



## FRANCHISE DISCLOSURE DOCUMENT

**HOMETASK, INC.**  
a Washington corporation  
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HomeTask, Inc. (“**HomeTask**”) offers franchises to operate a business of providing a service for home and property owners, renters, businesses and others. HomeTask franchises Pet Butler, Lawn Army or Yellow Van Handyman brands of service.

The total investment necessary to begin operation of a Pet Butler, Lawn Army or Yellow Van Handyman franchise is from \$19,500 to \$32,000. This includes a \$15,000 initial franchise fee and a \$5,000 initial branding fee (\$20,000 total) that you must pay to us.

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 government 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 HomeTask Franchise Licensing Department at 611 S.W. 152<sup>nd</sup> Street, Seattle, Washington 98166, (206) 763-6800.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

Buying a franchise is 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: March 5, 2013

## STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN WASHINGTON. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN WASHINGTON THAN IN YOUR OWN STATE. REVIEW LITIGATION IN ITEM 3.

2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IMMEDIATE FAMILY MEMBERS OF THE FRANCHISE OWNERS MUST EXECUTE THE NONDISCLOSURE AND NONCOMPETITION AGREEMENTS PLACING THEIR PERSONAL ASSETS AT RISK.

4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$19,500 TO \$32,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2011, WHICH IS \$20,000.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

## STATE EFFECTIVE DATES

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

State	Effective Date	State	Effective Date
California	4-19-2012	New York	10-24-2012
Hawaii		North Dakota	
Illinois	6-01-2012	Rhode Island	5-16-2012
Indiana	3-09-2012	South Dakota	
Maryland	Pending	Virginia	1-10-2013
Michigan	2-14-2012	Washington	4-24-2012
Minnesota		Wisconsin	

In the states listed below, the effective date (and issuance date) of this disclosure document is as shown on the cover page.

Alabama	Kentucky	North Carolina
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
Colorado	Mississippi	Pennsylvania
Connecticut	Missouri	South Carolina
Delaware	Montana	Tennessee
District of Columbia	Nebraska	Texas
Florida	Nevada	Utah
Georgia	New Hampshire	Vermont
Idaho	New Jersey	West Virginia
Iowa	New Mexico	Wyoming
Kansas		

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### EXHIBITS:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	List of Franchise Partners and Certain Former Franchise Partners
Exhibit D	List of State Administrators and Agents for Service of Process
Exhibit E	State and Provincial Addenda
Exhibit F	Manual Table of Contents (See Also Item 11)
Exhibit G	Conditional Assignment of Franchise Partner's Telephone and Directory Listings
Exhibit H	Disclosure Acknowledgment Agreement
Exhibit I	Receipt

## **ITEM 1 FRANCHISOR, PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, “HomeTask,” “we,” “us,” or “our” means HomeTask, Inc., the franchisor. “You” means the person or persons, including legal entities, and their owners, that buy the franchise.

### **The Franchisor**

HomeTask, Inc. is a sub-chapter s corporation. We do business under the name of “HomeTask,” “HomeTask.com,” other Trademarks (as identified in ITEM 13), and under our entity name. The business was formed November 5, 2003. We do not do business under any other names. HomeTask does not have a parent or any predecessors. No parents or affiliates offer franchises other than the Franchisor. We do not require the use of affiliates or suppliers for products or services. Our principal business address is 611 SW 152nd St., Seattle, Washington 98166, and our agents for service of process are listed in Exhibit D.

The Pet Butler brand was owned by Pet Butler Franchise Services Corp, a Texas company founded by Matt Boswell. HomeTask acquired Pet Butler through a Letter of Assignment from Mr. Boswell on August 21, 2010. Pet Butler Franchise Services Corp had ceased operations. HomeTask accepted responsibility for the existing and open franchises.

### **The Business**

We offer a franchise license (“License”) for the operation of a business (the “Business”) that provides services to homes, homeowners, renters, businesses, and others under the Marks (as defined in Item 13). Trained technicians perform services based on the trademark assigned within the Agreement (as defined in Exhibit B). These technicians are the owners of the franchise or work for the franchise owner (“Franchise Partners” or “franchisee”). Members can request service online or by calling the HomeTask Support Center. We will grant to you a license under which you will operate your Business using this business system, and our know-how, trademark, and marketing methods. You may have employees as part of your Business, but you may not sub-franchise these rights to others.

HomeTask offers franchise licenses for Pet Butler, a pet waste clean up service; Lawn Army, a landscape maintenance service, and; Yellow Van Handyman, a professional handyman service. HomeTask does not operate in other lines of business. HomeTask has not and does not offer franchises in other lines of business.

HomeTask has not and does not operate any franchised locations. We began offering Yellow Van Handyman franchises in 2004, Pet Butler franchises in 2010, and, Lawn Army franchises in 2011.

### **The Market, Competition and Regulations**

The market for services is developed in most jurisdictions with many companies and individuals competing for business. You will have to compete with other national chains, local companies, and individuals offering similar services. We do not guarantee that your Business

will be successful, and you may face both typical and special business risk factors including changing market conditions, competition, cost of supplies, equipment, your own health and continuity of your management, continuation of sources of supply, quality and availability of labor, availability of financing, market health, wars, strikes, emergencies, natural or manmade disasters, litigation, and liability and casualty losses.

There are also specific regulations pertaining to the service industry and you must comply with all local and national standards. You may be required by local and state authorities to obtain certain permits, registration, or licenses to operate a HomeTask Business. You should consult with local and state agencies and your attorney. Before you begin operations, it is your sole responsibility to obtain all required licenses and approvals to operate the HomeTask Business, including, among other things, compliance with state law and other licensing and related requirements. Each state and certain local jurisdiction has differing registration, licensing, and other requirements for those involved in providing home or commercial services, which we describe in only general terms below. While we may pass on to you information we have received, it is your sole responsibility to investigate the rules and regulations that apply within your Territory (as defined in Item 12) before purchasing your HomeTask Business.

In certain circumstances, your activities as a HomeTask Business owner may require you to be in compliance with various state and local licensing and related requirements, which may include bonding, insurance, and other requirements, or could require you and your personnel to obtain general contractors licenses or similar qualification. State and local requirements vary significantly in this regard and can change over time – sometimes without notice. We strongly urge you to research the applicability of all legal requirements before signing any binding documents, paying any amounts, or making any other commitments to purchase a HomeTask Business. These laws and their interpretations could materially affect your ability to do business in your Territory.

## **ITEM 2 BUSINESS EXPERIENCE**

President, and Chief Executive Officer: Jerrod Sessler

Mr. Sessler has served as our President and Chief Executive Officer since the incorporation in November 2003. Before forming this organization, Mr. Sessler was a principal of HomeTask in Seattle, Washington, from 2002 until forming this organization, and served as a principal of Siblings, Inc., a general construction company in Seattle, Washington, from its formation in 1999 until 2002. From November 1996 to April 1999, Mr. Sessler was a Materials Engineer for Intel Corporation in Dupont, Washington.

Director of Training and Coaching: Alan Andersen

Mr. Andersen has served as our Director of Training and Coaching since October of 2010. His previous vocation included Director of Families and Youth with Mars Hill Church in Seattle dating back to 2007. This role was equivalent to that of an advisor and consultant for various social programs and not-for-profit establishments. Alan recently completed his Masters of Missional Leadership through the Resurgence Training Center, a campus of Western Seminary.

Director of Brand Development: Shan Applin

Mr. Applin has served as Director of Brand Development since September of 2011. Following his graduation from Anderson University in SC in 2001, he has spent time in similar roles with the Boy Scouts of America, Starbucks Co., and Mars Hill Church in Seattle.

### **ITEM 3 LITIGATION**

#### **POST-TERMINATION ENFORCEMENT SUITS**

*Pet Butler Franchise Services Corp.* (a Texas company previously responsible for Pet Butler) v. *Ian Campbell and Kimberlee Campbell*, Case No. 10 cv 5719 filed on September 21, 2009 in the United States District Court for Northern Illinois.

On this date, the parties mutually entered into a consent judgment whereby Pet Butler Franchise Services Corp. was required to pay \$125,000 to the Campbell's.

*Pet Butler Franchise Services Corp.* (a Texas company previously responsible for Pet Butler) v. *The People of the State of Illinois*, Case No. 09 CH 490 filed June 30, 2009 in the Circuit Court of the Seventh Judicial Circuit, Sangamon County, Illinois.

The People of the State of Illinois had filed a complaint for a permanent injunction and other relief in this matter pursuant to the Illinois Franchise Disclosure Act, 815 ILCS 705/1 et seq., charging defendant with violations of the aforementioned Act. The court entered a judgment in favor of the plaintiff and against the defendants and each of them for penalties and costs in the amount of \$9,000.00.

*Commonwealth of Virginia, ex rel. State Corporation Commission v. Pet Butler Franchise Services Corp.* (a Texas company previously responsible for Pet Butler) and *Matt Boswell*, Case NO. SEC-2009-00033 filed on June 25, 2009.

On this date, the parties mutually entered in a consent judgment whereby PetButler was required to pay One Thousand Seven Hundred Fifty Dollars (\$1,750) to the Commission and was required to make a rescission offer to the Virginia Franchisee.

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

### **ITEM 4 BANKRUPTCY**

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

**ITEM 5  
INITIAL FEES**

You must pay us an initial franchise fee of \$15,000 for your first franchise for a selected brand, or \$10,000 for each additional adjacent territory of any other HomeTask brand, when you sign the franchise agreement. The initial franchise fee and the initial branding fee of \$5000 are the only fees you are required to pay to us or our affiliates before the business opens.

The initial franchise fee includes certain expenses and other payments, training, and other items (see Item 11 for additional information). Training is not included for second and subsequent franchises. The initial franchise fee is fully earned by us upon payment and is entirely non-refundable.

The State of Maryland Office Of The Attorney General Securities Division has certain financial requirements on a franchisor. Because HomeTask does not meet their requirements, all fees paid by the franchisee to the franchisor, including payments for goods and services received from the franchisor before the business opens shall be deferred until all requirements of the franchisor (See Item 11) have been satisfied.

The State of Illinois Attorney General’s Office has certain financial requirements on a franchisor. The Franchisor shall defer all initial fees owed to the Franchisor or affiliate until such time as all initial obligations owed to the Franchisee by the Franchisor under the agreement(s) have been fulfilled and the Franchisee has commenced doing business. This financial assurance requirement is imposed by the Illinois Attorney General based on the Franchisors financial condition.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

As a member of the International Franchise Association’s VetFran program, we will offer you a \$5,000 discount off your initial franchise fee if you are a qualifying veteran.

We charge an identical franchise fee of all Franchise Partners regardless of the Territory as described in Item 12.

**ITEM 6  
OTHER FEES**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Back Office Fee	12% (\$50/week minimum)	Weekly percent of gross sales	See Note 2.
Initial Branding Fee	\$3,000 - \$5,000	At LaunchCAMP	Payable to us. See Note 8.
Marketing Fund	0%	Weekly	See Note 3 and Item 11.
Employee Training	\$250	As incurred	Per employee, per training. See Note 4.



