the receipt of your orders therefore; provided that neither we nor our Affiliates warrant that: (a) it will be able to obtain all such products, or (b) that the products will be obtained by the dates requested.

2. **Pricing.** We or our Affiliates will establish and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing the sale of products and services to you. Pricing of products and services is subject to change at any time or from time to time in our or our Affiliates' sole discretion, effective upon 30 days prior notice to you. Generally, prices will change when the manufacturer's prices to us or our Affiliates change.

3. **Terms of Purchase.** All purchases from us or our Affiliates shall be personally guaranteed by the individuals who are required to guarantee this Agreement pursuant to the Guaranty and Assumption of Agreement to this Agreement. The terms of payment shall be established by our Affiliates or us from time to time.

B. **Purchasers from Approved Suppliers.** You must purchase products, services, supplies, inventory, equipment, tools and materials for the operation of the Franchised Business that meet our specifications, and you must purchase such items only from manufacturers, suppliers or distributors designated by us, or from other suppliers we approve who meet our specifications. Specification of a supplier may be conditioned on requirements relating to frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions, or other consideration to us, our Affiliates or the Brand Marketing Fund, and may be temporary, in each case in our reasonable discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our Affiliates may receive rebates, commissions, and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default pursuant to this Agreement. We or our Affiliates may be an approved supplier or the sole supplier approved for certain products.

## **XV. CONFIDENTIAL OPERATIONS MANUAL AND CHANGES**

We will loan you for the duration of the Term 1 copy of the Confidential Operations Manual ("Manual"), which may cover such items as plans and specification requirements, and other proprietary aspects of the System. The Manual will be in a format determined by us (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.) and all other supplemental bulletins, notices, revisions, modifications or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual. Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet. You agree to comply with the mandatory requirements in the Manual and acknowledge your compliance is an essential part of your obligations under this Agreement. You will at all times be responsible for ensuring that your employees and all other persons under your control comply with the mandatory provisions of the Manual in all respects. The Manual constitutes Confidential Information of ours and will remain our property. The Manual cannot be photocopied, reproduced, or disseminated without our written consent. We may modify the Manual from time to time in our discretion, and you agree that from time to time we may reasonably change the System. You expressly agree to comply with each modification, addition or deletion of the System or Manual at your sole cost and expense. You acknowledge that due to the changing nature of the business, as well as changing attitudes of customers and other factors, changes to the System or the Manual may be necessary and may involve your expenditure of additional sums of money. You understand and acknowledge that a breach of the System requirements or the Manual, as each may be modified from time to time, is a breach of this Agreement.

We will use our reasonable efforts to impose any of these changes in a reasonable, non-discriminatory manner among other franchisees. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of a particular CoolVu Business. We may grant variations from standard specifications and practices as we determine in our discretion, and we will have no obligation to grant you or any other franchisee like or similar variations; our failure to require a change from any particular franchisee will not affect your obligations under this Agreement.

You will at all times insure that your copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will be controlling.

## **XVI. TRANSFERABILITY OF INTEREST**

A. **By Us.** We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

B. **By You.** The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future such Transfer, and no future such Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this Agreement is voidable at our option. If we elect not to exercise our right of first refusal pursuant to this Agreement, we will not unreasonably withhold our consent to a Transfer, provided that the following conditions are satisfied:

1. **Governmental Compliance.** The Transfer is conducted in compliance with applicable laws and regulations;

2. **Prior Compliance.** You have performed your obligations and duties under this Agreement, and you are not in default under this Agreement, or any other agreement with us or our Affiliates;

3. **Payments.** You have paid all amounts owed to us and our Affiliates, and all other outstanding obligations relating to the Franchised Business are fully paid and satisfied;

4. **Release.** To the extent permitted by law, you, including all officers, directors and owners (as well as all guarantors under this Agreement) must execute a general release, in the form we approve, of any and all claims against us, our Affiliates, and our and their respective officers, directors, employees and agents, which will likely be a part of a mutual termination of the term of this agreement, in a form we approve;

5. **Requirements of Transferee.** The transferee meets our then-current established standards for new franchisees, is of good moral character, has a good credit rating, sufficient financial resources to operate the Franchised Business and competent qualifications. The transferee must execute the most current franchise agreement for the state in which the Franchised Business is located, which may include materially different terms and conditions than those in this Agreement. In addition, the transferee's owners (actual and beneficial) and their spouses must sign the Guaranty and Assumption of Obligations attached to that franchise agreement. Neither the transferee nor any of its direct or indirect owners or affiliates may operate or have an ownership interest in or perform any services for a Competitive Business;

6. **Transfer Fee.** We are paid a transfer fee equal to \$7,500 plus any brokerage commissions payable or paid by us;

7. **Assumption of Liabilities.** The transferee agrees to assume all liabilities and obligations from you and your operation of the Franchised Business, including any lease(s) associated with same, and must comply with other reasonable requirements we may impose;

8. **Completion of Training.** The transferee and/or transferee's management team, including a Principal Owner, any designated manager(s), and technician must complete the Initial Training Program as required by us and to our satisfaction;

9. **Update and Reequip and Retool Franchised Business.** The transferee updates, reequips and retools the Franchised Business to comply with our then-current standards for new CoolVu Businesses;

10. **Continuing Liability.** If we approve an assignment of this Agreement, we will have the discretion to require you and the guarantors to remain liable for the full and faithful performance of the obligations of the assignee; and

11. **Economically Reasonable Terms.** Although we will not be required to determine the value of the Franchised Business upon a Transfer, if in our reasonable judgment, the purchase price or other terms of sale are not economically feasible to the proposed transferee, we can withhold our consent to such Transfer. Our consent is not, however, to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. We may, in good faith, notify you and the proposed transferee, stating the reasons that we have elected to withhold our approval of the proposed Transfer.

C. **Your Death or Incapacity.** You, by will or other written instrument, may appoint a designated heir to continue operation of the Franchised Business, upon your death so long as all the conditions of a Transfer as provided in this Agreement are met, including the requirement that the transferee meet our standards for new franchisees, execute the then-current form of franchise agreement used in the state in which the Franchised Business is located, and the designated new Principal Owner, technician and manager (if any) have, or within 60 days will have, satisfactorily completed the Initial Training Program; provided that no transfer fee will be charged on such a death Transfer and we will not exercise our right of first refusal in connection with such a death Transfer.

D. **Right of First Refusal.** Notwithstanding anything to the contrary contained in this Agreement, other than death Transfers, if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or the Franchised Business from a responsible third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within 15 days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer, we may substitute cash for any form of payment proposed in the offer; require you to include customary warranties and representations in the purchase agreement; and structure the transaction as an "asset purchase" rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale, and we will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest or assets proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of the Franchised Business after the Transfer is completed). If we decline to exercise our right of first refusal, you will have 90 days after the earlier of our decline to exercise the right or the expiration of the right, to consummate such Transfer to the bona fide third-party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with all requirements and conditions of a Transfer pursuant to this Agreement. In the event you fail to complete the sale on these terms within this 90 day period, you must again comply with this Section and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer.

## **XVII. INDEPENDENT CONTRACTOR / INDEMNIFICATION**

A. **Independent Contractor.** We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at all times and to all persons as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that this relationship is other than franchisor and franchisee.

B. **Indemnification.** Under no circumstances will we be liable for any act, omission, debt, or other obligation of you. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnitee, which may be imposed on, incurred by, or asserted against any Indemnitee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns pursuant to or in connection with the operation of the Franchised Business.

## **XVIII. DISPUTE RESOLUTION**

A. **Mediation.** Before a Party may bring an action in court for any controversy, dispute or claim between you and us arising from this Agreement or the franchise relationship set forth in this Agreement, the Parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "Mediation") in Marietta, Georgia or, at our option, where we then maintain our principal offices, if different. The Mediation will be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. You and we will select the mediator. If the Parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, will be paid by you. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either Party or the mediator in connection with the Mediation) will be strictly confidential, will be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and will not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the Parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding will be grounds for dismissal, with prejudice, of the litigation or arbitration proceedings.

Notwithstanding anything to the contrary contained in this Agreement, the obligation to mediate or arbitrate will not be binding on us with respect to claims brought by us: (1) relating to non-competition, confidentiality, non-solicitation; (2) relating to our trademarks, service marks, patents, or copyrights, including the Marks; or (3) seeking temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties. Notwithstanding anything to the contrary contained in this Agreement, the claims described immediately above may be brought by us in any Court within the State and County in which we maintain our principal office.

B. **Litigation.** Except as otherwise provided in this Agreement, all controversies, disputes or claims between you and us arising from this Agreement or the franchise relationship set forth in this Agreement will be filed in the Federal District Court physically closest to Marietta, Georgia or, at our sole election, the place where our principal office is maintained, if different, when the grounds set forth in 28 U.S.C. § 1332 are present. Both Parties and each guarantor of this Agreement irrevocably submit to the jurisdiction of this court and waive any objection to the application of Georgia law or to the jurisdiction or venue in this court. In the event that the above-referenced federal court does not have jurisdiction over the dispute, the Parties will submit to binding arbitration as provided below.

C. **Arbitration.** In the event that the federal court described above does not have jurisdiction over a dispute, the Parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in the County and State in which we maintain our principal office. The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the Parties and must have at least 5 years of substantial experience in franchise law. Each Party is limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the Parties. For purposes of this Section, if any dispute that names, involves or includes us, our Affiliates, or our or their respective officers, owners, directors, agents, brokers or employees, such persons or entities will also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the Parties hereby fully waive any right. In such arbitration, the arbitrator, and not any federal, state, or local court or agency, will have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties to the arbitration, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each Party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, we may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, you and we will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. The arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the

proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

D. **Dispute Resolution Fee.** In the event that you or your owners or guarantors have not complied with the provisions in this Section on Dispute Resolution in any way, you will reimburse us for all of our costs and expenses incurred in curing your breach (including, without limitations, our attorneys' fees and costs related to dismissing and responding to any improperly filed claim) and pay us a Dispute Resolution Fee of \$5,000 ("Dispute Resolution Fee"). You acknowledge and agree that we will be damaged by such breach. You agree that a precise calculation of the full extent of the damages that we will incur from the breach of the Dispute Resolution provisions of this Agreement are difficult to determine and all parties desire certainty in this matter and agree that the Dispute Resolution Fee provided herein is reasonable and constitute liquidated damages and not a penalty. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement.

## **XIX. MISCELLANEOUS PROVISIONS**

A. **Waiver.** Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waiver, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches. We may waive any one or more of the requirements imposed pursuant to this Agreement for the benefit of any particular franchisee or any particular CoolVu Business, but the waiver in favor of any other franchisee or CoolVu Business will not prevent us from enforcing the requirements against you, all other franchisees and all other CoolVu Businesses.

B. **Severability.** If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of this Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. **Entire Agreement.** You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the Parties, and you and we each agree that we each have placed, and will place, no reliance on any such discussion; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the FDD furnished to you. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you, and no such franchise rights or offer of franchise rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity

granting the franchise rights and specifically identified as a modification of this Agreement. No amendment to this Agreement is binding unless executed in writing by both Parties.

D. **Notice.** All notices required under this Agreement will be in writing and will be given: (1) if hand delivered on the day of delivery; (2) 3 business days after placement in the United States Mail by registered or certified mail, postage prepaid; or (3) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party.

E. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party. All words used in this Agreement refer to whatever number or gender the context requires.

F. **Governing Law and Jurisdiction.** You acknowledge that this Agreement was accepted in the State of Georgia. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in Georgia, where our decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of Georgia without regard to principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of Georgia, and if the Franchised Business is located outside of Georgia and the provision would be enforceable under the laws of the State in which the Franchised Business is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the State where the Franchised Business is located. Notwithstanding anything to the contrary contained in this Agreement, we may institute any action arising out of or relating to this Agreement in any State or Federal court of general jurisdiction in the State of Georgia, and you and each guarantor of this Agreement irrevocably submits to the jurisdiction of these courts and waive any objection to the application of Georgia law or to the jurisdiction or venue in these Georgia courts. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in Exhibit III. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

G. **Effect.** This Agreement will be binding upon and inure to the benefit of the Parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns.

H. **Remedies.** In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees or other expenses in seeking enforcement of this Agreement or defending any other claim you bring against us, including without limitation, a claim related to the offering of a franchise, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

I. **No Warranty.** You acknowledge that no approvals, consents, waivers, conditions, or the like warrant your success of operating the Franchised Business or the appropriateness of the particular items or matters so approved.

J. **Receipt of the FDD.** You acknowledge receipt of our franchise disclosure document ("FDD") along with this Agreement, at least 14 days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement you acknowledge that you have had at least 7 days to review them.

K. **Joint and Several Liability.** If you are comprised of 2 or more persons, the obligations and liabilities to us of each of these persons will be joint and several.

L. **Time is of the Essence.** Time is of the essence of this Agreement.

M. **Survival.** Your obligations regarding Confidential Information, trade secrets, non-competition, indemnification, your accrued obligations to us (monetary or otherwise) and any other terms or conditions which by their nature will survive a Transfer, or the termination or expiration of the Term of this Agreement.

N. **Payments from You.** We have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Brand Marketing Fund Fees, Technology Fees, expenses, purchases from us or our Affiliates, interest or any other indebtedness you may owe us or our Affiliates. Neither we nor any of our Affiliates are required to accept payments after they have become due or to extend credit or otherwise to finance your operation of the Franchised Business. We and our Affiliates may require you to pay for all purchases on a C.O.D. basis by cashier's check, or may refuse to make further sales to you, if you are in default under this Agreement or if you have failed to pay all amounts due us or our Affiliates when due. In addition to any other remedies available to us, we will have the right to charge you \$100 for each no account or insufficient funds check issued by you to us or any similar notice received by us on account of any EFT program in which you participate.

O. **Limitation on Liens.** You will not grant a security interest, pledge, or place a lien upon your interest in this Agreement or in the Franchised Business or in the inventory, supplies, furniture, fixtures, equipment, tools or vehicles used in your Franchised Business, except that you will be permitted to grant a security interest in such inventory, supplies, furniture, fixtures, tools, and equipment to secure your obligation to the seller of, or lender of funds used for the purchase of, such furniture, fixtures, and equipment.

P. **Day-to-Day Control.** You have the sole right and responsibility for the manner and means by which the day-to-day operation of the Franchised Business is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us in this Agreement, this right and responsibility possessed by you includes the employment, supervision, setting the conditions of employment and discharge for your employees, daily maintenance, safety concerns and the achievement of conformity with the System.

Q. **Third Party Beneficiaries.** Our Affiliates are each intended and designated third-party beneficiaries to this Agreement and have the right to assume any of the responsibilities, duties or functions of us and each have the right to enforce any obligation of yours or any guarantor. Other than that, there are no third-party beneficiaries to this Agreement.

R. **Right to Subcontract.** We will have the right to subcontract the performance of any of our obligations pursuant to this Agreement to any of our Affiliates or any other third-party designee.

## **XX. YOUR WARRANTIES AND REPRESENTATIONS**

A. We have not and do not represent that you can expect to maintain a specific level of sales,

profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors acknowledge that you have and they are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of this franchise and not act in reliance on or as a result of any representations made by our owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, brokers or other franchise sellers that are not contained in or are contrary to the terms set forth in this Agreement or any representation in the FDD. You and your guarantors understand and agree that they may sustain losses as a result of the operation or the closing of the Franchised Business. You and your guarantors understand and agree that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree and depends, to a large degree, on your skills, abilities, initiative, and hard work.

B. You and your guarantors represent and warrant that the execution, delivery and performance of this Agreement by you and the Guarantee and Assumption of Obligations by the guarantors do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U.S. Law, including without limitation executive order 1224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in acts of terrorism as defined in the Order. Accordingly, you do not and hereafter will not engage in any terrorist activity. In addition, you are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity. You are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

## **XXI. CAVEAT**

**THE SUCCESS OF THE FRANCHISED BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE FRANCHISED BUSINESS AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON OUR BEHALF. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS ATTACHED TO THIS AGREEMENT AS EXHIBIT IV.**

**YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU ARE NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.**

## **XXII. NON-LIABILITY OF OUR AFFILIATES**

We are the only company obligated to you under this Agreement. You may not look to any Affiliate of ours, or related companies, other business entities or individuals for performance of this Agreement.

## **XXIII. LIMITATION OF LEGAL ACTIONS**

**A. IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.**

**B. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.**

**C. ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.**

**D. YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN 1 YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.**

**E. OUR MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF OUR OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY LIMITED TO THE AMOUNT FRANCHISEE PAID TO US WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY US.**

[SIGNATURE PAGE TO FOLLOW]

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first forth above.

COOLVU FRANCHISE CONCEPTS, IINC.      FRANCHISEE: \_\_\_\_\_

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

Address: 4939 Lower Roswell Road      Address: \_\_\_\_\_  
Marietta, GA 30068      \_\_\_\_\_

## GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), by COOLVU FRANCHISE CONCEPTS, INC. ("COOLVU") in favor of \_\_\_\_\_ ("FRANCHISEE"), each of the undersigned ("GUARANTORS") hereby personally and unconditionally guarantees to COOLVU, its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that FRANCHISEE will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The GUARANTORS each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers (as defined in the Agreement) to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration or termination of the term of the Agreement or this Guaranty and Assumption of Obligations. The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations FRANCHISEE incurs to COOLVU, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("Affiliates"), as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from COOLVU and its Affiliates. Each of the undersigned waives:

(1) acceptance and notice of acceptance by COOLVU or its Affiliates of the foregoing undertakings;

(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(4) any right he or she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability;

(5) all rights to payments and claims for reimbursement or subrogation which any of the GUARANTORS may have against the FRANCHISEE arising as a result of the GUARANTORS' execution of and performance under this Guaranty and Assumption of Obligations; and

(6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;

(2) he or she will render any payment or performance required under the Agreement upon demand if the FRANCHISEE fails or refuses punctually to do so;

(3) such liability will not be contingent upon or conditioned upon pursuit by COOLVU or Affiliates of any remedies against the FRANCHISEE or any other person; and

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which COOLVU or its Affiliates may from time to time grant to the FRANCHISEE or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty and Assumption of Obligations, which will be continuing and irrevocable during the term of the Agreement.

If COOLVU or any of the Affiliates are required to enforce this Guaranty and Assumption of Obligations in any judicial proceeding or appeal thereof, the GUARANTORS will reimburse COOLVU and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

The undersigned GUARANTORS also recognize that certain disputes relating to this Franchise Agreement are to be resolved by mediation and litigation and possibly arbitration, and hereby consent to such process in accordance with the terms of the Franchise Agreement. Further, undersigned GUARANTORS also hereby consent to the applicability of the venue and jurisdiction provision in the Franchise Agreement to this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

Print Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Print Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT I**  
**ASSIGNED TERRITORY**

Your Site will be located at:

Your Territory will be:

CoolVu Franchise Concepts, Inc.

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

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

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

**EXHIBIT II  
PROMISSORY NOTE**

\$ \_\_\_\_\_, 20\_\_\_\_

FOR VALUE RECEIVED, the undersigned debtor ("Debtor") hereby promises to pay to the order of ("Lender"), in lawful money of the United States of America, the principal amount of this Promissory Note, along with interest of \_\_\_\_% per annum, as follows:

\_\_\_\_\_ consecutive monthly payments, each in the amount of \$\_\_\_\_\_ beginning on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and continuing for each month thereafter on or before the same day of the month until all payments described immediately above are timely and fully paid.

Debtor reserves the right to prepay this Promissory Note without penalty.

Debtor will pay all costs of collection related to this Promissory Note including, without limitation, all attorney's fees and court costs, whether or not litigation is pursued.

Debtor may not delegate any duties pursuant to this Promissory Note.

This Promissory Note will be governed by and will be interpreted in accordance with the internal laws of the State of Georgia, without regard to conflict of law rules.

Lender may file an action against Debtor in any Court located in State and County in which Lender maintains its principle place of business.

Notwithstanding anything to the contrary contained in this Promissory Note, if any payment is paid after the date upon which it is due, this Promissory Note and all amounts pursuant to this Promissory Note will bear interest at the highest rate permitted by applicable law.

**DEBTOR HEREBY WAIVES ALL RIGHTS TO JURY TRIAL RELATING TO ANY ACTION RELATED TO THIS PROMISSORY NOTE. ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THIS PROMISSORY NOTE. TO PROTECT YOU / THE BORROWER AND US / THE CREDITOR FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENT WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH, ALONG WITH ANY PROMISSORY NOTE SIGNED BY YOU, IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US RELATING TO THIS OBLIGATION, EXCEPT AS WE MAY LATER OR OTHERWISE AGREE IN WRITING TO MODIFY IT.**

IN WITNESS WHEREOF, Debtor has caused this Promissory Note to be executed and delivered as of the day and year first written above. This Promissory Note may be signed and delivered electronically. An electronic signature as deemed an original. Lender may pursue Debtor and any guarantor of this Promissory Note individually without the necessity of pursuing one first or one versus the other.

**ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO**

**EXTEND OR RENEW SUCH DEBT ARE NOT OR MAY NOT BE ENFORCEABLE. TO PROTECT YOU (DEBTOR) AND US (LENDOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF OUR AGREEMENT BETWEEN US REGARDING SUCH MATTERS, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

**DEBTOR**

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

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

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

**LENDER**

**COOLVU FRANCHISE CONCEPTS, LLC**

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

Its: \_\_\_\_\_

**EXHIBIT III**  
**STATE SPECIFIC ADDENDUM**

**EXHIBIT IV**  
**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

As you know, CoolVu Franchise Concepts, Inc., (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a CoolVu franchise. The purpose of this Questionnaire is to determine whether any statements of promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to it? Yes \_\_\_\_ No \_\_\_\_
2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "FDD") that Franchisor provided to you?  
Yes \_\_\_\_ No \_\_\_\_
3. Did you sign a receipt for the FDD indicating the date you received it?  
Yes \_\_\_\_ No \_\_\_\_
4. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?  
Yes \_\_\_\_ No \_\_\_\_
5. Has any employee or other person speaking on behalf of the Franchisor made any make any oral, written or visual claim, statement or , promise or representation to you regarding predicted or projected sales, revenues, earnings, income or profit levels that you may earn or that any of our Franchised Businesses or franchisees earn in operating the business other than what is discussed in Item 19 of the FDD?  
Yes \_\_\_\_ No \_\_\_\_
6. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business?  
Yes \_\_\_\_ No \_\_\_\_
7. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?  
Yes \_\_\_\_ No \_\_\_\_

\* \* \*

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with the Franchisor or any of its officers, agents, or employees. The responses from those people are also included by you above.