Type of Fee	Amount	Due Date	Remarks
Audit Fees	Cost of audit	Upon billing after audit	Payable only if audit shows an understatement of at least 2% of Gross Sales for any month.
Renewal Fee <i>(when renewing at the end of the term of this agreement)</i>	\$7,500 or the then current fee	Upon signing of Franchise Agreement for each new term	You must be in compliance with the system and other requirements. See Item 17 for more information.
Transfer Fee <i>(if you choose to sell the business)</i>	\$7,500 or the then current fee	As incurred	Transfer subject to approval as described in Section 7.9 of the Franchise Agreement.
Relocation Fee <i>(if you choose to move the business)</i>	\$1,000 or the then current fee	Before relocation of Business	Must be paid in order to process amendment of territory and Franchise Agreement. Relocation must be approved by us and could be subject to Territory availability.
Interest and Late Charges	Not to exceed 1.5% per week. Also \$75 per occurrence.	Upon due date of fees	See Note 5.
Insurance	\$300 - \$1,500	Before commencing franchise	Payable to third parties. These figures are only estimates and may vary in your area. See Note 6.
Convention Fee	\$0 - \$1000	When convention is scheduled	See Note 9.
Indemnity for Third Party Claims	Varies	Upon making of a claim by a third party	See Note 7.

Notes:

1. Unless otherwise noted, all fees paid to us are non-refundable and are uniformly imposed.
2. Back Office Fee obligation begins the first day of operation and continues throughout the term of the Agreement. Back Office Fee is equal to twelve percent (12%) of gross sales. The minimum weekly Back Office Fee is fifty (50) dollars per assigned Territory.

Back Office Fee is currently calculated and payable weekly using electronic methods, but we reserve the rights to change the time and the manner of payment. Back Office Fee is paid fifty-two (52) weeks per year. Back Office Fee minimum is calculated and paid for each Territory you own.

In some cases, we may require or we may allow the use of a flat fee in place of the calculated Back Office Fee. An example of when this may be required is when a conflict of interest exists for the Franchise Partner in terms of financial reporting.

Gross Sales means the total of all receipts derived from any source related to or in connection with the operation of the Business.

3. We do not currently require participation from the Franchise Partners in a marketing fund. We reserve the right to enact a marketing fund in the future. All marketing fund income is collected and managed by Franchise Partner Advertising Fund Trust (“FPAFT”). FPAFT is an independent private trust operated by HomeTask Franchise Partners. As a trust, FPAFT provides certain legal protections and safeguards for Franchise Partners. FPAFT governs advertising. FPAFT functions independently of HomeTask. The purpose of FPAFT is to pool and manage advertising funds and to produce advertising materials.

Marketing Fund obligation begins the first day of operation and continues throughout the term of the franchise. Marketing Fund is calculated based on a percentage of gross sales. The Marketing Fund contribution will be determined and maintained by FPAFT. The Marketing Fund fee will not exceed four percent of gross sales without approval from the FPAFT. Gross sales means the total of all receipts derived from any source related to or in connection with the operation of the Business

The Marketing Fund contribution is paid in the same manner as the Back Office Fee (as described in Note 2 to this Item 6). The Marketing Fund is paid fifty-two (52) weeks per year. See Item 11 for more information.

4. Employee training may be administered at HomeTask or at a designated training location such as a HomeTask development office for an additional fee.
5. Interest and late charges begin to accrue from the due date of your payment. We will not charge a rate above the maximum permitted by law.
6. You must procure and maintain comprehensive general liability insurance with a policy limit of \$1,000,000 per occurrence or such amount as we may reasonably specify; and business and automobile liability insurance with a policy limit of \$500,000 per occurrence or such amount as we may reasonably specify; workers’ compensation and employer’s liability insurance, and other legally required insurance; and comprehensive casualty, fire, and theft coverage in an amount sufficient to replace the assets of the Business. We reserve the right to reasonably change these insurance requirements, upon reasonable notice to you, to conform to prudent business practices.
7. You must protect, indemnify, defend and hold us and our affiliates harmless against all claims and liabilities arising out of the operation of your Business and arising out of the methods of operation. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law.
8. You will receive the initial collateral, branded clothing and vehicle branding package after completing LaunchCAMP. Some will be distributed to you at LaunchCAMP and some will be shipped directly to your address on file. The difference between the two

values shown is the type of vehicle branding package you choose (if an option is available).

9. We may hold a company conference annually, or less frequently. Each Franchise Partner must send an approved representative to our annual conference. Franchise Partners must pay a conference registration fee set annually by Franchisor which shall not exceed \$1,000. New Franchise Partners that complete the initial training within 90 days of the next convention are expected to attend the convention but are not required to pay the convention registration fees for their franchise for the first convention.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**Estimated Initial Investments shown apply to any HomeTask Brand.**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Initial Franchise Fee (Note 1)	\$15,000	Lump sum	At signing of Franchise Agreement	Payable to us.
Travel and Living Expenses While Attending Training	\$0 - \$1,500	As incurred	During training	Airlines, hotels, restaurants, and other third parties if travel is required.
Additional Franchise Partner Training (per person)	\$0 - \$2,000	Lump sum	Before training	Payable to us for persons in addition to you and your spouse or partner.
Equipment (Note 2)	\$0 - \$4,000	As incurred	Before opening	Vendors or third parties if equipment is not already owned by you.
Computer Equipment, Software, Office Supplies	\$0 - \$1,000	As incurred	Before opening	Vendors and third parties if equipment is not already owned by you.
Business Licenses	\$100	As incurred	At registration	Governmental agencies
Insurance	\$500 - \$1,000	As incurred	Before opening	Insurance companies
Legal and accounting fees	\$400	As incurred	As incurred	Professional third parties
Initial Branding Fee (Note 4)	\$3,000 - \$5,000	Lump sum	At LaunchCAMP	Payable to us.
Additional Funds – 1 <sup>st</sup> 3-months (Note 3)	\$500 - \$2,000	As incurred		

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
<b>Total</b>	<b>\$19,500 - \$32,000</b>			

Notes:

Except as noted, none of the above payments are refundable by us.

1. The initial franchise fee is \$15,000 for your first franchise license, or \$10,000 for second and subsequent franchise licenses. As further described in Item 5, we also offer a \$5,000 discount to veterans under the IFA VetFran program. This fee includes certain expenses such as training, and other items. Training is not included for second and subsequent franchises. You must use the uniforms and other methods of identification as we direct in the Manual. See Item 5 for more information regarding refunds and Item 10 for information regarding the availability of financing. See Item 6 for transfer fees paid by transferees of an existing franchise.
2. We require you to purchase or lease a new or used service vehicle and other equipment for use in your Business. All service vehicles must be in very good condition and no more than 10 years old when you purchase or renew your franchise. All service vehicles must include our required signage and colors. For general information on the vehicle, signage and graphics requirements as well as photos and installation instructions, visit: <https://www.hometask.com/images/pdf/graphicsinstall.pdf>. The specifications for all required equipment is included in the Operations Manual. Some equipment may be purchases new, used or leased. Because costs vary widely, we have not included estimates for gas and maintenance for your vehicle. Due to the wide variation in the cost of the service vehicle(s) and required equipment and because we assume that you will lease or finance these purchases, we have not included the total cost or value in the initial investment calculations, although we have included the estimated lease or financing payments. We estimate the maximum down payment to be \$2500 for a used service vehicle ranging in value from \$5000 - \$15,000. We estimate leasing a service vehicle will be equal to 2.5% per month of the actual purchase price not to be less than \$400/month. In certain geographic areas, you may have the option of leasing the vehicle from us. In addition, you must purchase, maintain and upgrade basic tools, equipment, a desktop or laptop computer, and a cellular phone. Computer and communications systems specifications are described more fully in Item 11.

Business vehicle requirements are defined by Brand (See Section 2.1 of Franchise Agreement) here:

LAWN ARMY: Small, mid-size or full size pick-up truck for manager, Isuzu or Mitsubishi box truck, or another vehicle that is approved by us for service.

PET BUTLER: Small, midsize or full size pick-up or another vehicle that is approved by us for service.

**YELLOW VAN HANDYMAN:** Small, mid-size or full size cargo van, step van or other vehicle that is approved by us. You may choose a new or used pick-up truck with certain work canopies we designate as your primary service vehicle. You may use a new or used pick-up truck without a canopy as a secondary vehicle.

3. Additional Funds include the expenses you will incur in the first three months of operation as described in the Franchise Agreement and the Manual, including utilities, vehicle lease, maintaining a home office, Internet access, miscellaneous charges, and the first three months of working capital. This estimates your initial three-month start-up expenses and does not include salary or personal expenses for you. These figures are just estimates and we cannot guarantee that you will not have higher costs, or that you will ever achieve profitability. Competitive conditions described in Item 1 may affect these costs.
4. Initial Branding Fee is for necessary collateral material that will be used to launch and promote your franchise. The Initial Branding Fee is paid to us during Initial Franchise Training also called LaunchCAMP. The Initial Branding Fee is applicable and due in full when a new franchise license, additional license or territory is purchased or when an existing location is transferred.

The above amounts are only estimates of your expenses. Specific amounts for your Business will depend upon a number of factors, including local market conditions and your business acumen, which are outside our control. We relied on our experience in the service industry to compile these estimates.

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

To maintain uniform standards of quality, appearance, and marketing, it is essential that you conform to our standards and specifications. Therefore, you must conform all services, inventory, equipment, software, advertising, marketing, trademark usage, trade dress, and materials required for the operation of your Business to our standards and specifications.

We require you to use our back office support system including web scheduling, administrative support, advertising support and other related back-office functions. You must use these services and may not use an alternative supplier. The cost for these services is included in the Back Office Fee described in Item 6. We require you to use a certain then current and recommended accounting software and merchant services processor. You must use QuickBooks On-line Edition (QBOE) under our master account with Intuit unless we specify or approve an alternate or different supplier. You must use the credit card processing vendor we specify or gain approval from us to use an alternate supplier. If these recommendations change, we will give you thirty (30) days notice. We recommend you retain a bookkeeper and accountant locally. We will provide assistance when requested in finding a bookkeeper and accountant or provide these services for an additional fee.

We currently do not require you to purchase other supplies or materials from us or from any specific or designated source. We reserve the right, however, to source or designate a source for software, other materials and trademarked items in the future. We do not currently require

you to purchase supplies from a vendor that we or an officer of HomeTask owns or has interest in.

In addition, in certain geographic areas, you may have the option of leasing the service vehicle used in the Business from us or an affiliate.

We may grant or revoke the recommendation or requirement of a certain supplier at our will. We do not share the criteria with which we determine to grant or revoke a particular supplier requirement. We do not allow other suppliers without prior approval when we do specific a certain supplier. We do not charge a fee to approve a supplier. To request a supplier be considered, email: support@hometask.com. These requests are reviewed monthly. If an approval is revoked then we contact the supplier via email, phone or letter and notify the Franchise Partners via regular company update communications (monthly or more frequently). We do not issue specifications for materials to franchise partners or suppliers and we do not subfranchise. We do not make franchise license decisions (renewal or granting additional franchises) based on franchisee purchase of particular supplies.