Dated on \_\_\_\_\_, 20\_\_.

FRANCHISE APPLICANT

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

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

## **EXHIBIT B**

### **LIST OF STATE ADMINISTRATORS/AGENT FOR SERVICE OF PROCESS**

NOTE: SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

#### **California**

Department of Financial Protection and Innovation  
One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 557-3787  
(866) 275-2677

#### **Florida**

Department of Agriculture and Consumer Services  
Division of Consumer Services  
227 N. Bronough Street  
City Centre Building, 7<sup>th</sup> Fl  
Tallahassee, FL 32301  
(904) 922-2770

#### **Hawaii**

Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

#### **Illinois**

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

#### **Indiana**

Indiana Secretary of State  
Securities Division  
302 West Washington Street  
Room E-111  
Indianapolis, IN 46204  
(317) 232-6681

#### **Maryland**

Office of Attorney General  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

**Michigan**

Attorney General  
Consumer Protection Division  
525 W. Ottawa Street  
G. Mennen Williams Bldg. 1<sup>st</sup> Fl  
Lansing, MI 48913  
(517) 373-7117

**Minnesota**

Department of Commerce  
Registration and Licensing  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101  
(612) 296-6328

**Nebraska**

Department of Banking & Finance  
1526 K Street, Suite 300  
Lincoln, NE 68508  
(402) 471-3445

**New York**

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
(212) 416-8236

**North Dakota**

North Dakota Securities Department  
600 East Boulevard, State Capitol, 5th Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701) 328-4712

**Oregon**

Depart. of Ins. and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, OR 97310  
(503) 378-4387

**Rhode Island**

Depart. of Business Regulation  
Division of Securities  
233 Richmond Street, Suite 232  
Providence, RI 02903  
(401) 222-3048

**South Dakota**

Depart. of Insurance  
Securities Regulation  
124 S Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

**Texas**

Secretary of State  
Statutory Document Section  
P.O. Box 13563  
Austin, TX 78711  
(512) 475-1769

**Virginia**

State Corporation Commission  
Division of Securities and  
Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9672

**Washington**

Securities Administrator  
Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, WA 98507-9033  
(360) 902-8760

**Wisconsin**

Department of Financial Institutions Div. of Securities  
345 W. Washington Ave., 4<sup>th</sup> FL  
Madison, WI 53703  
(608) 261-9555

**Georgia**

State Administrator: None

Agent for Service of Process: Allen Bradley  
1349 W. Peachtree St NW, Suite 1525  
Atlanta, GA 30309

## **EXHIBIT C**

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**EXHIBIT D**  
**LIST OF FRANCHISEES**  
**(As of December 31, 2024)**

**FRANCHISEES**

The following list reflects our franchisees as of December 31, 2024. Multiple Territories may be associated with a single franchisee.

CoolVu of NW Arkansas  
18 E. Township St  
Fayetteville, AR 72703  
Owner: Bob Bruder  
Telephone: 479-445-8500

CoolVu of Denver Metro and Denver Tech Center  
2990 East 17<sup>th</sup> Ave  
Denver, CO 80206  
Owner: Kurt Schier  
Telephone: 303-522-8024

CoolVu of Southern Oregon and Portland South  
610 Lia Way  
Rogue River, OR 97537  
Owner: Lucas & Kacey Maldonado  
Telephone: 541-291-2377

CoolVu of Frisco  
3401 Cliff Oaks Dr  
Corinth, TX 76210  
Owner: Chris Judice  
Telephone: 409-720-7711  
(Transferred Territory to CoolVu of Dallas Central, an existing franchisee)

CoolVu of Cool Springs and Middle Tennessee  
3342 Eubank Way  
Murfreesboro, TN 37128  
Owner: Steven & Mary Cox  
Telephone: 615-995-9849

CoolVu of Forsyth, North Fulton and North Atlanta  
2278 Kaylen Dr  
Chamblee GA 30341  
Owner: Jeff & Phil Gill  
Telephone: 678-855-7859

CoolVu of Jacksonville  
1131 Western Blvd  
Jacksonville, NC 28546  
Owner: David Karle  
Telephone: 910-358-7133

CoolVu of Wilmington  
Owner: Paul Anthony & David Karle  
8209 Market St  
Wilmington, NC 28411  
Telephone: 910-538-1753

CoolVu of New Orleans North Shore and South Shore  
3013 Hill Court  
Mandeville, LA 70448  
Owner: Cliff Loescher  
Telephone: 504-655-2968

CoolVu of Fort Mill, Charlotte Southwest and Charlotte General  
610 Vine Street  
Fort Mill, SC 29707  
Owner: Chu Wong & Bill Phillips  
Telephone: 833-426-6588

CoolVu of Pensacola  
7 West Nine One Half Mile Rd  
Pensacola FL 32534  
Owner: Trent Ciccone  
Telephone: 850-529-1876

CoolVu of Minneapolis Northwest and Minneapolis West Metro  
19509 Boston St NW  
Elk River, MN 55330  
Owner: James Purtle  
Telephone: 763-333-1458

CoolVu of Woodstock  
111 Pinehill  
Woodstock, GA 30188  
Owner: John Bodkin & Christian Bodkin  
Telephone: 470-802-0160

CoolVu of Overland Park  
12012 Noland St  
Overland Park, KS 66123  
Owner: Richard Pricien  
Telephone: 913-378-5539

CoolVu of Austin Round Rock, Austin Northwest and Austin Southwest  
3314 Texana Court  
Round Rock, TX 78681

Owner: Anuj Patel & Swagat Buha  
Telephone: 512-277-4949

CoolVu of Amarillo  
1105 S. Banks  
Pampa, TX 79065  
Owner: Patrick Boswell  
Telephone: 806-283-8729

CoolVu of Birmingham Southeast  
4428 Hwy 30  
Wilsonville, AL 35186  
Owner: Daniel Gill & Glendon Harwell  
Telephone: 205-873-3774

CoolVu of Henderson Las Vegas  
Nelly Gopal  
9011 Ridgepoint Way  
Henderson, NV 89074  
Telephone: 702-852-1700

CoolVu of Greensboro Winston-Salem  
444 East Devonshire St  
Winston Salem NC 27127  
Owner: Matt Nunn  
Telephone: 336-470-0716

CoolVu of Orange County Coastal and Irvine  
136 E. Wilson St  
Costa Mesa CA 92627  
Owner: Scott & Felicia Sullivan  
Telephone: 714-930-6603

CoolVu of Charleston North and South  
6650 Rivers Ave  
Charleston, SC 29406  
Owner: Luke Difrancesco  
Telephone: 843-256-4529

CoolVu of College Station  
2311 Auburn Court  
College Station, TX 77840  
Owner: Chris Baker  
Telephone: 979-446-2509

CoolVu of Topeka  
7901 NW Rochester Rd  
Topeka, KS 66617  
Owner: Zachary Wagers  
Telephone: 785-380-8703

CoolVu of Houston NW, North and West  
15310 Huckleberry Harvest  
Cypress, TX 77429  
Owner: Kevin McGee  
Telephone: 866-973-2665

CoolVu of San Francisco  
Noah Paquette  
611 Gateway Blvd South  
San Francisco CA 98080  
Telephone 714-315-8993

CoolVu of Boca Delray and West Palm  
Alfonso Icochea & Becky Lightman  
902 NW 2<sup>nd</sup> AVE  
Delray, FL 33444  
561-403-2900

CoolVu of Northern San Antonio  
Israel Cruz & Isaiah Cruz  
225 Prairie Vista  
Cibolo TX 78108  
210-705-0608

CoolVu of Arlington DC  
7900 Greenebrook Court  
Fairfax Station, VA 22039  
Owner: Mohammad Walo  
Telephone: 703-598-1025

CoolVu of Tacoma  
9000 NW Rhoton Rd.  
Yelm, WA 98597  
Owner: Bryan Ryerse  
Telephone: 360-480-4208

CoolVu of Manhattan  
169 Academy Ave.  
Staten Island, NY 10309  
Owner: Sal DiMarco  
Telephone: 212-401-1228

CoolVu of Chicago North Shore/Barrington  
7227 W. Myrtle Ave  
Chicago, IL 60631  
Owner: Austin & Lauren Lyons  
Telephone: 224-472-3456

CoolVu of Northern Illinois  
651 E. Egan Rd.

Leaf River, IL 61047  
Owner: Brad Bull  
Telephone: 815-739-7921

CoolVu of Southern New Hampshire/ Northern Massachusetts  
720 East Industrial Park Dr. Unit 14  
Manchester, NH 03109  
Owner: Peter Thurston & Andrew Thurston  
Telephone: 603-935-7234

CoolVu of Dallas Central/ Dallas East  
8117 Preston Rd. Suite 300  
Dallas, TX 75225  
Owner: William (Ford) Binning  
Telephone: 214-725-7870

CoolVu of Omaha  
7806 S. 197th St.  
Gretna, NE 68028  
Owner: Tanner & Paige Culler  
Telephone: 402-637-7804

CoolVu of Dayton and West Columbus  
371 Fox Dr.  
Piqua, OH 45356  
Owner: Zachary & Caitlin Jones  
Telephone: 937-858-8636

CoolVu of Scottsdale/Chandler  
870 E. Canyon Way  
Chandler, AZ 85249  
Owner: Jennifer & Larry Davis  
Telephone: 602-435-9539

CoolVu of Southeast Houston  
421 Naples Terrace Lane  
LaMarque, TX 77568  
Owner: Collin & Ann Korenek  
Telephone: 281-461-3888

CoolVu of Ogden-Farmington  
3878 North Jackson Ave.  
North Ogden, UT 84414  
Owner: Jess & Andrea Boucher  
Telephone: 385-262-3933

CoolVu of Milwaukee and Milwaukee South  
8620 N. :Point Dr.  
Fox Point, WI 53217  
Owner: Daniel Schwartz & Alicia Haase

Telephone: 414-712-5210

CoolVu of North Tucson  
208 W. Corona Rd.  
Tucson, AZ 85756  
Owner: Jason & Stephanie Richardson  
Telephone: 520-627-0934

CoolVu of Conroe  
2211 Rayford Rd. Suite 111408  
Spring, TX 77386  
Owner: Tony Yanez  
Telephone: 832-990-8468

CoolVu of Nashville Hendersonville/Mt. Juliet-Lebanon  
1443 Janie Ave.  
Nashville, TN 37216  
Owner: Casey Nearing & Johanna Bishop  
Telephone: 615-417-3652

CoolVu of West Contra Costa  
2121 Vale Rd. #116  
San Pablo, CA 94806  
Owner: Jonathan Owens  
Telephone: 707-582-2838

CoolVu of Wichita  
1309 W. Elm St.  
Andover, KS 67002  
Owner: Luis Gonzalez  
Telephone: 316-518-8591