We or any affiliate may derive revenue through markups of the prices charged to you for goods or services we supply. We have the right to derive revenue through license fees, commissions, promotional fees, advertising allowances, rebates, or other monies paid by approved suppliers of up to 10% or more of these third parties' sales of products, services, equipment, goods and supplies to Franchise Partners.

During our fiscal year ended December 31, 2011, we received \$10,871 from the sale of goods and services to franchisees. This amount was 1.23% of our total revenues of \$886,045 as stated in our audited financial statements attached as Exhibit A.

We do not currently negotiate purchase arrangements with suppliers or vendors to obtain price terms and other benefits of a buying cooperative for you. However, we reserve the right to do so in the future.

We require you to purchase and maintain, at your expense, insurance that insures both you and us and our officers, directors and employees. The insurance obligations are described in more detail in Item 6.

You can expect items purchased or leased in accordance with our specification will represent approximately 95% to 100% of total purchase you will make to begin operation of the Business and 10% to 20% of the ongoing cost to operate the Business.

## **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Item in Disclosure Document</b>
a.	Site selection and acquisition/lease	Not Applicable	Items 7 & 11
b.	Pre-opening purchases/leases	Sections 4.3, 5.4, 6.1, 6.3	Items 8 & 11
c.	Site development and other pre-opening requirements	Section 2.3	Items 6, 7, 8, & 11
d.	Initial and ongoing training	Section 4.4	Item 11
e.	Opening	Section 4.4	Item 11
f.	Fees	Section 5	Items 5, 6, & 7
g.	Compliance with standards and policies/Manual	Section 6.1	Items 1 & 11
h.	Trademarks and proprietary information	Section 3	Items 13 & 14
i.	Restrictions on products/services offered	Section 6.1	Items 8 & 16
j.	Warranty and Member service requirements	Sections 6.9, 6.13	Item 11
k.	Territorial development and sales quotas	Section 6.8	Item 12
l.	Ongoing product/service purchases	Sections 6.1, 6.3	Items 8 & 16
m.	Maintenance, appearance and remodeling requirements	Section 6.1	Item 7
n.	Insurance	Section 6.12	Item 6 & 7
o.	Advertising	Sections 5.4, 5.5, 5.6, 6.7	Items 6 & 11
p.	Indemnification	Section 9.2	Not Applicable
q.	Owner's participation/management/staffing	Section 6.5	Item 15
r.	Records and reports	Section 5.7	Item 11
s.	Inspections and audits	Sections 5.7, 6.2	Item 6 & 11
t.	Transfer	Sections 7.7, 7.8	Item 17
u.	Renewal	Sections 7.2, 7.3	Item 17
v.	Post-termination obligations	Section 7.6	Item 17
w.	Non-competition covenants	Section 9.1	Item 17
x.	Dispute resolution	Section 8	Item 17

## **ITEM 10 FINANCING**

We do not offer financing. We do not guarantee your note, lease, or obligation to other lenders. The availability and terms of third party financing depend on a number of factors including the availability of financing generally, your creditworthiness and available collateral, lending institutions' policies concerning the type of business you operate, and other comparable elements. We are not able to estimate your loan repayments to third parties, nor will we make any representations as to the availability of terms of financing. Neither we nor our affiliates receive payment or other consideration for the placing of financing.

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

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

Pre-Opening Assistance

Before you begin your Business, we will:

1. Designate your approved Territory. (See Section 2.2 and Schedule 1 of the Franchise Agreement.)
2. Specify or approve the goods, services, inventory, equipment, software, Marks, and trade dress to be used in the Business, and provide access to pre-approved advertising, logos, and other materials. (See Sections 3.1 and 6.1 of the Franchise Agreement.)
3. Provide you with a voucher for an initial set of branded clothing and vehicle signage with payment of the Initial Branding Fee. (See Section 6.1(g) of the Franchise Agreement.)
4. Provide the initial training program. (See Section 4.4 of the Franchise Agreement.)
5. Lend you a copy of the Manual, which may be provided in one or more volumes, in electronic media, via an Intranet, or through a password-protected portion of the Internet. We may amend, supplement, or replace at any time by us through print or electronic version updates, newsletters, amendments, or other methods. The Manual is confidential and remains our property. The table of contents of the Manual is provided as Exhibit F to this disclosure document. (See Section 4.1 of the Franchise Agreement.)

Ongoing Assistance

During the operation of your Business, we will:

6. Continue to consult with you and offer advice, guidance, and experience, regarding controls, policies, procedures, sales, marketing, supplies, online programs, and other items of ongoing consultation. (See Section 4.4(e) of the Franchise Agreement.)
7. Lend you any amendments, supplements, or replacements to the confidential Manual (as described in Item 11 above). We will notify you if there are any changes made to policies or procedures so that you can comply within 90 days of notice, unless otherwise specified, at your expense. (See Section 4.1 of the Franchise Agreement.)
8. Review and approve advertising you submit to us. (See Sections 3.4 and 6.7 of the Franchise Agreement.)
9. Upon request, assist you in coordinating local participation for displays at trade shows, events, or other venues. (See Section 5.4 of the Franchise Agreement.)



10. Participate in administration of Franchise Partner Advertising Fund Trust. FPAFT oversees all marketing fund accounting and upon request will provide a report of such funds. FPAFT may incur reasonable expenses in the administration of the fund. (See Sections 5.5 and 5.6 of the Franchise Agreement.)
11. Provide supplemental training to you and your employees at your expense. (See Section 4.4 of the Franchise Agreement.)
12. Provide general assistance via phone or electronic means. (See Section 4.4 of the Franchise Agreement.)
13. Have the option to hold a company conference annually, or less frequently, to discuss service methods, sales techniques, training, accounting, performance standards, advertising and other applicable programs. Each Franchise Partner must send an approved representative to our annual conference. Franchise Partners must pay a conference registration fee set annually by Franchisor which shall not exceed \$1,000. All expenses of attendees at the annual conference shall be Franchise Partner's sole responsibility. If a Franchise Partner does not send an approved representative, it must nevertheless pay for one conference registration fee. New Franchise Partners that complete the initial training within 90 days of the next convention are expected to attend the convention but are not required to pay the convention registration fees for their franchise for the first convention.

## **Marketing and Advertising Fund**

Currently, we do not have an advertising council. We do not currently require that you participate in local or regional advertising cooperative. We will, at some point, require participation in a marketing fund using the method described below. You are not required to pay more than 4% of Gross Sales to the marketing fund. All franchised locations pay based on the same calculation into the marketing fund. If we own one or more locations then each location will contribute equally to the marketing fund. All marketing fund income will be collected and managed by Franchise Partner Advertising Fund Trust ("FPAFT"). FPAFT is an independent private trust comprised of and operated by HomeTask Franchise Partners or employees of FPAFT. As a trust, FPAFT provides certain legal protections and safeguards for Franchise Partners. FPAFT governs advertising. FPAFT functions independently of HomeTask. The FPAFT board is elected by the body of HomeTask Franchise Partners. FPAFT operates with governing documents which are available for review by request to support@hometask.com. The purpose of FPAFT is to pool and manage advertising funds and to produce advertising materials. FPAFT has decision making authority over the use of the marketing fund contributions. HomeTask or its designee participates in FPAFT and can change or dissolve FPAFT. FPAFT is audited annually within 90 days of the close of the calendar year. FPAFT funds remaining from the previous fiscal year are retained and used in the next fiscal year. FPAFT funds are not used or intended for use in promoting new franchise sales.

FPAFT will conduct advertising including electronic media, television, radio, print, social and other forms of advertising and marketing. The advertising will vary based on the project but could be local, regional or national. FPAFT will control the origin of the advertising programs

and will, at times, use sub-contractors (advertising agencies). You are not required to a specific investment in marketing beyond required FPAFT participation.

When marketing in your Territory or using the Marks (including in print, on the Internet or other media), you must obtain our approval. You must make reasonable efforts to participate in and cooperate with all advertising and marketing programs, except that you are not required to follow or maintain any sales price or suggested pricing to the extent prohibited by law. You must strictly follow our trademark and copyright usage directions. See Item 13 of this disclosure document.

You must pay us an initial branding fee of \$5,000 (or \$3000 if you choose the basic vehicle graphics package instead of the vehicle wrap) at LaunchCAMP. This fee is designated for collateral and branded materials required during the launch and operation of your Business.

Marketing Fund obligation is described in Item 6. All Franchise Partners contribute at the same rate. Any Business owned and operated by us or our affiliates will contribute to the fund at the same rate as similarly situated Franchise Partners. The funds are managed by FPAFT and are maintained separately from other funds. To obtain an accounting of the marketing fund, send a formal request to us via mail (to our address shown in ITEM 1) or email (to: support@hometask.com). We are responsible for general marketing programs and branding. We are not obligated to conduct or invest in advertising on your behalf locally, in a specific regionally or nationally.

Sources of advertising could be from you, from us, from FPAFT or from an advertising agency. Since FPAFT did not collect any funds in the most recent calendar year, there is nothing to report in terms of how the funds were used.

## **Computer and Financial Systems**

You must acquire, maintain, and upgrade an information processing and communication system at your expense, including both hardware and software, as specified by us in our discretion. You must have and maintain a dedicated computer system with Internet access and an Internet browser compatible with our web based business management system. This system will change over time. These changes may require new equipment, upgrades or changes that you will be responsible for. It is your responsibility to ensure you have the appropriate computer system to gain access to our systems and applications. Your computer system must have the capability of accessing the Internet over a consistent and reliable connection and supporting electronic communications. You must also have a printer. A basic dedicated computer capable of accessing the Internet should cost no more than one thousand dollars. The initial cost of said computer system and suggested annual budget for maintenance and upgrades of your computer system is one thousand dollars.

We require you to keep accurate and timely financial records. We require you to use certain accounting software and merchant services that we designate. Currently, we require QuickBooks On-Line (QBOE) by Intuit for accounting and Franchise Payments Network for merchant services. You may use a local bookkeeper for monthly records and an accountant to prepare your tax returns. The financial record keeping of your Business must comply with general accounting standards. As described in Item 8, you may purchase these services from us.

We reserve the right to audit software, company paperwork, and banking statements anytime as requested by us. Fees for audits will be charged if we find underreporting, as explained in Item 6.

You must use our web accessible database as designed to ensure accuracy of financial information on a weekly basis.

We will provide to you Member contact software and a scheduler feature on our Web site that you must use in the operation of your Business. The scheduler feature will coordinate Member request for service, and you will have the ability to regulate your availability. We also collect credit card and other information from Members.

We require you to verify, on an on-going basis, the accuracy of your on-line profile(s), which are provided by us, including but not limited to your Franchise Partner profile and your service technician profile(s). The accuracy of the information included within these profiles is your responsibility and may adversely affect your Business if it is not up to date or accurate.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders (“E-problems”). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, Members, and governmental agencies on which you rely have reasonable protection from E-Problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems) and to provide backup systems.

We have full and complete access to the information on your computer system. There are no contractual limitations on our right to access the information. We own the Member data that you collect and that is stored on the computer system.