CoolVu of Knoxville  
3544 Neal Dr. #101  
Knoxville, TN 37918  
Owner: Scott & Stephanie Wheatley  
Telephone: 815-713-8756

CoolVu of Central Florida  
15055 Evergreen Oak Loop  
Winter Garden, FL 34787  
Owner: David & Nicole Ross  
Telephone: 407-743-5977

CoolVu of Atascocita Kingwood  
8210 Bosphorus St.  
Houston, TX 77044  
Owner: Ralph Ward Jr.  
Telephone: 281-733-0393

CoolVu of South Broward/North Miami  
1820 NE 163rd St. #203  
North Miami Beach, FL 33162  
Owner: Daniel Stramwasser, Nathalie Kleiner, Yoel Waisman  
Telephone: 954-406-1655

CoolVu of The Rockies  
4862 South Robb St.  
Littleton, CO 80127  
Owner: Joe Shipp  
Telephone: 303-887-5900

CoolVu of Chattanooga  
5251C Hwy 153 #234  
Hixson, TN 37343  
Owner: Tyler Powell  
Telephone: 423-521-2323

CoolVu of The Villages  
743 Baisley Trail  
The Villages, FL 32162  
Owner: Daniel Schwartz, Alicia Haase, Jay Kaster, & Christina Husar  
Telephone: 352-757-0290

CoolVu of East Tampa Bay  
6206 Olivedale Dr.  
Riverview, FL, 33578  
Owner: Daniel Schwartz, Alicia Haase, Yaidelise Neris  
Telephone: 813-785-1360

CoolVu of Salt Lake / Lehi / Sale Lake West  
8176 W. Dry Canyon Circle  
Herriman, UT 84096  
Owner: Nissa Farley  
Telephone: 888-692-6658

CoolVu of South St. Paul  
20950 Otero Ave  
Hastings, MN 55033  
Owner: Kathleen "Kat" Cambron  
Telephone: 612-888-6134  
CoolVu of Northern Cincinnati  
6890 Vienna Woods Trail  
Dayton, OH 45459  
Owner: Pamela Zabel  
Telephone: 513-809-2665

CoolVu of North Indianapolis  
9421 Greenthread Lane  
Zionsville, IN 46077

Owner: Teresa and Jim Bostwick  
Telephone: 765-978-1800

CoolVu of Central San Diego  
4858 Charles Lewis Way  
San Diego, CA 92102  
Owner: Tyler Cross and Linda Waters  
Telephone: 619-719-1309

CoolVu of North Birmingham  
710 Pearl Lake Rd  
Springville, AL 35146  
Owner: John Bailey  
Telephone: 205-410-6835

CoolVu of CoolVu of Des Moines  
3912 Brinkwood RD  
Des Moines, IA 50310  
Owner: Alejandro "Alex" Orozco  
Telephone: 337-356-1654

CoolVu of Acadiana  
209 Country Club DR  
Lafayette, LA 70501  
Owner: Bill McDermott  
Telephone: 337-356-1654

CoolVu of Madison  
10948 Country View Lane  
Blue Mounds, WI 53517  
Owner: Steve Yoder  
Telephone: 608-621-1062

CoolVu of East Jacksonville and St. Augustine  
54 Ladyslipper Dr  
St. Johns, FL 32259  
Owner: Timothy Faller  
Telephone: 904-495-5097

CoolVu of Nags Head  
183 Dogwood Trail  
Manteo, NC 27954  
Owner: Ben Jones  
Telephone: 252-305-1056

CoolVu of Riverside County  
38718 Brookside Ave  
Cherry Valley, CA 92223  
Owner: Justin Scott  
Telephone: 909-735-1420

CoolVu of North Atlanta / North Fulton / Forsythe  
5012 Bristol Industrial Way  
Suite 105  
Buford, GA 30518  
Owner: Luke Canup and Joe Pryor  
Telephone: 678-855-7859

CoolVu of Appleton / Oshkosh  
8195 Golf Course DR  
Neenah, WI 54956  
Owner: Henry Brown  
Telephone: 920-573-3763

CoolVu of North Louisville  
225 Fairwood Way  
Shepherdsville, KY 40165  
Owner: Ron Clarke  
Telephone: 502-678-9069

CoolVu of Raleigh Southwest  
208 Butterbiggins Lane  
Apex, NC 27539  
Owner: Jose Paniagua and Marita Paniagua  
Telephone: 984-867-6530

CoolVu of Fayetteville  
3392 Dunn Rd  
Eastover, NC 28312  
Owner: Eric Walker  
Telephone: 910-853-5119

CoolVu of Orlando East  
79 Fever Hammock  
St. Johns, FL 32259  
Owner: David Johnson  
Telephone: 407-849-8401

CoolVu of Wesley Chapel  
10186 Shoreline View Way  
Wesley Chapel, FL 33545  
Owner: Mark and Carolynn Abrusso  
Telephone: 813-513-6775

CoolVu of Savannah / Hilton Head  
117 Sams Drive  
Guyton, GA 31312  
Owner: Anthony and LaTosha Morris  
Telephone: 912-742-5324

CoolVu of West Los Angeles

357 S Carson, #MJ  
Los Angeles, CA 90036  
Owner: Scott Cohen and Elina Zakhodina  
Telephone: 424-250-6770

CoolVu of South Miami  
6420 Miami Lakeway  
South Miami Lakes, FL 33014  
Owner: Joe Orfely  
Telephone: 305-889-9696

CoolVu of Burlington County and Princeton  
3 Wilderness Run Ct  
Mount Laurel, NJ 8054  
Owner: Ritesh Shah  
Telephone: 609-929-7211

CoolVu of West Metro Atlanta and North Gwinnett / Buford  
608 Martha Sue Dr  
Lawrenceville GA 30045  
Owner: Simone Cato, Rudolph Ottis, Quesi Caro-Crooke  
Telephone: 470-706-7200

CoolVu of Sugar Land  
1109 Roxella St  
Houston, TX 77076  
Owner: Omar Maldonado and Anna Soberanis  
Telephone: 281-254-2905

CoolVu of Spartanburg  
108 Turfway Dr  
Greer, SC 29651  
Owner: Logan Wilt and Travis Wilt  
Telephone: 864-908-6602

CoolVu of Pearland  
10593 Lake Palmetto Dr  
Conroe, TX 77385  
Owner: Ryan Chapa & Azais Garza  
Telephone: 832-614-6429

CoolVu of Greater Memphis  
8669 Maple Creek Cove  
Germantown, TN 38139  
Owner: Harper and Dana Goode  
Telephone: 901-661-9110

CoolVu of Clabaras Encino  
5937 Beckford Ave  
Tarzana, CA 9135  
Owner: Nika Kveladze

Telephone: 747-265-9702

CoolVu of North-East Columbus  
4609 Water Vue Lane  
Dublin, OH 43016  
Owner: Carrie Esposito  
Telephone: 614-869-9879

CoolVu of Southeast Raleigh  
379 Lowery Lane  
Bensen, NC 27504  
Owner: Andrew and Heather Cook  
Telephone: 984-249-8220

#### **AFFILIATE OWNED FRANCHISEES**

None

#### **FRANCHISEES WHICH LEFT THE SYSTEM**

(The list of franchisees which have been terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent fiscal year or who have not communicated with us within 10 weeks of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.)

None

## **EXHIBIT E**

**FINANCIAL**

**STATEMENTS**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

**CoolVu Franchise Concepts, Inc.**

## Balance Sheet

Unaudited

|                                                        | <b>2025</b>      | <b>2024</b>      |
|--------------------------------------------------------|------------------|------------------|
| Cash                                                   | 49,960           | 9,390            |
| Accounts receivable, net                               | 118,806          | 58,889           |
| Deferred costs - current                               | -                | 215,796          |
| Total current assets                                   | 168,766          | 284,075          |
| <br>Vehicles                                           | 105,338          | 105,338          |
| Less accumulated depreciation                          | (48,082)         | (33,034)         |
| Total property and equipment, net                      | 57,256           | 72,304           |
| <br>Deferred costs - non-current                       | 2,135,663        | 1,668,497        |
| Other non-current assets                               | 377,340          | 8,458            |
| Total other assets                                     | 2,513,003        | 1,676,955        |
| <br><b>Total assets</b>                                | <b>2,739,025</b> | <b>2,033,334</b> |
| <br>                                                   |                  |                  |
| Accounts payable                                       | 47,125           | 88,842           |
| Accrued liabilities                                    | 174,088          | 192,552          |
| Deferred revenue                                       | -                | 384,983          |
| Due to related parties                                 | 1,098,709        | 668,377          |
| Current portion of long-term debt                      | -                | 4,454            |
| Total current liabilities                              | 1,319,922        | 1,339,208        |
| <br>Long-term debt, net of current portion             | 19,520           | 19,187           |
| Deferred revenue, net of current portion               | 3,890,655        | 2,843,526        |
| Total liabilities                                      | 5,230,097        | 4,201,921        |
| <br>Stockholders' deficit                              | (2,491,072)      | (2,168,587)      |
| <br><b>Total liabilities and stockholders' deficit</b> | <b>2,739,025</b> | <b>2,033,334</b> |

**AUDITED FINANCIAL STATEMENTS**

**FRANCHISOR'S AUDITED FINANCIAL STATEMENTS FOR FISCAL / CALENDAR  
YEARS ENDING DECEMBER 31, 2024, DECEMBER 31, 2023 AND DECEMBER 31, 2022 ARE  
ATTACHED.**

## **AUDITED FINANCIALS**

**COOLVU FRANCHISE CONCEPTS, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

COOLVU FRANCHISE CONCEPTS, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Stockholders of  
CoolVu Franchise Concepts, Inc.

### **Opinion**

We have audited the accompanying financial statements of CoolVu Franchise Concepts, Inc. (a Georgia corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CoolVu Franchise Concepts, Inc. as of December 31, 2024 and 2023, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CoolVu Franchise Concepts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CoolVu Franchise Concepts, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

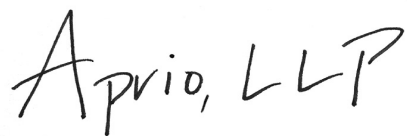
## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CoolVu Franchise Concepts, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CoolVu Franchise Concepts, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Apris, LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia

April 28, 2025

COOLVU FRANCHISE CONCEPTS, INC.  
BALANCE SHEETS  
DECEMBER 31, 2024

ASSETS

|                                        | <u>2024</u>         | <u>2023</u>         |
|----------------------------------------|---------------------|---------------------|
| <u>Current assets</u>                  |                     |                     |
| Cash                                   | \$ 9,390            | \$ 30,975           |
| Accounts receivable, net               | 58,889              | 147,752             |
| Deferred costs - current               | <u>215,796</u>      | <u>132,052</u>      |
| Total current assets                   | <u>284,075</u>      | <u>310,779</u>      |
| <u>Property and equipment, at cost</u> |                     |                     |
| Vehicles                               | 105,338             | 105,338             |
| Less accumulated depreciation          | <u>(33,034)</u>     | <u>(17,986)</u>     |
| Total property and equipment, net      | <u>72,304</u>       | <u>87,352</u>       |
| <u>Other assets</u>                    |                     |                     |
| Deferred costs - non-current           | 1,668,497           | 1,086,078           |
| Other non-current assets               | <u>8,458</u>        | <u>8,458</u>        |
| Total other assets                     | <u>1,676,955</u>    | <u>1,094,536</u>    |
| Total assets                           | <u>\$ 2,033,334</u> | <u>\$ 1,492,667</u> |

See auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
BALANCE SHEETS  
DECEMBER 31, 2024

LIABILITIES AND STOCKHOLDER'S DEFICIT

|                                                                                                                      | <u>2024</u>         | <u>2023</u>         |
|----------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <u>Current liabilities</u>                                                                                           |                     |                     |
| Accounts payable                                                                                                     | \$ 88,842           | \$ 64,654           |
| Accrued liabilities                                                                                                  | 192,552             | -                   |
| Deferred revenue                                                                                                     | 384,983             | 248,551             |
| Due to related parties                                                                                               | 668,377             | 855,213             |
| Current portion of long-term debt                                                                                    | <u>4,454</u>        | <u>3,877</u>        |
| Total current liabilities                                                                                            | <u>1,339,208</u>    | <u>1,172,295</u>    |
| <u>Long-term liabilities</u>                                                                                         |                     |                     |
| Long-term debt, net of current portion                                                                               | 19,187              | 24,039              |
| Deferred revenue, net of current portion                                                                             | <u>2,843,526</u>    | <u>1,932,274</u>    |
| Total long-term liabilities                                                                                          | <u>2,862,713</u>    | <u>1,956,313</u>    |
| <u>Stockholders' deficit</u>                                                                                         |                     |                     |
| Common stock, \$0.01 par value, 1,000,000 shares<br>authorized; 104,444 and 100,000 shares issued and<br>outstanding | 1,044               | 1,000               |
| Additional paid-in capital                                                                                           | 233,956             | 224,000             |
| Distributions                                                                                                        | (1,250)             | (1,250)             |
| Accumulated deficit                                                                                                  | <u>(2,402,337)</u>  | <u>(1,859,691)</u>  |
| Stockholders' deficit                                                                                                | <u>(2,168,587)</u>  | <u>(1,635,941)</u>  |
| Total liabilities and stockholders' deficit                                                                          | <u>\$ 2,033,334</u> | <u>\$ 1,492,667</u> |

See auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2024

|                            | <u>2024</u>         | <u>2023</u>         |
|----------------------------|---------------------|---------------------|
| <u>Revenue</u>             | \$ 2,419,921        | \$ 885,352          |
| <u>Cost of goods sold</u>  | <u>445,811</u>      | <u>33,133</u>       |
| Gross profit               | <u>1,974,110</u>    | <u>852,219</u>      |
| <u>Operating expenses</u>  |                     |                     |
| Salaries and wages         | 665,329             | 507,238             |
| Advertising and marketing  | 316,725             | 200,881             |
| Travel and entertainment   | 258,025             | 154,620             |
| General and administrative | <u>1,272,796</u>    | <u>882,537</u>      |
| Total operating expenses   | <u>2,512,875</u>    | <u>1,745,276</u>    |
| Loss from operations       | <u>(538,765)</u>    | <u>(893,057)</u>    |
| <u>Other expense</u>       |                     |                     |
| Interest expense           | <u>(3,881)</u>      | <u>(3,163)</u>      |
| Total other expense        | <u>(3,881)</u>      | <u>(3,163)</u>      |
| Net loss                   | <u>\$ (542,646)</u> | <u>\$ (896,220)</u> |

See auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF STOCKHOLDERS' DEFICIT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|                              | Common Stock   |                 | Additional         |                   | Accumulated           |                       |
|------------------------------|----------------|-----------------|--------------------|-------------------|-----------------------|-----------------------|
|                              | Shares         | Amount          | Paid-in<br>Capital | Distributions     | Deficit               | Total                 |
| Balance at January 1, 2023   | 100,000        | \$ 1,000        | \$ 224,000         | \$ -              | \$ (963,471)          | \$ (738,471)          |
| Dividends                    | -              | -               | -                  | (1,250)           | -                     | (1,250)               |
| Net loss                     | <u>-</u>       | <u>-</u>        | <u>-</u>           | <u>-</u>          | <u>(896,220)</u>      | <u>(896,220)</u>      |
| Balance at December 31, 2023 | 100,000        | 1,000           | 224,000            | (1,250)           | (1,859,691)           | (1,635,941)           |
| Issuance of common stock     | 4,444          | 44              | 9,956              | -                 | -                     | 10,000                |
| Net loss                     | <u>-</u>       | <u>-</u>        | <u>-</u>           | <u>-</u>          | <u>(542,646)</u>      | <u>(542,646)</u>      |
| Balance at December 31, 2024 | <u>104,444</u> | <u>\$ 1,044</u> | <u>\$ 233,956</u>  | <u>\$ (1,250)</u> | <u>\$ (2,402,337)</u> | <u>\$ (2,168,587)</u> |

See auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024

|                                                                                       | <u>2024</u>      | <u>2023</u>      |
|---------------------------------------------------------------------------------------|------------------|------------------|
| <u>Cash flows from operating activities</u>                                           |                  |                  |
| Net loss                                                                              | \$ (542,646)     | \$ (896,220)     |
| Adjustments to reconcile net loss to net cash (used) provided by operating activities |                  |                  |
| Change in allowance for doubtful accounts                                             | -                | 7,800            |
| Deprecation expense                                                                   | 15,047           | 14,633           |
| (Increase) decrease in assets:                                                        |                  |                  |
| Accounts receivable                                                                   | 88,863           | 55,947           |
| Deferred costs                                                                        | (666,164)        | (828,946)        |
| Other current assets                                                                  | -                | (7,807)          |
| Increase (decrease) in liabilities:                                                   |                  |                  |
| Accounts payable                                                                      | 216,742          | (15,832)         |
| Deferred revenue                                                                      | 1,047,684        | 1,275,827        |
| Due to related parties                                                                | <u>(186,836)</u> | <u>433,829</u>   |
| Total adjustments                                                                     | <u>515,336</u>   | <u>935,451</u>   |
| Net cash (used) provided by operating activities                                      | <u>(27,310)</u>  | <u>39,231</u>    |
| <u>Cash flows from investing activities</u>                                           |                  |                  |
| Acquisition of property and equipment                                                 | <u>-</u>         | <u>(4,522)</u>   |
| Net cash used in investing activities                                                 | <u>-</u>         | <u>(4,522)</u>   |
| <u>Cash flows from financing activities</u>                                           |                  |                  |
| Principle payments on long term debt                                                  | (4,275)          | (2,484)          |
| Dividends                                                                             | -                | (1,250)          |
| Exercise of stock options                                                             | <u>10,000</u>    | <u>-</u>         |
| Net cash provided by (used in) financing activities                                   | <u>5,725</u>     | <u>(3,734)</u>   |
| Net in cash and cash equivalents                                                      | <u>(21,585)</u>  | <u>30,975</u>    |
| Cash and cash equivalents, beginning                                                  | <u>30,975</u>    | <u>-</u>         |
| Cash and cash equivalents, ending                                                     | <u>\$ 9,390</u>  | <u>\$ 30,975</u> |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

|                                 | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------|-------------|
| Cash paid during the years for: |             |             |
| Interest                        | \$ 3,881    | \$ 3,163    |

See auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note A**

**Summary of Significant Accounting Policies**

**Nature of Operations:**

CoolVu Franchise Concepts, Inc. (the "Company"), a C Corporation, was incorporated in the state of Georgia on May 27, 2021. The Company's purpose is to offer and sell franchises that install window film products throughout the United States. On January 1, 2024, the Company converted from an "S Corporation" to a "C Corporation".

The Company began revenue generating operations during the year ended December 31, 2022, and operates as a subsidiary of Future Bands, Inc. ("the Parent"). The Parent owns and operates related companies in the window film business which includes sales, installation and franchising. Since start-up the Company has incurred losses and negative working capital. The Parent has funded the startup operations of the Company since inception and has the committed intent and financial ability to fund the capital needs of the Company going forward.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

**Cash and Cash Equivalents:**

For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of December 31, 2024 and 2023.

**Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:**

The Company maintains cash balances at one commercial bank, these balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. At December 31, 2024 and 2023, the Company's cash balances held at the commercial banks did not exceed the FDIC limit. The Company has not experienced any losses through the date when the financial statements were available to be issued.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Accounts Receivable and Allowance for Credit Losses:

The Company accounts for receivables at their original invoice amount, less an estimate made for credit losses. The Company monitors trade and other receivable balances and contract assets and estimates the allowance for lifetime expected credit losses in accordance with Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors and forecasted economic conditions. Below is the summary of allowance for credit losses for the years ended December 31:

|                                                         | <u>2024</u>        | <u>2023</u>       |
|---------------------------------------------------------|--------------------|-------------------|
| Allowance for credit losses - beginning balance         | \$ (7,800)         | \$ -              |
| Cumulative effect of accounting standards upon adoption | -                  | -                 |
| Current provision for expected credit losses            | (20,140)           | (7,800)           |
| Write-offs charged against allowance                    | -                  | -                 |
| Recoveries of amounts previously written off            | <u>-</u>           | <u>-</u>          |
| Allowance for credit losses - ending balance            | <u>\$ (27,940)</u> | <u>\$ (7,800)</u> |

Below is the summary of accounts receivable, allowance for credit losses, and accounts receivable, net beginning January 1, 2023 through December 31, 2024:

|                             | <u>January 1, 2023</u> | <u>December 31, 2023</u> | <u>December 31, 2024</u> |
|-----------------------------|------------------------|--------------------------|--------------------------|
| Accounts receivable         | \$ 211,499             | \$ 155,552               | \$ 86,829                |
| Allowance for credit losses | <u>-</u>               | <u>(7,800)</u>           | <u>(27,940)</u>          |
| Accounts receivable, net    | <u>\$ 211,499</u>      | <u>\$ 147,752</u>        | <u>\$ 58,889</u>         |

Property and Equipment:

Property and equipment are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are expensed currently, while major renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is recognized.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets, which are as follows:

Vehicles

7 years

Depreciation expense for the years ended December 31, 2024 and 2023, totaled approximately \$15,000 and \$14,600, respectively.

**Deferred Costs:**

Deferred costs totaled \$2,157,963 and \$1,316,480 with accumulated amortization of \$273,670 and \$97,754 at December 31, 2024 and 2023, respectively. The costs were incurred by the Company to pay commissions and broker fees to the franchisees and are amortized on a straight-line basis over the life of their respective franchise agreements, which is generally ten years. Amortization expense related to these deferred costs was \$174,916 and \$86,708 for the period ended December 31, 2024 and 2023, respectively.