## **Training Programs**

HomeTask provides many training programs including initial Franchise Partner training (known as LaunchCAMP), employee training, follow-up training, training at convention, e-training and other training programs. The initial training program is mandatory and must be completed to our satisfaction. Initial training is provided for your first franchise and will take place at our training center or at another location we choose. Employee training is generally administered at a regional development office or at our training center. We may designate other qualified representatives to administer the employee and follow-up training programs. Some of the training may be conducted via electronic means such as Web training (video and/or interactive on-line media training). The duration of the initial start-up training is normally 4 days and the program is normally provided monthly. The duration of the employee training is 1 day and is offered as needed. The duration of the follow-up training is 2 days. The purpose for the follow-up training program is to review the initial launch of your Business and to ensure that the solid foundational business principles we teach at HomeTask are being used within the daily operation of your Business. You may also participate in up to 40 hours of ride-along and on-the-

job training. The cost of the initial training is for you and your spouse or partner will be included in the initial franchise fee for your first franchise. The cost for any additional individuals to attend the initial training program other than your spouse/partner is \$2,000 per person. The cost for the employee training program is \$250 per employee. The follow-up training program is only offered to existing Franchise Partners and their spouse/partner and the fee for follow-up training is \$1000. You must also pay the cost of travel and living expenses while attending training programs. The start-up training program must be conducted within thirty (30) days after signing the franchise agreement and paying the initial franchise fee. The follow-up training program is optional unless we require it for certain situations and should be completed after your (6<sup>th</sup>) month in business and before your eighteenth (18<sup>th</sup>) month since the first day of operation of your franchise. Satisfactory completion of the initial start-up training is required of you before you may open your first Business. Below is an overview of the initial training program:

## **TRAINING PROGRAM**

### **INITIAL TRAINING SCHEDULE**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
HomeTask Overview	1.0 hour		Seattle, WA, or another location
Introduction to HomeTask & Franchising	1.0 hour		Seattle, WA, or another location
HomeTask differentiation	1.0 hour		Seattle, WA, or another location
Market Segment Overview	1.0 hour		Seattle, WA, or another location
Web Site (Part 1)	4.0 hours		Seattle, WA, or another location
Web Site (Part 2)	4.0 hours		Seattle, WA, or another location
Marketing, Advertising, and Member Interface	10.0 hours		Seattle, WA, or another location
The Work	1.5 hours		Seattle, WA, or another location
Revenue Enhancements	1.5 hours		Seattle, WA, or another location
Business Administration	3 hours		Seattle, WA, or another location
Networking Tutorial	1.0 hour		Seattle, WA, or another location
Profit Clinic	2.0 hour		Seattle, WA, or another location
Industry Standards	1.0 hour		Seattle, WA, or another location
Time Management	1.0 hour		Seattle, WA, or another location
Local Search Marketing	2.0 hours		Seattle, WA, or another location
Site visits *		2.0 hours	Seattle, WA, or another location
On-the-job training **		40.0 hours	Seattle, WA, or another location
<b>Total Hours of Training</b>	<b>35 hours</b>	<b>42 hours</b>	

\* Site visits may not be available or offered at every training session.

\*\* Ride along participation at training is optional but must be specified in advance.

Training sessions will be conducted by HomeTask instructors whose experience is described in Item 2 of this disclosure document or other instructors. Other instructors will have a minimum of 1 year of field service training experience and have been employed by us for at least

6 months. We may designate other qualified representatives who meet these criteria, to administer training programs.

We may periodically provide additional or advanced training programs that you must complete to our satisfaction. These additional training programs may include periodic reading and testing requirements that we will provide.

### **Business Site**

You may work from your home or you may choose to obtain office space at your own expense. If you choose a location outside your house, we will not select the location of your Business, but we reserve the right to reject your chosen location, provided it fails to meet the minimum requirements in the Manual. We will not predict, represent, or warrant success, suitability, or income levels for any location.

### **Business Opening**

You must open your Business within 3 months of signing the Franchise Agreement. The typical length of time between signing the franchise agreement or payment of any money for the franchise and the opening of the Business is approximately 30 to 60 days. Certain factors may affect this time period such as the satisfactory completion of the training program, your ability to acquire the specified products, shortages, and the length of time of your pre-opening preparations including any delays in installation of vehicle, equipment, and signage.

See Exhibit F to view the HomeTask Operations Manual Table of Contents.

## **ITEM 12 TERRITORY**

### **Territory**

Territories are defined based on the HomeTask Brand that is assigned to your Business in Section 2.1 of Franchise Agreement.

### **LAWN ARMY, PET BUTLER TRADEMARKS ONLY:**

If, in Section 2.1 of the Franchise Agreement, you are authorized to use Lawn Army or Pet Butler Trademark, you will select your Territory (“Territory”) from the available territories in the region you choose to establish your Business. Each Territory will have about 100,000 households unless otherwise specified for a particular Territory. You may request to view census data for the Territory(s) that interest you before choosing.

This single License agreement allows you to operate exclusively within the Territory assigned to you meaning that you will not have competition from another HomeTask franchise operating the same Brand. We may license other HomeTask Brand(s) within your Territory. Additional licenses can be purchased as stated in Section V of the Franchise Agreement.

You may directly solicit potential Members outside, but in close proximity, to your Territory if there is no Franchise Partner operating in that Territory. We may license other Franchise Partners in Territories outside of your exclusive Territory. At such time or at our request, you will stop servicing members in the territory and turn over all member information to us or to the new Franchise Partner.

#### **YELLOW VAN HANDYMAN TRADEMARK ONLY:**

For Yellow Van Handyman, we do not limit the area which you can perform service. For web searching purposes, you will select a territory where you will operate your Business. If, in Section 2.1 of the Franchise Agreement, you are authorized to use Yellow Van Handyman Trademark, you will select your Territory (“Territory”) from the available territories in the region you choose to establish your Business. Selection of your Territory includes: a) choosing a zip code to serve as the nucleus of your Territory; and b) choosing a radius of up to 25 miles which will indicate the distance including and beyond your selected zip code that you will operate your Business. Some regions may have additional limitations on the distance of the working radius based on geography and household density. The result of these two selections defines the Territory which may include hundreds of thousands of households.

Your License covers your Territory which corresponds to one or more counties, parishes or other similar designation. The number of Licenses that may be awarded in a metropolitan statistical area at any given time is determined by dividing the then current number of households in the region by which a group of territories exist by five thousand. The resulting nearest whole number is the maximum number of franchises that will be granted within your metropolitan statistical area. Your Territory is not exclusive. Subject to our rights reserved below, we may establish other franchised or company owned Businesses in the Territory using the same method of operation and Marks, provided that there will be no more than one (1), of the same brand, HomeTask® Business per five thousand households in each metropolitan statistical area.

This single License agreement allows you to operate up to three (3) service vehicles within your territory. If you are approved and additional Licenses are available in your metropolitan statistical area, additional Licenses can be purchased as stated in Section V of the Franchise Agreement.

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

Your territorial rights are based solely on compliance with the Franchise Agreement. You must not abandon your Business, which is defined as any of the following: (i) two (2) consecutive months without sales, unless you make prior arrangements with us; (ii) disconnecting your Business phone; or (iii) disposing of your service vehicle. To relocate your franchise business you need to request relocation in writing or other form that we specify, a

territory must be available, you will pay a relocation fee (see in Item 7) and you must be in compliance with the Franchise Agreement.

There is nothing in the Franchise Agreement that gives you a right of first refusal or any other right to buy additional Licenses in the county containing your Territory or any county contiguous to your Territory's county but you are free to do so if you in compliance with the Franchise Agreement and there are Licenses available at the time. In some cases due to regional growth, redefining of a particular region jurisdictionally, as an advantage to the business or to fulfill a request of a group of Franchise Partners, we may modify the territorial rights.

### **Member Restrictions**

You may service Members outside your Territory. You may not purchase paid advertising which would directly solicit Members in another Franchise Partner Territory or in a company-owned Territory without written permission from us. We may grant you, in our sole discretion, permission to purchase advertising outside but in close proximity to your Territory. You may directly solicit potential Members outside, but in close proximity, to your Territory if there is no Franchise Partner operating in that Territory.

### **Our Reserved Rights**

We reserve the following rights for us and our affiliates and designees, as exceptions to your Territory rights expressed above: (a) to purchase, be purchased by, or merge or combine with any business wherever located, including businesses that compete directly with your Business; (b) to sell any products or services anywhere, through channels of distribution other than those granted to you in the Franchise Agreement under the Marks or other trademarks, including through the Internet, wholesale distribution, and mail order. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce except as specifically granted by the Franchise Agreement; (c) to establish, operate, own, affiliate ourselves or franchise any business, including competitive businesses; (d) to implement Multi-Area Marketing programs or policies that may require your cooperation and participation. Such programs may give you the option to deliver the services within your Territory, but if you do not service a Member developed by a Multi-area Marketing Program, we may make other arrangements to do so. Also, such programs may allow you, we, or other Franchise Partners to service Members within and outside your Territory, as long as no direct solicitation occurs; (e) to develop and establish other businesses or franchise systems for the different products or services, possibly even similar services, utilizing proprietary marks not now or in the future part of the HomeTask franchise licensed under the Franchise Agreement, and to grant licenses for these other franchise or license systems without providing you any right; and (f) to establish, operate, own, or franchise similar businesses.

### **Continuation of the Franchise Area**

Continuation of your Territory rights and your right to renew the Franchise Agreement are both contingent on, for each full calendar year beginning with the second calendar year and each subsequent calendar year throughout the remainder of the term of the Franchise Agreement including any renewals or extensions: (a) your attainment of a minimum of \$80,000 in Gross

Revenue unless agreed upon in advance; (b) service all Members in your region who are requesting service; and (c) maintain positive feedback from a majority of Members as determined by a representative and fair Member survey that we design and approve. You must provide Members with at least the minimum standard of Member service as described in the Manual. Failure to meet these standards is a breach of the Franchise Agreement, and may result in loss of your Territory rights or the termination of your franchise.

### **ITEM 13 TRADEMARKS**

We grant you the right to operate a business under one of our trade names, Trademarks, service marks, logos, trade dress, and other commercial symbols (the “Marks”) used to identify the Business as described below and in Section 2.1 of the Franchise Agreement. You must indicate, as required in the Franchise Agreement and as specified in the Manual that you are an independent operator of the Business and you must use the Marks only in the manner specified by us.

The following Marks are registered with the Register of the United States Patent and Trademark Office (“USPTO”). We intend to file all required affidavits and renewals for the Mark listed below:

<b>Mark</b>	<b>U.S. Serial No.</b>	<b>Principal/Supplemental</b>	<b>Registration Date</b>
HOMETASK	78352560	Principal	January 18, 2005
LAWN ARMY	85129740	Principal	September 15, 2010
PET BUTLER	3484908	Principal	August 12, 2008
PET BUTLER AMERICA'S PET WASTE CLEAN UP SERVICE	3492640	Principal	August 26, 2008
PICKING UP WHERE YOUR DOG LEFT OFF...	3126552	Principal	August 8, 2006
YOUR PET'S 'BUSINESS' IS OUR BUSINESS!	3126551	Principal	August 8, 2006
LEAVE THE DISGUSTING JOB TO US!	3123579	Principal	August 1, 2006
YELLOW VAN HANDYMAN	77444032	Principal	November 25, 2008

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state where this disclosure document is required, or any court, or any pending infringements, opposition, or cancellation proceeding or any pending material litigation involving our principal Marks.