**Revenue Recognition:**

In accordance with the Financial Accounting Standards Board ("FASB") Topic 606, Revenue from Contracts with Customers, or Accounting Standards Codification ("ASC") 606, the Company recognizes revenue when a customer obtains control of promised goods or services, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. To determine revenue recognition, the Company performs the following five steps:

1. Identification of the contract, or contracts, with a customer
2. Identification of the performance obligation(s) in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligation(s) in the contract
5. Recognition of revenue when or as the Company satisfies the performance obligations)

The Company primarily recognizes revenue from franchise related fees and window film sales each of which are considered separate performance obligations revenue is recognized for each performance obligation as follows:

**Franchise Fees:**

The Company sells franchises that grant the right to operate a facility in a designated area. The franchise agreements typically require the franchisee to pay an initial fee and continuing monthly fees for royalties, technology and advertising. Revenues for upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property. Royalty, technology and advertising income is recognized in the month the related service is provided.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Franchise fee revenue is recognized over a 10-year period. The revenue recognized for franchise fees was approximately \$434,000 and \$205,000 for the years ended December 31, 2024 and 2023, respectively. The revenue recognized for monthly services provided to franchisees was approximately \$846,000 and \$680,000 for the years ended December 31, 2024 and 2023, respectively.

**Window Film Revenue:**

The Company sells window film to franchisees which is recognized as revenue at the time of the sale. Total window film sales were approximately \$1,020,000 and \$253,000 for the years ended December 31, 2024 and 2023, respectively.

**Advertising:**

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$317,000 and \$201,000 for the years ended December 31, 2024 and 2023, respectively.

**Income Taxes:**

The Company accounts for income taxes using FASB ASC 740, "Income Taxes" ("FASB ASC 740"). Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits, if any, in interest expense and penalties in general and administrative expenses.

The Company's tax returns since inception remain open for income tax examination.

**Deferred Contract Costs:**

Deferred contract costs consist of costs to obtain franchise agreements, such as commissions and broker fees. The deferred contract costs are amortized over the expected period of benefit, which is the lesser of the contract term or 10 years.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Contract Liabilities:

The Company's contract liabilities represents deferred franchise and territory fees. They are comprised of unamortized upfront fees received from franchisees. A summary of significant changes to the balance is presented below for the years ended December 31:

|                                                                                             | <u>2024</u>         | <u>2023</u>         |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| Contract liabilities - beginning balance                                                    | \$ 2,180,825        | \$ 904,998          |
| Increase for upfront fees associated with contracts that became effective during the period | 1,482,090           | 1,534,350           |
| Revenue recognized from unamortized upfront fees received from franchisees                  | <u>(434,406)</u>    | <u>(258,523)</u>    |
| Contract liabilities - ending balance                                                       | <u>\$ 3,228,509</u> | <u>\$ 2,180,825</u> |

As of December 31, 2024, the Company expects to recognize as revenue over the remaining term of the associated franchise agreement as follows:

| <u>Year Ending December 31</u> | <u>Amount</u>       |
|--------------------------------|---------------------|
| 2025                           | \$ 385,000          |
| 2026                           | 385,000             |
| 2027                           | 385,000             |
| 2028                           | 385,000             |
| 2029                           | 385,000             |
| Thereafter                     | <u>1,303,509</u>    |
|                                | <u>\$ 3,228,509</u> |

**Note B**

**Long-Term Debt**

Note Payable:

On February 24, 2023, the Company entered into a \$30,400 vehicle financing loan with a financial institution, which bears interest at 13.95% annually. The Company is required to make monthly payments of principal and interest until the agreement matures on March 9, 2029. The note is collateralized by the corresponding vehicle.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note B**  
**Long-Term Debt (Continued)**

Aggregate future principal payments are as follows at December 31, 2024:

| <u>Year Ending December 31,</u> | <u>Amount</u>    |
|---------------------------------|------------------|
| 2025                            | \$ 4,454         |
| 2026                            | 5,116            |
| 2027                            | 5,877            |
| 2028                            | 6,751            |
| 2029                            | <u>1,443</u>     |
|                                 | <u>\$ 23,641</u> |

**Note C**  
**Stock Options**

In January 2022, the Company's board approved a stock option plan for employees and Key Persons under which the board is currently authorized to grant options to acquire up to 35,000 shares of common stock. The option price is to be 50% of the fair market value on the date of grant unless otherwise determined by the board. The options generally vest ratably over a three-year period beginning one year from the date of grant and expire as determined by the board, but not more than 10 years from the date of grant.

There were 30,465 and 20,685 option awards issued and 26,021 and 20,685 outstanding each at December 31, 2024 and 2023, respectively, of which 13,790 and 6,895 of option awards were vested at December 31, 2024 and 2023, respectively. During the year ended December 31, 2024, 4,444 awards were exercised at a price of \$2.25. The Company assessed the value of the stock options at the grant time and estimated that compensation expense attributable to these awards is negligible for the years ended December 31, 2024 and 2023.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note D**  
**Income Taxes**

On January 1, 2024, the Company converted from an "S Corporation" to a "C Corporation". In accordance with ASC 740-10-25-32, the Company recognized a deferred tax asset of \$806,000 for temporary differences that existed as of the date of conversion. The Company placed a valuation of \$806,000 on this asset.

Income tax expense was \$0 for the year ended December 31, 2024, and differed from the amount computed by applying U.S. federal income tax rate of 25.74% to pretax book loss principally as a result of the increase in the valuation allowance.

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset and deferred tax liability at December 31 2024 consist of:

|                                            | <u>Amount</u>    |
|--------------------------------------------|------------------|
| Deferred tax asset (liability):            |                  |
| Available net operating loss carryforwards | \$ 18,745        |
| Depreciation differences                   | (16,337)         |
| Accrual to cash adjustment                 | 338,378          |
| Valuation allowance                        | <u>(340,786)</u> |
| Net non-current deferred tax asset         | \$ <u>-</u>      |

At December 31, 2024, the Company had net operating loss ("NOL") carryforwards for federal and state income tax purposes of approximately \$73,000, which are available to offset future federal and state taxable income, respectively. Due to the Tax Cuts and Jobs Act ("Tax Act"), for tax years beginning after December 31, 2017, NOLs may be carried forward indefinitely but can only be used to offset up to 80% of taxable income. For the year ended December 31, 2024, the Company has \$73,000 available to offset future taxable income.

In the normal course of business, the Company's tax returns are subject to examination by various taxing authorities in the United States of America, and various state, and local jurisdictions. Such examination may result in future tax and interest assessments by these taxing jurisdictions. Accordingly, the Company accrues liabilities when it believes that it is more likely than not that it will realize the benefits of tax positions that it has taken in its tax position that it has taken in its tax returns or for the amount of any tax benefit that exceeds cumulative probability threshold in accordance with FASB ASC Subtopic 740-10, Income Taxes - Overall. As of December 31, 2024, the Company has recorded no unrecognized tax benefits.

The Company does not anticipate significant changes in the amount of unrecognized tax benefits related to the Company's uncertain tax positions within the next 12 months. Currently, there are no open examinations at either federal, state, or local level. However, it is noted the IRS has the authority to examine the tax years where the Company has an NOL carryforward. The statute of limitations does not begin until the carryforward is utilized. The earliest NOL carryforward is for the period December 31, 2024.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

**Note E**

**Related Party Transactions**

The Company reimburses related parties for expenses paid on their behalf. As a result, the net amounts due to related parties, were the following at December 31:

|                         | <u>Amount</u>     | <u>2023</u>       |
|-------------------------|-------------------|-------------------|
| FutureVu Brands, Inc.   | \$ 379,164        | \$ 396,006        |
| Window Film Depot, Inc. | (20,207)          | 46,479            |
| Impact Security, LLC    | 10,870            | (33,379)          |
| LongVu Wholesale, LLC   | <u>298,550</u>    | <u>446,107</u>    |
|                         | <u>\$ 668,377</u> | <u>\$ 855,213</u> |

**Note F**

**Franchise Information**

The standard initial franchise fee is \$19,000 and the standard initial territory fee is \$40,000. The estimated initial investment required from a location ranges from \$57,950 to \$96,350 (inclusive of the initial fees). There were a total of 124 and 81 franchise territories open for operation during the years ended December 31, 2024 and 2023, respectively. In addition, the Company owned and operated 3 territories during the years ended December 31, 2024 and 2023, respectively. In certain instances, franchisees own multiple territories.

**Note G**

**Subsequent Events**

The Company evaluated subsequent events through April 28, 2025, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on the financial statements.

**COOLVU FRANCHISE CONCEPTS, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

COOLVU FRANCHISE CONCEPTS, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Stockholder of  
CoolVu Franchise Concepts, Inc.

### **Opinion**

We have audited the accompanying financial statements of CoolVu Franchise Concepts, Inc., which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CoolVu Franchise Concepts, Inc. as of December 31, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CoolVu Franchise Concepts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CoolVu Franchise Concepts, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

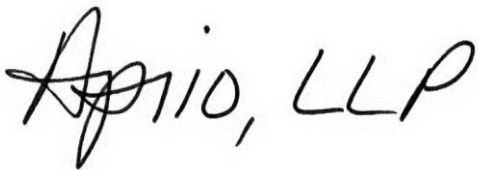
## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CoolVu Franchise Concepts, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CoolVu Franchise Concepts, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is stylized, with the "A" being particularly large and the "P" having a long, sweeping tail.

Atlanta, Georgia  
April 9, 2024

COOLVU FRANCHISE CONCEPTS, INC.  
BALANCE SHEETS  
DECEMBER 31,

| ASSETS                                 | <u>2023</u>         | <u>2022</u>       |
|----------------------------------------|---------------------|-------------------|
| <u>Current assets</u>                  |                     |                   |
| Cash                                   | \$ 30,975           | \$ -              |
| Accounts receivable, net               | 147,752             | 211,499           |
| Deferred costs - current               | 132,052             | 40,123            |
| Other current assets                   | <u>8,458</u>        | <u>651</u>        |
| Total current assets                   | <u>319,237</u>      | <u>252,273</u>    |
| <u>Property and equipment, at cost</u> |                     |                   |
| Vehicles                               | 105,338             | 70,416            |
| Less accumulated depreciation          | <u>(17,986)</u>     | <u>(3,353)</u>    |
| Total property and equipment, net      | <u>87,352</u>       | <u>67,063</u>     |
| <u>Other assets</u>                    |                     |                   |
| Deferred costs - non-current           | <u>1,086,078</u>    | <u>349,061</u>    |
| Total other assets                     | <u>1,086,078</u>    | <u>349,061</u>    |
| Total assets                           | <u>\$ 1,492,667</u> | <u>\$ 668,397</u> |

See independent auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
BALANCE SHEETS  
DECEMBER 31,

LIABILITIES AND STOCKHOLDER'S DEFICIT

|                                                                                                       | <u>2023</u>         | <u>2022</u>       |
|-------------------------------------------------------------------------------------------------------|---------------------|-------------------|
| <u>Current liabilities</u>                                                                            |                     |                   |
| Accounts payable                                                                                      | \$ 64,654           | \$ 80,486         |
| Deferred revenue                                                                                      | 248,551             | 99,379            |
| Due to related parties                                                                                | 855,213             | 421,384           |
| Current portion of long-term debt                                                                     | <u>3,877</u>        | <u>-</u>          |
| Total current liabilities                                                                             | <u>1,172,295</u>    | <u>601,249</u>    |
| <u>Long-term liabilities</u>                                                                          |                     |                   |
| Long-term debt, net of current portion                                                                | 24,039              | -                 |
| Deferred revenue, net of current portion                                                              | <u>1,932,274</u>    | <u>805,619</u>    |
| Total long-term liabilities                                                                           | <u>1,956,313</u>    | <u>805,619</u>    |
| <u>Stockholders' Deficit</u>                                                                          |                     |                   |
| Common stock, \$0.01 par value, 1,000,000 shares<br>authorized; 100,000 shares issued and outstanding | 1,000               | 1,000             |
| Additional paid-in capital                                                                            | 224,000             | 224,000           |
| Distributions                                                                                         | (1,250)             | -                 |
| Accumulated deficit                                                                                   | <u>(1,859,691)</u>  | <u>(963,471)</u>  |
| Stockholders' deficit                                                                                 | <u>(1,635,941)</u>  | <u>(738,471)</u>  |
| Total liabilities and stockholders' deficit                                                           | <u>\$ 1,492,667</u> | <u>\$ 668,397</u> |