You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not



authorized by us in writing. Guidelines regarding proper use of the Marks and notices are described in the Manual and periodically will be updated in our discretion.

You must notify us immediately of any infringement of, or challenge to, your use of the Marks. We are not obligated to protect your rights to use the Marks or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving our Mark or if the proceeding is resolved unfavorably to you. But we have the right to defend, prosecute, or settle these claims or litigation. You must, at your expense, modify or discontinue the use of any Marks or use one or more substitute trademarks if we request you to do so. You may not contest our ownership, title, right, or interest in our Marks. Upon termination of the Franchise Agreement for any reason, you must cease using the Marks in any manner.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in the state where the Business is to be located.

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

Our Manual, electronic information and communications, sales and promotional materials, the development and use of our Products, and other related materials are proprietary and confidential and are considered to be our property to be used by you only as described in the Franchise Agreement or the Manual. Although we have not filed an application for copyright registration for the Manual, the Marks, the advertising materials, the content and format of our Products, and other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyright Works”) in connection with your operation of your Business, but such copyrights remain our sole property. You must add, modify, or discontinue the use of a Copyright Work if we instruct you to do so. You must not directly or indirectly contest our rights to any of our Copyright Works that are part of our business. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and confidential information, and you and your employees must sign any nondisclosure and intranet, extranet, and Internet usage agreement that we require. We reserve the right to convert the Manual and into an exclusively electronic format and to require you to access either document through the Internet or an intranet created and supported by us.

No patents are material to us at this time.

We own all records respecting the Members, suppliers, service persons, and all other service professionals in any way related to your Business. These records include all databases (whether in print, electronic, or other form), and all names, addresses, phone numbers, e-mail addresses, Member purchase records, etc., and may use, transfer, or otherwise utilize the records in any way we wish, both before and after any termination, expiration, repurchase or transfer of your License. We may contact any or all of your Members, service persons, suppliers, or other service professionals for quality control, market research, and other purposes, as we deem appropriate.

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

You or a designated manager, both of whom have completed our training program, must directly supervise and participate in the actual day-to-day operation of the Business. Even if you do not participate in the direct management of the business operations, you are responsible for the quality of the business services as measured by regular Member service survey results. If you are an entity, we do not require that your designated manager own an equity interest in the entity. However, you, and each of your officers, directors, partners, shareholders, and members (or if you are an individual, your immediate family members) must execute the nondisclosure and noncompetition agreements in the franchise agreement. Your designated manager and others with access to the Manual must sign nondisclosure and noncompetition agreements acceptable to us. You must conduct a criminal background check including DMV check on all of your employees. Other than the above, we make no other recommendations and have no other requirements regarding employment or written agreements between you and your employees.

If you are an entity, each of your officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 5% or greater interest in you must also sign the Guaranty attached to the Franchise Agreement, assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

To maintain uniform quality standards, you must follow our directions concerning the services and products you provide. You must be licensed (if required) and qualified to complete the work according to the requirements in the Manual. You are not limited in the Members to whom you may sell except for the territorial limitations described in Item 12. You may sell only those approved services and products relating to the Brand assigned to you in the Franchise Agreement and that have been expressly approved by us. (See Item 8). You must provide all of the services and products that we designate as required for Franchise Partners in your area, and we may change the services or products that you must offer in your area with prior notice to you.

There are no restrictions on the prices at which you may sell your merchandise or services, except that we may recommend prices, set minimum or maximum prices, and determine overall pricing strategy (described in Item 11), to the extent permitted by law.

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

**THE FRANCHISE RELATIONSHIP**

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

	<b>Provision</b>	<b>Section in the Franchise or Other Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	Section 7.1	10 years.
b.	Renewal or extension of the term	Section 7.2	10 years.
c.	Requirements for franchisee to renew or extend	Section 7.3	You must be in substantial compliance with the Franchise Agreement and upgrade business to the then-standard form, execute a release agreement, pay the renewal fee, and sign the then-current form of franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement).
d.	Termination by franchisee	Section 7.4	You may terminate the franchise if we are in default of a material provision of the Franchise Agreement after receiving 90 days' notice to cure. You may also terminate the franchise upon 13 weeks advance written notice if you have: (a) successfully completed the business launch process as defined by us and (b) are in compliance with the Franchise Agreement at the time of the termination notice. We will also approve or deny termination requests where onerous circumstances exist outside your control. Our approval of a termination request where onerous circumstances exist is contingent upon your payment to us of a termination fee equal to 48 weeks of back office fees (calculated at the same rate had you not terminated the franchise) and other factors. Upon termination, the effects of termination described in section 7.6 remain in effect.

	<b>Provision</b>	<b>Section in the Franchise or Other Agreement</b>	<b>Summary</b>
e.	Termination by franchisor without cause	Not Applicable	
f.	Termination by franchisor with “cause”	Section 7.5	We can terminate your franchise if you commit one of several violations of the Franchise Agreement.
g.	“Cause” defined – curable defaults	Section 7.5(a)	You have 30 days to cure certain breaches and be in full compliance with the system.
h.	“Cause” defined – defaults which cannot be cured	Section 7.5(b)	Non-curable defaults include material misrepresentation, failure to satisfactorily complete initial training, insolvency, committing a crime as defined in the Franchise Agreement, repeated defaults, abandonment, making an unauthorized transfer or unauthorized trademark use or unauthorized disclosure of trade secrets, endangering public health or safety, among others.
i.	Franchisee’s obligations on termination / non-renewal	Section 7.6	De-identification from the system, payment of all amounts due, compliance with noncompetition agreement, return Manual and other proprietary material.
j.	Assignment of contract by franchisor	Section 7.8	No restriction.
k.	“Transfer” by franchisee - defined	Section 7.9	Includes transfer of contract, assets, or ownership change.
l.	Franchisor approval of transfer by franchisee	Section 7.9	We reserve the right to approve all transfers.
m.	Conditions for franchisor approval of transfer	Section 7.9	New franchise qualifies and successfully completes training, payment of transfer fee (see Item 6), transferee signs of our then-current form of Franchise Agreement, and you sign release (see also below).
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 7.11	We can match any offer for your business within 30 days.
o.	Franchisor’s option to purchase franchisee’s business	Section 7.7	We have the option to purchase on termination or expiration of your franchise your service vehicles valued at a 5 year straight-line depreciation based on your financial statements

	<b>Provision</b>	<b>Section in the Franchise or Other Agreement</b>	<b>Summary</b>
p.	Death or disability of franchisee	Section 7.10	Franchise Partner's heirs or other legal representative may apply to us to be accepted as transferee. Other conditions of transfer apply, as stated in the Franchise Agreement, but we require no transfer fee to be paid.
q.	Non-competition covenants during the term of the franchise	Section 9.1	You may not be involved with competing business or disclose any confidential information.
r.	Non-competition covenants after the franchise is terminated or expires	Section 9.1	You may not be involved with competing business for 2 years within 25 miles of your former Territory or on the Internet. You also may not solicit our Members, employees or Franchise Partners.
s.	Modification of the agreement	Section 9.11	Only by mutual agreement in writing.
t.	Integration / merger clause	Section 9.6	Only the terms of the Franchise Agreement are binding or enforceable (subject to applicable law). Any other promises or discussions before the agreement are not. Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 8.3	Except for certain claims for immediate relief, all disputes must first be mediated, then arbitrated in King County, Washington, or other site specified by us.
v.	Choice of forum	Sections 8.3, 8.4, 9.3	King County, Washington, except as stated in the State Addendum to this disclosure document, and except for certain claims for extraordinary relief.
w.	Choice of law	Section 9.4	Washington state law, U.S. Federal Arbitration Act, and U.S. Federal Trademark Act (Lanham Act) all apply, except as stated in State Addendum to this disclosure document.

**ITEM 18  
PUBLIC FIGURES**

We currently do not use public figure in association with our business.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

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 franchisor’s management by contacting Jerrod Sessler, 611 SW 152<sup>nd</sup> St., Seattle, WA 98166, or call; 206-763-6800, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Systemwide Outlet Summary (Pet Butler)**  
**for Years 2010, 2011 and 2012**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2010	0	77	+77
	2011	77	78	+1
	2012	78	78	0
<b>Company-Owned</b>	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
<b>Total Businesses</b>	2010	0	77	+77
	2011	77	78	+1
	2012	78	78	0

**Systemwide Outlet Summary (Lawn Army)**  
**for Years 2010, 2011 and 2012**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
<b>Franchised</b>	2010	0	0	0
	2011	0	1	+1
	2012	0	1	0
<b>Company-Owned</b>	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
<b>Total Businesses</b>	2010	0	0	0
	2011	0	1	+1
	2012	0	1	0

**Systemwide Outlet Summary (Yellow Van Handyman)  
for Years 2010, 2011 and 2012**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
<b>Franchised</b>	2010	25	29	+4
	2011	29	40	+11
	2012	40	42	+2
<b>Company-Owned</b>	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
<b>Total Businesses</b>	2010	25	29	+4
	2011	29	40	+11
	2012	40	42	+2

**Transfers of Outlets from Franchisees to New Owners  
(Other than the Franchisor) for Years 2010, 2011 and 2012**

State	Year	Number of Transfers
<b>All States</b>	2010	0
	2011	0
	2012	1
<b>TOTAL</b>	2010	0
	2011	0
	2012	1

**Status of Franchise Outlets (Pet Butler)  
for Years 2010, 2011 and 2012**

<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 Year</b>
<b>Alabama</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Arizona</b>	2010	0	7	0	0	0	0	7
	2011	7	0	0	0	0	0	7
	2012	7	0	0	0	0	0	7
<b>California</b>	2010	0	12	0	0	0	0	12
	2011	12	0	0	0	0	0	12
	2012	12	0	0	0	0	0	12
<b>Florida</b>	2010	0	7	0	0	0	0	7
	2011	7	0	0	0	0	0	7
	2012	7	0	0	0	0	0	7
<b>Georgia</b>	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
<b>Idaho</b>	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
<b>Indiana</b>	2010	0	4	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
<b>Iowa</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Kansas</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Kentucky</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at End of Year
<b>Louisiana</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Michigan</b>	2010	0	1	0	0	0	0	1
	2011	1	4	0	0	0	0	5
	2012	5	0	0	0	0	0	5
<b>New Jersey</b>	2010	0	5	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
<b>New York</b>	2010	0	3	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
<b>Ohio</b>	2010	0	8	0	0	0	0	8
	2011	8	0	0	0	0	0	8
	2012	8	0	0	0	0	0	8
<b>Rhode Island</b>	2010	0	4	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
<b>Texas</b>	2010	0	15	0	0	0	0	15
	2011	15	14	0	0	0	0	29
	2012	29	0	0	0	0	0	29
<b>TOTAL</b>	2010	0	77	0	0	0	0	77
	2011	77	18	0	0	0	0	95
	2012	95	0	0	0	0	0	95

**Status of Franchise Outlets (Lawn Army)  
for Years 2010, 2011 and 2012**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at End of Year
<b>TOTAL</b>	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1

**Status of Franchise Outlets (Yellow Van Handyman)  
for Years 2010, 2011 and 2012**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at End of Year
<b>Arizona</b>	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>California</b>	2010	0	1	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
<b>Florida</b>	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
<b>Georgia</b>	2010	0	1	0	0	0	0	1
	2011	1	3	0	0	0	0	4
	2012	4	0	0	0	0	0	4
<b>Illinois</b>	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Maryland</b>	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Massachusetts</b>	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
<b>New York</b>	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
<b>N. Carolina</b>	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
<b>Ohio</b>	2010	1	3	0	0	0	0	4
	2011	4	5	0	0	0	0	9
	2012	9	0	0	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at End of Year
<b>Oregon</b>	2010	2	0	0	0	0	1	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>S. Carolina</b>	2010	14	0	0	0	0	1	13
	2011	13	0	0	0	0	2	11
	2012	13	0	0	0	0	0	11
<b>Utah</b>	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
<b>Washington</b>	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
<b>Wisconsin</b>	2010	0	1	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2011	2	2	0	0	0	0	2
<b>TOTAL</b>	2010	25	6	0	0	0	2	29
	2011	29	13	0	0	0	2	40
	2011	40	0	0	0	0	0	40

**Status of Company-Owned Businesses  
for Years 2010, 2011 and 2012**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
<b>All States</b>	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
<b>TOTAL</b>	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0

The Company does not own and has not owned any locations in the past three (3) years.

**Projected Openings (Pet Butler)  
As Of December 31, 2013**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlet in the Current Fiscal Year</b>
<b>California</b>	0	2	0
<b>Florida</b>	0	1	0
<b>Michigan</b>	0	1	0
<b>New York</b>	0	2	0
<b>North Carolina</b>	0	2	0
<b>Ohio</b>	0	4	0
<b>Oregon</b>	0	3	0
<b>Texas</b>	0	3	0
<b>Washington</b>	0	4	0
<b>TOTAL</b>	0	22	0

**Projected Openings (Lawn Army)  
As Of December 31, 2013**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlet in the Current Fiscal Year</b>
<b>Georgia</b>	0	1	0
<b>New York</b>	0	1	0
<b>North Carolina</b>	0	1	0
<b>Ohio</b>	0	1	0
<b>Texas</b>	0	1	0
<b>Washington</b>	0	8	0
<b>TOTAL</b>	0	13	0

**Projected Openings (Yellow Van Handyman)  
As Of December 31, 2013**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company- Owned Outlet in the Current Fiscal Year
<b>California</b>	0	2	0
<b>Georgia</b>	0	1	0
<b>Florida</b>	0	4	0
<b>Michigan</b>	0	1	0
<b>New York</b>	0	3	0
<b>North Carolina</b>	0	4	0
<b>Ohio</b>	0	5	0
<b>Oregon</b>	0	2	0
<b>Texas</b>	0	2	0
<b>Washington</b>	0	6	0
<b>Wisconsin</b>	0	0	0
<b>TOTAL</b>	0	30	0

The name of each of our Franchise Partners and the location and telephone number of each of their Businesses as of the end of our last fiscal year (unless another date is stated on the list) is listed in Exhibit C. The name and last known city, state and current business telephone number (or, if unknown, the last known home telephone number) of every Franchise Partner within the most recently completed fiscal year who has had an License terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has not communicated with us within 10 weeks of the date of this disclosure document, are in Exhibit C. No Franchise Partners or former Franchise Partners have signed confidentiality clauses or agreements during the previous three years.

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

**ITEM 21  
FINANCIAL STATEMENTS**

Attached to the disclosure document as Exhibit A are our independently audited financial statements using U.S. generally accepted auditing standards and presented in accordance with U.S. generally accepted accounting principles as of December 31, 2010, December 31, 2011, and December 31, 2012.

**ITEM 22**  
**CONTRACTS**

Attached to this disclosure document are the following contracts that you will sign:

- |           |  |
|-----------|--|
| Exhibit B | Franchise Agreement  |
| Exhibit E | State and Provincial Addenda   |
| Exhibit G | Conditional Assignment of Franchise Partner's Telephone and Directory Listings |
| Exhibit H | Disclosure Acknowledgment Agreement  |

**ITEM 23**  
**RECEIPTS**

Included as the last document of this disclosure document as Exhibit I is a detachable Receipt to be signed by you. This Receipt must be signed and dated and delivered to us at least 14 days before you sign the Franchise Agreement or you pay any fee.

**EXHIBIT A**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
AUDITED FINANCIAL STATEMENTS**

HomeTask, Inc.  
Audited Financial Statements  
December 31, 2011, 2010 and 2009

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and  
Members of HomeTask, Inc.

I have audited the accompanying financial statements of HomeTask, Inc., which comprise the balance sheet as of December 31, 2012, 2011 and 2010, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

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

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HomeTask, Inc. as of December 31, 2012, 2011 and 2010, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Charlene D. Moultrie, CPA  
Fairburn, GA

February 17, 2013

HOMETASK, INC  
BALANCE SHEET  
AS OF DECEMBER 31, 2012, 2011 and 2010

ASSETS

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Cash	\$ 10,211	\$ 24,275	\$ 59,856
Accounts Receivable	1,439	31,407	-
Other Current Assets	251	250	906
<b>TOTAL ASSETS</b>	<u>11,901</u>	<u>55,932</u>	<u>60,762</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Loan Payable	\$ -	\$ 17,924	\$ -
Payroll Liabilities	9,652	147	248
Sales Tax Payable	725	287	272
Other Payable	2,500	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 12,877</u>	<u>\$ 18,358</u>	<u>\$ 520</u>

LONG TERM LIABILITIES

Shareholder Loan Payable	54,929	6,732	-
<b>TOTAL LONG TERM LIABILITIES</b>	<u>\$ 54,929</u>	<u>\$ 6,732</u>	<u>\$ -</u>

EQUITY

Common Stock	20,000	20,000	20,000
Additional Paid in Capital	691,818	691,818	690,718
Accumulated Deficit	(767,722)	(680,976)	(650,476)
<b>TOTAL EQUITY</b>	<u>(55,904)</u>	<u>30,842</u>	<u>60,242</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 11,902</u>	<u>\$ 55,932</u>	<u>\$ 60,762</u>

HOMETASK, INC  
INCOME STATEMENT  
FOR THE PERIODS ENDED DECEMBER 31, 2012, 2011, and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>SALES</b>			
Franchise Sales	196,111	\$ 282,070	\$ 93,393
Back Office Fees	589,236	509,155	301,998
Supplies	6,574	10,871	14,882
Product Sales	151,805	-	-
Other Income	208,692	83,949	54,408
<b>TOTAL SALES</b>	<u>1,152,418</u>	<u>\$ 886,045</u>	<u>\$ 464,681</u>
<b>EXPENSE</b>			
Salary	\$ 399,219	\$ 357,154	\$ 190,062
Professional Fees	125,137	141,794	68,668
Advertising	15,317	67,131	20,036
Management Fees	126,577	38,750	24,083
Utilities	12,819	8,146	9,427
Supplies and Materials	333,813	163,867	55,879
Office Expense	14,539	18,347	24,006
Rent	52,137	32,833	42,100
Bank Fees	7,578	6,640	16,131
Dues and Subscriptions	9,081	13,647	5,174
Travel	15,326	6,692	8,267
Charitable Contributions	7,589	2,755	3,600
Taxes and Licenses	16,018	2,476	2,229
Insurance	3,020	2,222	1,439
Freight	13,198	1,626	2,864
Vehicle Expense	64,685	23,457	9,324
Repair and Maintenance	270	2,910	309
License & Fees	-	4,625	25
Rental Fees	-	387	-
Miscellaneous	18,323	9,410	-
Contract Labor	4,518	11,676	739
<b>TOTAL EXPENSES</b>	<u>\$ 1,239,164</u>	<u>\$ 916,545</u>	<u>\$ 484,362</u>
<b>NET INCOME/(LOSS)</b>	<u>\$ (86,746)</u>	<u>\$ (30,500)</u>	<u>\$ (19,681)</u>

HOMETASK, INC  
STATEMENT OF SHAREHOLDER'S EQUITY  
FOR THE PERIODS ENDED DECEMBER 31, 2012, 2011, and 2010

	Common Stock	Additional Paid in Capital	Accumulated Deficit
Ending Balance December 31, 2010	\$ 20,000	\$ 690,718	\$ (650,476)
Net Loss, 2011	-	-	(30,500)
Capital Contributions	-	1,100	-
Ending Balance December 31, 2011	<u>\$ 20,000</u>	<u>\$ 691,818</u>	<u>\$ (680,976)</u>
Net Loss 2012			(86,746)
Ending Balance December 31, 2012	<u>\$ 20,000</u>	<u>\$ 691,818</u>	<u>\$ (767,722)</u>

HOMETASK, INC  
STATEMENT OF CASH FLOWS  
AS OF DECEMBER 31, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>OPERATING ACTIVITIES</b>			
Net Income/(Loss)	\$ (86,746)	\$ (30,500)	\$ (19,681)
(Increase)/ Decrease in Current Assets	29,967	(30,751)	(906)
Increase/(Decrease) in Current Liabilities	<u>(5,481)</u>	<u>17,838</u>	<u>(138)</u>
Net Cash Used for Operating Activities	<u>\$ (62,260)</u>	<u>\$ (43,413)</u>	<u>\$ (20,725)</u>
<b>INVESTING ACTIVITIES</b>			
	-	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from (Repayment of) Shareholder Loan	\$ -	\$ 6,732	\$ -
Proceeds from (Repayment of) Loans Payable	48,196	-	-
Proceeds from Contributed Capital	<u>-</u>	<u>1,100</u>	<u>52,787</u>
Net Cash Provided by Financing Activities	<u>\$ 48,196</u>	<u>\$ 7,832</u>	<u>\$ 52,787</u>
Net Change in Cash	(14,064)	(35,581)	32,062
Cash at Beginning of Period	24,275	59,856	27,794
Cash at End of Period	<u>\$ 10,211</u>	<u>\$ 24,275</u>	<u>\$ 59,856</u>

HOMETASK, INC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2012, 2011 AND 2010

Note 1 - Nature of Business

HomeTask, Inc. is a Franchisor established in 2003 as an S Corporation in the State of Washington. The company's franchise opportunities allow individuals to operate a local service business under one of multiple HomeTask, Inc. owned trade names. This franchisor's income is derived from franchise sales and back office fees received from franchisees.