See independent auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31,

|                            | <u>2023</u>         | <u>2022</u>         |
|----------------------------|---------------------|---------------------|
| <u>Revenue</u>             | \$ 885,352          | \$ 115,125          |
| <u>Cost of goods sold</u>  | <u>33,133</u>       | <u>2,728</u>        |
| Gross profit               | <u>852,219</u>      | <u>112,397</u>      |
| <u>Operating expenses</u>  |                     |                     |
| Salaries and wages         | 507,238             | 293,189             |
| Advertising and marketing  | 200,881             | 69,980              |
| Travel and entertainment   | 154,620             | 65,012              |
| General and administrative | <u>882,187</u>      | <u>647,687</u>      |
| Total operating expenses   | <u>1,744,926</u>    | <u>1,075,868</u>    |
| Loss from operations       | <u>(892,707)</u>    | <u>(963,471)</u>    |
| <u>Other expense</u>       |                     |                     |
| Interest expense           | (3,163)             | -                   |
| Other expense              | <u>(350)</u>        | <u>-</u>            |
| Total other expense        | <u>(3,513)</u>      | <u>-</u>            |
| Net loss                   | <u>\$ (896,220)</u> | <u>\$ (963,471)</u> |

See independent auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF STOCKHOLDERS' DEFICIT  
FOR THE YEARS ENDED DECEMBER 31,

|                              | <u>Common Stock</u> |                 | <u>Additional</u> |                      | <u>Accumulated</u>    |                       |
|------------------------------|---------------------|-----------------|-------------------|----------------------|-----------------------|-----------------------|
|                              | <u>Shares</u>       | <u>Amount</u>   | <u>Paid-in</u>    | <u>Distributions</u> | <u>Deficit</u>        | <u>Total</u>          |
|                              |                     |                 | <u>Capital</u>    |                      |                       |                       |
| Balance at January 1, 2022   | 100,000             | \$ 1,000        | \$ 224,000        | \$ -                 | \$ -                  | \$ 225,000            |
| Net loss                     | <u>-</u>            | <u>-</u>        | <u>-</u>          | <u>-</u>             | <u>(963,471)</u>      | <u>(963,471)</u>      |
| Balance at December 31, 2022 | 100,000             | 1,000           | 224,000           | -                    | (963,471)             | (738,471)             |
| Distributions                | -                   | -               | -                 | (1,250)              | -                     | (1,250)               |
| Net loss                     | <u>-</u>            | <u>-</u>        | <u>-</u>          | <u>-</u>             | <u>(896,220)</u>      | <u>(896,220)</u>      |
| Balance at December 31, 2023 | <u>100,000</u>      | <u>\$ 1,000</u> | <u>\$ 224,000</u> | <u>\$ (1,250)</u>    | <u>\$ (1,859,691)</u> | <u>\$ (1,635,941)</u> |

See independent auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

|                                                                                    | <u>2023</u>      | <u>2022</u>     |
|------------------------------------------------------------------------------------|------------------|-----------------|
| <u>Cash flows from operating activities</u>                                        |                  |                 |
| Net loss                                                                           | \$ (896,220)     | \$ (963,471)    |
| Adjustments to reconcile net loss to net cash<br>provided by operating activities: |                  |                 |
| Change in allowance for doubtful accounts                                          | 7,800            | -               |
| Depreciation and amortization                                                      | 14,633           | 3,353           |
| Change in operating assets and liabilities:                                        |                  |                 |
| Accounts receivable                                                                | 55,947           | (211,499)       |
| Inventory                                                                          | -                | 175,000         |
| Deferred costs                                                                     | (828,946)        | (389,184)       |
| Other current assets                                                               | (7,807)          | (651)           |
| Accounts payable                                                                   | (15,832)         | 80,486          |
| Deferred revenue                                                                   | 1,275,827        | 904,998         |
| Due to related parties                                                             | <u>433,829</u>   | <u>421,384</u>  |
| Total adjustments                                                                  | <u>935,451</u>   | <u>983,887</u>  |
| Cash provided by operating activities                                              | <u>39,231</u>    | <u>20,416</u>   |
| <u>Cash flows from investing activities</u>                                        |                  |                 |
| Acquisition of property and equipment                                              | <u>(4,522)</u>   | <u>(70,416)</u> |
| Cash used by investing activities                                                  | <u>(4,522)</u>   | <u>(70,416)</u> |
| <u>Cash flows from financing activities</u>                                        |                  |                 |
| Principal payments on long-term debt                                               | (2,484)          | -               |
| Distributions                                                                      | <u>(1,250)</u>   | <u>-</u>        |
| Cash provided (used) by financing activities                                       | <u>(3,734)</u>   | <u>-</u>        |
| Net increase (decrease) in cash                                                    | 30,975           | (50,000)        |
| Cash, beginning of the year                                                        | <u>-</u>         | <u>50,000</u>   |
| Cash, end of year                                                                  | <u>\$ 30,975</u> | <u>\$ -</u>     |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the years for:

|          |          |      |
|----------|----------|------|
| Interest | \$ 3,513 | \$ 0 |
|----------|----------|------|

See independent auditors' report and accompanying notes

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**Note A**

**Summary of Significant Accounting Policies**

Nature of Operations:

CoolVu Franchise Concepts, Inc. (the "Company"), an S Corporation, was incorporated in the state of Georgia on May 27, 2021. The Company's purpose is to offer and sell franchises that install window film products throughout the United States.

The Company began revenue generating operations during the year ended December 31, 2022.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Company maintains cash balances at one commercial bank, these balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. The Company has not experienced any losses in these accounts through the date when the financial statements were available to be issued.

Recent Accounting Pronouncements:

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326), or CECL, which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. For most instruments, entities must apply the standard using a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year of adoption.

The adoption of CECL did not result in any adjustments to retained earnings as of January 1, 2023. Financial assets and liabilities held by the Company subject to the "expected credit loss" model prescribed by CECL include trade receivables.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Accounts Receivable:

The Company extends credit to customers located primarily throughout North America based on the size of the customer, its payment history, and other factors. Receivables are recorded at the time of billing. As a result of the adoption of ASU No. 2016-13, Financial Instruments—Credit Losses, the Company changed its accounting policy for allowance for credit losses. The Company monitors trade and other receivable balances and contract assets and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors and forecasted economic conditions. Customer account balances with invoices dated over 90 days old are considered past due. Management reviews customer balances for collectibility on a periodic basis.

|                                                         | <u>December 31, 2023</u> |
|---------------------------------------------------------|--------------------------|
| Allowance for credit losses - beginning balance         | \$ -                     |
| Cumulative effect of accounting standards upon adoption | -                        |
| Current provision for expected credit losses            | (7,800)                  |
| Write-offs charged against allowance                    | -                        |
| Recoveries of amounts previously written off            | <u>-</u>                 |
| Allowance for credit losses - ending balance            | \$ <u>(7,800)</u>        |

Below is the summary of accounts receivable, allowance for credit losses, and accounts receivable, net beginning January 1, 2022 through December 31, 2023:

|                             | <u>January 1, 2022</u> | <u>December 31, 2022</u> | <u>December 31, 2023</u> |
|-----------------------------|------------------------|--------------------------|--------------------------|
| Accounts receivable         | \$ -                   | \$ 211,499               | \$ 155,552               |
| Allowance for credit losses | <u>-</u>               | <u>-</u>                 | <u>(7,800)</u>           |
| Accounts receivable, net    | \$ <u>-</u>            | \$ <u>211,499</u>        | \$ <u>147,752</u>        |

Property and Equipment:

Property and equipment are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are expensed currently, while major renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is recognized.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets, which are as follows:

Vehicles

7 years

Depreciation expense for the years ended December 31, 2023 and 2022, totaled \$14,633 and \$3,353, respectively.

**Deferred Costs:**

Deferred costs totaled \$1,316,480 with accumulated amortization of \$98,754 and \$12,046 at December 31, 2023 and 2022, respectively. The costs were incurred by the Company to pay commissions and broker fees to the franchisees and are amortized on a straight-line basis over the life of their respective franchise agreements, which is generally ten years. Amortization expense related to these deferred costs was \$86,708 and \$12,046 for the period ended December 31, 2023 and 2022, respectively.

**Franchise Fees and Revenue Recognition:**

The Company sells franchises that grant the right to operate a facility in a designated area. The franchise agreements typically require the franchisee to pay an initial fee and continuing monthly fees for royalties, technology and advertising. Revenues for upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property. Royalty, technology and advertising income is recognized in the month the related sales occur or the service is provided.

The revenue recognized for franchise sales and monthly services were approximately \$205,000 and \$680,000, respectively, for the year ended December 31, 2023.

**Advertising:**

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$201,000 and \$70,000 for the years ended December 31, 2023 and 2022, respectively.

**Income Taxes:**

The Company, with the consent of its stockholder, has elected under the Internal Revenue Code and similar state statutes to be an S corporation. In lieu of federal corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Company's tax returns since inception remain open for income tax examination.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**Note A**

**Summary of Significant Accounting Policies (Continued)**

Deferred Contract Costs:

Deferred contract costs consist of costs to obtain franchise agreements, such as commissions and broker fees. The deferred contract costs are amortized over the expected period of benefit, which is the lesser of the contract term or 10 years.

Contract Liabilities:

The Company's contract liabilities represents deferred franchise and territory fees. They are comprised of unamortized upfront fees received from franchisees. A summary of significant changes to the balance is presented below:

|                                                                                             | <u>Amount</u>       |
|---------------------------------------------------------------------------------------------|---------------------|
| Balance at January 1, 2023                                                                  | \$ 904,998          |
| Increase for upfront fees associated with contracts that became effective during the period | 1,534,350           |
| Revenue recognized from unamortized upfront fees received from franchises                   | <u>(258,523)</u>    |
| Balance at December 31, 2023                                                                | <u>\$ 2,180,825</u> |

As of December 31, 2023, the Company expects to recognize as revenue over the remaining term of the associated franchise agreement as follows:

| <u>Year Ending December 31</u> | <u>Amount</u>       |
|--------------------------------|---------------------|
| 2024                           | \$ 99,380           |
| 2025                           | 99,380              |
| 2026                           | 99,380              |
| 2027                           | 99,380              |
| 2028                           | 99,380              |
| Thereafter                     | <u>1,683,925</u>    |
|                                | <u>\$ 2,180,825</u> |

**Note B**

**Long-Term Debt**

Note Payable:

On February 24, 2023, the Company entered into a \$30,400 vehicle financing loan with a financial institution, which bears interest at 13.95% annually. The Company is required to make monthly payments of principal and interest until the agreement matures on March 9, 2029. The note is collateralized by the corresponding vehicle.