These franchisees provide services to homeowners, renters and businesses. Initial franchise fees are \$15,000 for the first franchise and 10,000 for subsequent franchises. The estimated total investment, inclusive of this fee for startup, ranges from \$19,500 to \$32,000. Terms and additional fees are explained in the company's Franchise Circular.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements for HomeTask, Inc. were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, HomeTask, Inc. operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Note 3 – Long term liabilities

Amount reported as shareholder loan represents amounts periodically loaned to the company for working capital. There was no interest charged on these loans and they are being repaid as funds became available. The shareholder loan balance at December 31, 2012 and 2011 was \$54,929 and 6,732 respectively.

Note 4 - Revenue Recognition

Franchise fees are recorded in accordance with SFAS 45 'Accounting for Franchise Fee Revenue'. Accordingly, revenue from franchise sales is recognized when all material services or conditions relating to the sale have been substantially performed or satisfied by the franchisor. As of December 31, 2012 all services and conditions relating to the recorded franchise fee of \$196,111 have been met. The company has no unearned income in 2012.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2012, 2011 AND 2010

Note 5 - Advertising Expense

HomeTask, Inc. accounts for advertising expense in accordance with SOP 93-7 'Reporting of Advertising Cost'. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. For the year ending December 31, 2012, HomeTask, Inc. has expensed all advertising expense incurred.

Note 6 - Provision for Income Taxes

HomeTask, Inc. has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

NOTE 7 – Subsequent Events

HomeTask, Inc. has evaluated subsequent events through the date which the financial statements were available to be issued, and no such events have occurred.

**EXHIBIT B**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**





**HOMETASK®**

**FRANCHISE AGREEMENT**

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**HOMETASK®**  
**FRANCHISE AGREEMENT**

This Franchise Agreement (“Agreement”) is effective this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between **HomeTask, Inc.**, a Washington corporation, whose principal place of business and post office address is 611 SW 152nd St., Seattle, Washington 98166 (“We” or “Us”), and \_\_\_\_\_, (“Franchisee” or “You”), residing at \_\_\_\_\_.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

**SECTION 1**  
**DEFINITIONS**

“Assets” mean all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, other tangible items together with supplier and prospect lists, business records, and other intangible assets used in connection with the Business.

“Back Office Fee” indicates fees paid to us per service vehicle or technician by you according to the Agreement.

“Brand(s) of Service” a HomeTask Brand is a collection of symbols and an association with a service or a product. HomeTask® includes various brands which are defined by the type of service provided by each brand. This agreement applies to one license for the selected HomeTask brand.

“Brand(s)” means the HomeTask® trademark or brand of service. Each Franchise is assigned one or more Brand as specified in this Agreement.

“Business” means the HomeTask® Brand of business that you operate pursuant to this Agreement under the Trademarks using the Method of Operation.

“FPAFT” is the Franchise Partner Advertising Fund Trust. FPAFT is an independent private trust that provides certain legal protections and safeguards for Franchise Partners. FPAFT governs advertising. The purpose of FPAFT is to pool and manage advertising funds.

“Franchise Partner” is any individual who operates a HomeTask® business pursuant to a franchise agreement with us.

“Gross Revenue” or “Gross Sales” means the total of all receipts derived from any source related to or in connection with the operation of the Business, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange. “Gross Revenue” or “Gross Sales” excludes only sales tax that you must by law collect from Members and that you actually pay to the government and any Member refunds actually paid relating to previous payments.

“Internet” means any of one or more local or global interactive communications media, that is now available, or that may become available, and includes Web sites and use of domain names. Unless the context otherwise indicates, Internet includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs.

“LaunchCAMP” is synonymous with the initial training provided when you purchase your first franchise.

“Manual” means our confidential: (i) manual or manuals, and (ii) any Intranet or password protected portion of an Internet site, and (iii) any embodiment of the Methods of Operation, including notices of new standards and techniques, and (iv) any amendments, supplements, derivative works, and replacements; whether embodied in electronic or other media.

“Marketing Fund” means the separate bank account used by us for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account, and is managed by us in our sole discretion.

“Member(s)” and the use of the word in our business is synonymous with Member.

“Methods of Operation” means, collectively, our valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of Trademark usage, copyrightable works, products and service sources and specifications, proprietary software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of a HomeTask® businesses, as modified by us at any time. All Methods of Operation will be customized for the U.S. market only, and will be in English (with U.S. spelling) only. All such modifications become our property.

“Premises” means the location within the Territory and as described in Schedule 1 from which you operate the franchised business using the Methods of Operation.

“Principal Owner” means any person or entity who directly or indirectly owns a five percent (5%) or greater interest in you. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a five percent (5%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a five percent (5%) or greater interest in such general partner. If you are one or more individuals, each individual will be deemed a Principal Owner of you.

“Receipts” means the total of all your income derived from any source related to or in connection with the operation of the Business, whether from cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange.

“Recommended Rate” is the rate that we recommend for your service in your region. The Recommended Rate is used to calculate the fees you will pay to us. This rate may change periodically depending upon market conditions.

“Territory” means the territory described in Schedule 1 to this Agreement, subject to any reservations or exceptions contained in this Agreement.

“Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the franchised business, substantial assets of the franchised business, or of this Agreement.

“Trademarks” or “Mark(s)” means our trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with us, you, the Methods of Operation or the franchised business, whether or not they are registered, including “HomeTask®.”

**SECTION 2  
GRANT OF FRANCHISE**

2.1 **General Grant.** Subject to this Agreement, we grant you a license to operate the Business in the using the Methods of Operation and the Trademarks, for the term of this Agreement. We grant you no right to subfranchise the franchised business. This license applies only to the one (1) brand selected below.

HOMETASK® BRANDS OF SERVICE:

LAWN ARMY®

PET BUTLER®

YELLOW VAN HANDYMAN®

You hereto understand and agree that; a) we grant you limited rights for the above selected HomeTask Brand only, and; b) your Territory and other portions of this Agreement are affected by the selected brand.

YOU:

\_\_\_\_\_  
Name of Corporation, Entity or Individual

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

Print Name:

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

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

Print Name:

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

2.2 **Territory.** You will operate the Business within the Territory according to the terms of this Agreement. Your Territory is defined on Schedule 1 to this Agreement. Your Territory is based on the General Grant in Section 2.1 of this Agreement. The Territory is defined using postal code boundaries. You are responsible for informing us of all changes that effect the Territory as defined (example: When a zip code is split into multiple zip codes).

**LAWN ARMY, PET BUTLER TRADEMARKS ONLY:**

If, in Section 2.1 of the Franchise Agreement, you are authorized to use Lawn Army or Pet Butler Trademark, you will select your Territory (“Territory”) from the available territories in the region you choose to establish your Business. Each Territory will have about 100,000 households unless otherwise specified for a particular Territory. You may request to view census data for the Territory(s) that interest you before choosing.

This single License agreement allows you to operate exclusively within the Territory assigned to you meaning that you will not have competition from another HomeTask franchise operating the same Brand. We may license other HomeTask Brand(s) within your Territory. Additional licenses can be purchased as stated in Section V of the Franchise Agreement.

You may directly solicit potential Members outside, but in close proximity, to your Territory if there is no Franchise Partner operating in that Territory. We may license other Franchise Partners in Territories outside of your exclusive Territory. At such time or at our request, you will stop servicing members in the territory and turn over all member information to us or to the new Franchise Partner.

**YELLOW VAN HANDYMAN TRADEMARK ONLY:**

We do not limit the area which you can perform service. For web searching purposes, you will select a territory where you will operate your Business. If, in Section 2.1 of the Franchise Agreement, you are authorized to use Yellow Van Handyman Trademark, you will select your Territory (“Territory”) from the available territories in the region you choose to establish your Business. Selection of your Territory includes: a) choosing a zip code to serve as the nucleus of your Territory; and b) choosing a radius of up to 25 miles which will indicate the distance including and beyond your selected zip code that you will operate your Business. Some regions may have additional limitations on the distance of the working radius based on geography and household density. The result of these two selections defines the Territory which may include hundreds of thousands of households.

Your License covers your Territory which corresponds to one or more counties, parishes or other similar designation. The number of Licenses that may be awarded in a metropolitan statistical area at any given time is determined by dividing the then current number of households in the region by which a group of territories exist by five thousand. The resulting nearest whole number is the maximum number of franchises that will be granted within your metropolitan statistical area. Your Territory is not exclusive.

Subject to our rights reserved below, we may establish other franchised or company owned Businesses in the Territory using the same method of operation and Marks, provided that there will be no more than one (1), of the same brand, HomeTask® Business per five thousand households in each metropolitan statistical area.

This single License agreement allows you to operate up to three (3) service vehicles within your territory. If you are approved and additional Licenses are available in your metropolitan statistical area, additional Licenses can be purchased as stated in Section V of the Franchise Agreement.

2.3 **Premises.** You will operate the Business from the Premises, which may include your home or a commercial retail space obtained from any source. You must receive approval from us before relocating your Premises.

2.4 **Reservation of Rights.** We reserve the following rights for us and our affiliates and designees, as exceptions to your Territory rights expressed in Section 2.2:

(a) To purchase, be purchased by, or merge or combine with any business wherever located, including businesses that compete directly with the Business;

(b) To sell any products or services anywhere, through channels of distribution other than those granted to you in this Agreement under the Trademarks or other marks, including through the Internet, wholesale distribution, and mail order. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce except as specifically granted by this Agreement;

(c) To establish, operate, own, or franchise any business, including competitive businesses, at any location outside the Territory;

(d) To implement marketing programs or policies which may require your cooperation and participation. Such programs may give you the option to deliver the services within your Territory, but if you do not service a Member developed by a marketing program, we may make other arrangements to do so. Also, such programs may allow you, we, or other Franchise Partners to service Members within and outside your Territory, as long as no direct solicitation occurs;

(e) To develop and establish other businesses or franchise systems for the different products or services utilizing proprietary marks not now or in the future part of the HomeTask franchise licensed under the Franchise Agreement, and to grant licenses for these other franchise or license systems without providing you any right;

(f) To establish, operate, own, or franchise similar businesses.



## SECTION 3 TRADEMARKS AND METHODS OF OPERATION

3.1 **Use of Trademarks.** You will conduct and diligently promote the franchised business under the name or Trademarks that we specify throughout the term of this Agreement and any renewals or extensions. We own the Trademarks and any goodwill associated with them, and you have no rights to the Trademarks other than those granted to you by this Agreement. Your use of the Trademarks must strictly adhere to our requirements and directions. If you cannot lawfully use the name or Trademarks in the Territory, you must obtain our written approval for another name. You may not independently market on the Internet, or use any of our marks or words, or anything confusingly similar to the Trademarks, as part of any domain name, address, locator, link, metatag, or search technique.

3.2 **Reservation of Rights to Use Trademarks.** We retain the sole right to market on the Internet, including all use of Web sites, domain names, URL's, linking, advertising, and co-branding arrangements. You will provide us content for our Internet marketing, and sign our Intranet and Internet usage agreements. We also retain the sole right to use the Trademarks on the Internet, including on Web sites, Socially, as domain names, directory addresses, metatags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our Web site. You may not establish a presence on the Internet except as we may specify, and only with our prior written consent. You must follow our policies concerning data collection and privacy, if any. If we permit Franchise Partner Web sites, the Franchise Partner Web sites must be accessed only through our home page. All Internet marketing must be coordinated through us and approved by us.