COOLVU FRANCHISE CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**Note B**  
**Long-Term Debt**

Aggregate future principal payments are as follows at December 31, 2023:

| <u>Year Ending December 31,</u> | <u>Amount</u>    |
|---------------------------------|------------------|
| 2024                            | \$ 3,877         |
| 2025                            | 4,454            |
| 2026                            | 5,116            |
| 2027                            | 5,877            |
| 2028                            | 6,751            |
| Thereafter                      | <u>1,841</u>     |
|                                 | <u>\$ 27,916</u> |

**Note C**  
**Related Party Transactions**

The Company reimburses related parties for expenses paid on their behalf. As a result, the net amounts due to related parties, were the following at December 31:

|                         | <u>2023</u>       | <u>2022</u>       |
|-------------------------|-------------------|-------------------|
| FutureVu Brands, Inc.   | \$ 396,006        | \$ 73,968         |
| Window Film Depot, Inc. | 46,479            | 86,798            |
| Impact Security, LLC    | (33,379)          | (1,899)           |
| LongVu Wholesale, LLC   | <u>446,107</u>    | <u>262,517</u>    |
|                         | <u>\$ 855,213</u> | <u>\$ 421,384</u> |

**Note D**  
**Franchise Information**

The standard initial franchise fee is \$19,000 and the standard initial territory fee is \$40,000. The estimated initial investment required from a location ranges from \$57,950 to \$96,350 (inclusive of the initial fees). There were a total of 81 and 39 franchise territories open for operation during the years ended December 31, 2023 and 2022, respectively. In addition, the Company owned and operated 3 and 2 territories during the years ended December 31, 2023 and 2022, respectively. In certain instances, franchisees own multiple territories.

**Note E**  
**Subsequent Events**

The Company evaluated subsequent events through April 9, 2024, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on the financial statements.

**EXHIBIT F**  
**STATE SPECIFIC ADDENDA**

## CALIFORNIA ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 *et seq.* the franchise disclosure document and Franchise Agreement and Area Development Agreement for COOLVU FRANCHISE CONCEPTS, INC. for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

Neither we nor any person identified in Item 2 of the FDD 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. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Item 6: In California, the highest interest rate allowed by law is 10% annually.

Other provisions:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Business & Professions Code Sections 20000 through 20043, the California Business & Professions Code Sections 20000 through 20043 controls.

The Franchise Agreement provides for termination upon bankruptcy. These provisions 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 which extends beyond the termination, expiration or transfer of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code 20040.5, Code of Civil Procedure Section 1281, and Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

Waiver of jury trial and the restriction on the statute of limitations may not be enforceable under California law.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

OUR WEBSITE IS [www.coolvufranchise.com](http://www.coolvufranchise.com) and [www.coolvu.com](http://www.coolvu.com). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DEPI.CA.GOV](http://WWW.DEPI.CA.GOV).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT,

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

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

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

## HAWAII ADDENDUM

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS, AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THE NAME AND ADDRESS OF OUR AGENT TO RECEIVE SERVICE OF PROCESS IN THE STATE OF HAWAII IS LISTED IN EXHIBIT B ATTACHED TO THE DISCLOSURE DOCUMENT / FDD.

THIS REGISTRATION IS, OR WILL SHORTLY BE ON FILE IN THE FOLLOWING STATES: ILLINOIS, CALIFORNIA, NEW YORK, MARYLAND, VIRGINIA, NORTH DAKOTA, RHODE ISLAND, MINNESOTA, WISCONSIN AND WASHINGTON. NO STATES HAVE REFUSED, BY ORDER OR OTHERWISE, TO REGISTER THESE FRANCHISES. NO STATES HAVE REVOKED OR SUSPENDED THE RIGHT TO OFFER THESE FRANCHISES.

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## ILLINOIS ADDENDUM

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

### Fee Deferral

Items 5 and 7 of the FDD and Section IV of the Franchise Agreement are revised to state that payment of all initial fees, including the Initial Franchise Fee, shall be deferred until Franchisor has met its initial obligations to the franchisee and the franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## INDIANA ADDENDUM

This Addendum shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, each shall be amended as follows:

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the parties agree as follows:

1. The release that you must sign as a condition to renewal or transfer shall not apply to claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.
2. The Indiana Franchise Law (Indiana Code 23 2 2.5 and 23 2 2.7) will control where applicable.

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## MARYLAND ADDENDUM

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises or area development rights sold or offered for sale within the State of Maryland, located in this State or to a Maryland resident, which shall amend the Franchise Disclosure Document ("FDD"), Franchise Agreement and Area Development Agreement ("ADA") to the extent of any inconsistency:

1 Pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement and ADA are each amended accordingly.

2. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to agree to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement or ADA may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, each is hereby amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Franchise Agreement is amended to provide that you may file a lawsuit or arbitration alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

5. The Franchisee Disclosure Questionnaire is amended as follows: "Notwithstanding anything in the Franchise Agreement or the Franchise Disclosure Questionnaire to the contrary, all representations requiring prospective franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## MINNESOTA ADDENDUM

Notwithstanding anything contained in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency:

1. We agree to protect you against claims of infringement or unfair competition with respect to your authorized use of the Marks when, in the opinion of counsel to us, your rights granted therein warrant protection.
2. Minn. Stat. §§80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the law of Minnesota.
3. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sect 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.
4. Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act.
5. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
6. The limitation of claims is 3 years instead of 1 year pursuant to the Minnesota Statutes, Section 80C.17, Subd.5.
7. Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

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

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

## NEW YORK ADDENDUM

Notwithstanding anything contained in the foregoing Franchise Agreement and Area Development Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the New York State Franchise Act shall apply to any franchise or franchisee located in the State of New York, which shall control to the extent of any inconsistency:

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party 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 or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 that officer or general partner of the franchisor held this position in the company or partnership

4. The following is added to the end of Item 5: The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17 **"Requirements for franchisee to renew or extend,"** and **"Conditions for franchisor approval of transfer":**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17, titled **"Termination by franchisee":**

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17, titled **"Assignment of contract by Franchisor":**

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" section of Item 17, titled **"Choice of forum",** and **"Choice of law":**

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

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## NORTH DAKOTA ADDENDUM

The following modifies and supersedes the Franchise Disclosure Document ("FDD") and Franchise Agreement with respect to franchises offered for sale or sold in the State of North Dakota, as followings:

1. The requirement that the franchisee sign a release upon renewal of the Franchise Agreement is unenforceable to the extent that it conflicts with North Dakota law.
2. The covenant not to compete found in the Franchise Agreement is generally considered unenforceable to the extent that the covenant conflicts with North Dakota law.
3. The provisions in the Franchise Agreement that require franchisee to consent to litigation being conducted in a forum other than the State of North Dakota are unenforceable to the extent that these provisions conflict with North Dakota law.
4. The provisions concerning waiver of trial by jury in the Franchise Agreement are unenforceable to the extent that these provisions conflict with North Dakota law.
5. The provisions in the Franchise Agreement that require franchisees to consent to a limitation of claims are unenforceable to the extent that they conflict with North Dakota law. The statute of limitations under North Dakota law will then apply.
6. The provisions in the Franchise Agreement that require these agreement be governed by a state's law, other than the State of North Dakota, are unenforceable to the extent that these provisions conflict with the North Dakota law. The North Dakota Law will then apply.
7. All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## RHODE ISLAND ADDENDUM

The following modifies and supersedes the Franchise Disclosure Document (“FDD”), Franchise Agreement and Area Development Agreement (“ADA”) with respect to franchises offered for sale or sold in the State of Rhode Island, as followings:

§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.” Therefore, Item 17 of the FDD and the corresponding Sections of the Franchise Agreement are hereby modified.

All other terms and provisions contained in the Franchise Agreement, ADA and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

COOOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## VIRGINIA ADDENDUM

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("EDD") to the contrary, the following provisions of the Virginia Retail Franchising Act shall apply to any franchise or franchisee located in the State of Virginia, which shall control to the extent of any inconsistency:

The following is added to the Franchise Agreement:

*Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.*

COOOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## WASHINGTON ADDENDUM

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Washington Franchise Investment Protection Act shall apply to any franchise or franchisee located in the State of Washington, which shall control to the extent of any inconsistency:

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

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 Franchise 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 Washington Franchise Investment Protection Act, right or remedies under such Act, such as a right to jury trial, may not be enforceable.

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

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.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

COOOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## WISCONSIN ADDENDUM

The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter following, such provisions are hereby amended:

1. The Wisconsin Fair Dealership Law, among other things, grants franchisees the right, in most circumstances, to 90 days' prior written notice of termination or non-renewal and 60 days within which to remedy any claimed deficiencies. If the Franchise Agreement contains a provision that is inconsistent with these provisions of the Wisconsin Fair Dealership Law, the provisions of the Franchise Agreement shall be superseded by the Law's requirements and shall have no force or effect.
2. If the Franchise Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provision of the Franchise Agreement conflicts with the Wisconsin Fair Dealership Law, such provision shall be superseded by the law's requirements.

Each provision of this State Law Addenda shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this State Law Addenda. This State Law Addenda shall have no force or effect if such jurisdictional requirements are not met.

As to any state law described in this State Law Addenda that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

COOLVU FRANCHISE CONCEPTS, INC.

FRANCHISEE

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

### **State Effective Dates**

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration as of the Effective Date stated below:

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   | Pending               |
| Hawaii       | Pending               |
| Illinois     | Pending               |
| Maryland     | Pending               |
| Minnesota    | Pending               |
| New York     | Pending               |
| North Dakota | Pending               |
| Rhode Island | Pending               |
| South Dakota | Pending               |
| Virginia     | Pending               |
| Washington   | Pending               |

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## EXHIBIT G

### RECEIPT (Your Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CoolVu Franchise Concepts, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, we must provide this disclosure document to you at the earlier of your 1<sup>st</sup> personal meeting to discuss the franchise or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this disclosure document to you at the earliest of your 1<sup>st</sup> personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If CoolVu Franchise Concepts, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit C.

The name, principal business address and telephone number of each franchise seller offering the franchise: Mike Herrera, CoolVu Franchise Concepts, Inc., 4939 Lower Roswell Road, Marietta, GA, 30068. Telephone 949-278-0052.

Issuance Date: April 30, 2025

I have received a disclosure document dated April 30, 2025, that included the following Exhibits:

- A Franchise Agreement
- B List of State Administrators/Agents for Service of Process
- C Table of Contents of Manual
- D List of Franchisees
- E Audited Financials
- F State Specific Addenda
- G Receipt

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

Please keep this copy of the Receipt for your records.

## RECEIPT

(Our Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CoolVu Franchise Concepts, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, we must provide this disclosure document to you at the earlier of your 1<sup>st</sup> personal meeting to discuss the franchise or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this disclosure document to you at the earliest of your 1<sup>st</sup> personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If CoolVu Franchise Concepts, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

Please sign this copy of the Receipt, date your signature and return it to Mike Herrera, CoolVu Franchise Concepts, Inc., 4939 Lower Roswell Road, Marietta, GA, 30068. Telephone 949-278-0052.