3.3 **Business Name; Relationship.** In addition to the use of the Trademarks, you must operate your Business under a business name. You may not use the Trademarks, any part of the Trademarks, or any marks or words that are confusingly similar to the Trademarks in your business name. You are an independent contractor. This franchise does not establish us as agents, partners, joint venturers, beneficiaries, or fiduciaries of each other, and neither party will be bound or obligated by the other, except as set forth in this Agreement.

3.4 **Advertising and Marketing.** You must obtain our prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Trademarks, unless we supplied the item. You must follow our Trademark and copyright usage directions. You must indicate to third parties that your Business is "independently owned and operated" and that we own the Trademarks and you use them under license.

3.5 **Changes.** You cannot make any changes or substitutions to the Trademarks unless we direct it in writing. We reserve the right, in our discretion, to modify or discontinue use of any Trademark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

## SECTION 4 FRANCHISOR'S DUTIES

4.1 **Operation and Manual.** We will lend you one (1) copy of the confidential Manual for the initial training session and, upon satisfactory completion of the training, for the term of this Agreement and any renewals. The Manual will include any print or electronic materials regarding operation of the Business and any amendments to these materials that we provide to you as we continue to improve our Methods of Operation. We may provide the Manual through print, electronic communication or through a password-protected portion of a company intranet or the Internet.

4.2 **Confidentiality.** You must keep the Methods of Operation, the Manual and the Member Data (as defined in Section 6.3) in the strictest confidence, and you may not disclose any part of them to anyone other than your employees, and then only to the extent necessary for those employees to perform their authorized duties. You must follow our security procedures and you and your employees or agents with access to such materials must sign confidentiality and usage agreements, which include execution of approved nondisclosure agreements and our Internet, intranet, and extranet usage agreements. Unauthorized use of the Methods of Operation, the Manual or the Member Data will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must notify us within three (3) business days of any unauthorized use of our proprietary information.

4.3 **Equipment.** We will specify or approve certain goods and services used in your Business, as provided elsewhere in this Agreement. We may negotiate marketing programs with suppliers or purchasing programs with vendors and may obtain advertising allowances or purchasing rebates for doing so. If we require you to purchase products or services from a vendor that pays us allowances, we have the right to keep those allowances.

### 4.4 **Training and Ongoing Assistance.**

(a) We will provide you and your spouse or partner with an initial training program for your first franchise that you must satisfactorily complete after you pay the initial franchise fee but before you begin operating. The initial training session is conducted at our offices in Seattle, Washington, or another location of our choosing. Some of the training may be conducted via electronic means such as Web training (video and/or interactive on-line media training). The training lasts approximately five (5) days at that location. You may choose to attend an additional forty (40) hours of optional on-the-job training which may or may not be at the same location or city as the initial training. The fee for the initial training session is included in the initial franchise fee. Additional individuals other than your spouse or partner that want to attend the training are subject to the Two Thousand Dollar (\$2,000) training fee. You will also be responsible for travel, accommodation, and other costs while attending the training. The initial training program must be conducted within thirty days after signing this Agreement. Failure to satisfactorily complete the training will result in the termination of this Agreement, except that all post-termination covenants will remain in effect.

(b) We may also offer follow-up training program which is recommended and in some cases required between your 6<sup>th</sup> and 18<sup>th</sup> month in business. Some training may

be conducted via electronic means such as Web training (video and/or interactive on-line media training). We may designate other qualified representatives to administer the follow-up training program. The duration of the follow-up training is 2 days. The cost of the follow-up training is One Thousand Dollars (\$1,000) for you and one other person. You must also pay the cost of travel and living expenses while attending training.

(c) We may require you to receive or attend additional training or advanced training we reasonably require at our direct and indirect cost, or whatever charge is made by third party trainers, subject to increase by us in our discretion, plus your travel and living expenses.

(d) We may also from time to time provide additional or advanced training programs that you must complete to our satisfaction. These additional training programs may include periodic reading and testing requirements that we will provide.

(e) Upon request, and depending on availability, we will provide initial training to any new manager of your Business. We will require you to pay an additional training fee of Two Thousand Dollars (\$2,000), plus the cost of any travel, food, accommodations and other necessary expenses, subject to reasonable increase by us.

(f) During the term of this Agreement and any renewals or extensions, we will continue to consult with and advise you, provide the Methods of Operation, and with supplier, product, and marketing updates as they become available. We will also review advertising and supplier approval requests within a reasonable time. These consultations may include periodic visits to the Premises or periodic meetings with you.

(g) We also provide an employee training program which is required for your employees. This training may be administered at your location, our specified location or at another location. Employee training is one (1) day. In some cases, we require certain type of employees to be trained by us. If we administer the employee training then we will require you to pay an additional training fee of Two Hundred and Fifty Dollars (\$250), plus the cost of any travel, food, accommodation and other necessary expenses, subject to reasonable increase by us.

(h) We will provide the necessary cloud-based technology services required to operate your business. We may not provide all of the services that you need however. For example, you will need to have a local or mobile computer device but we will provide the cloud-based business management suite including web site and other communication services.

(i) We may charge a reasonable fee for services we provide in addition to those specified.

**4.5 Telephone and Directories.** You must have a separate business telephone number, and we may provide you limited rights to market on the Internet, or to use of a domain name or Internet directory links. All telephone, email, Internet domain name, Internet directory, social network and listings of all kinds for the Business remain our property, and will revert to us on termination or expiration of this Agreement, at our option, even if you acquired them.

## **SECTION 5 FEES**

**5.1 Initial Franchise Fee.** In consideration of the grant of the franchise and other initial services in this Agreement, you will pay us a nonrefundable initial franchise fee upon the signing of this Agreement in the amount set forth on Schedule 1 to this Agreement. The initial franchise fee is Fifteen Thousand Dollars (\$15,000) for your first franchise or Ten Thousand Dollars (\$10,000) for second and subsequent franchises. Training is not included for second and subsequent franchises. The initial franchise fee is fully earned upon payment, and is entirely nonrefundable, except as provided below.

The State of Maryland Office Of The Attorney General Securities Division has certain financial requirements on a franchisor. Because HomeTask does not meet their requirements, all fees paid by the franchisee to the franchisor, including payments for goods and services received from the franchisor before the business opens shall be deferred until all requirements of the franchisor have been satisfied.

The State of Illinois Attorney General's Office has certain financial requirements on a franchisor. The Franchisor shall defer all initial fees owed to the Franchisor or affiliate until such time as all initial obligations owed to the Franchisee by the Franchisor under the agreement(s) have been fulfilled and the Franchisee has commenced doing business. This financial assurance requirement is imposed by the Illinois Attorney General based on the Franchisors financial condition.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

**5.2 Relocation.** If you choose to relocate your franchise business after signing the Agreement, we will charge you a fee of One Thousand Dollars (\$1,000) to process an amendment of the Territory and the Franchise Agreement. We reserve the right to reasonably alter this charge depending on the circumstances of the relocation.

**5.3 Back Office Fees.** You must pay a nonrefundable Back Office Fee, which will be reported and paid to us as described in this Agreement. Back Office Fee obligation begins the first day of operation. Back Office Fee obligation continues throughout the term of this Agreement. Back Office Fee is equal to twelve percent (12%) of gross sales. The minimum weekly Back Office Fee is fifty (50) dollars.

Back Office Fee is currently calculated and payable weekly using electronic methods, but we reserve the rights to change the time and the manner of payment. Back Office Fee is paid fifty-two (52) weeks per year.

In some cases, we may require or we may allow the use of a flat fee in place of the calculated Back Office Fee. An example of when this may be required is when a conflict of interest exists for the Franchise Partner in terms of financial reporting.

5.4 **Advertising.** You must pay an initial branding fee of Five Thousand Dollars (\$5,000) to us for your first franchise. You will be responsible for fees associated with professional networking group membership and participation, placing the advertisements in local media and all advertising expenses including FPAFT participation will be yours.

5.5 **Marketing Fund.** At an unknown future date, we will require participation in a Marketing Fund. All marketing fund income is collected and managed by Franchise Partner Advertising Fund Trust ("FPAFT"). FPAFT is an independent private trust. The Marketing Fund programs may include marketing research and development; local group advertising or marketing; local, regional, national, Internet, or international advertising or marketing; development and maintenance of any Internet or e-commerce programs; administration of advertising or marketing (including salaries, accounting, collection, legal and other costs); related expenses; and any media or agency costs.

Marketing Fund obligation begins the first day of operation and continues throughout the term of the franchise. Marketing Fund is calculated based on a percentage of gross sales. The Marketing Fund contribution will be determined and maintained by FPAFT. The Marketing Fund fee will not exceed four percent of gross sales without approval from the FPAFT. The Marketing Fund contribution is paid in the same manner as the Back Office Fee. The Marketing Fund is paid fifty-two (52) weeks per year. Upon sixty (60) days' written notice from FPAFT to you, FPAFT may raise, discontinue, or reduce the Marketing Fund expenditures, or FPAFT may add, delete, or change advertising programs during the term of this Agreement including any extensions or renewals. FPAFT will place the Marketing Fund in a separate bank account. Advertising expenditures may or may not be proportionate to contributions or provide direct benefit to any particular Franchise Partner. FPAFT may accumulate Marketing Funds, and the balance in the advertising account may be carried over and used for any purposes described in this Agreement.

5.6 **Multi-Area Marketing and Franchise Partner Councils.** We may require you to join, participate in, and pay into Multi-Area Marketing Programs or a regional advertising council. Under such programs, we may require Franchise Partners to refer certain Members to or from one another or us. If we designate a regional advertising council, you will participate in, support and contribute an amount equal to the then current Marketing Fund calculation. We reserve the right to establish regional advertising councils and to establish the bylaws and other rules under which such councils will operate. The regional advertising council must prepare annual unaudited financial statements, which must be delivered to us and other Franchise Partners in the council within one hundred twenty (120) days after our fiscal year end. We may form, change, dissolve, or merge councils.

5.7 **Records and Reports.** You must keep and transmit accurate and timely records relating to the Business, including each business transaction, in the form, time, and manner that we prescribe (including both paper copy and electronic records accessible by us) in this Agreement or in the Manual. You must prepare all financial reports in accordance with generally accepted accounting principles ("GAAP"), consistently applied, and in a form approved by us, and you must periodically deliver to us accounting, tax, and other information as we request, including annual financial statements that have been delivered to us within ninety (90) days after your fiscal year end. The annual financial statements must be audited or compiled and certified by a certified public accountant as required under this Agreement or the

Manual. You must retain all of these required records of the Business during the term of this Agreement and any renewals or extensions, and for a period of at least six (6) years after the termination and expiration of this Agreement.

**5.8 Audits.** We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Business records, including the books, records and state and/or federal income tax records and returns of any Principal Owner. You must maintain all Business records and supporting documents at all times at the Premises. You will make financial and other information available at a location we reasonably request, and will allow us (and our agents) full and free access to any such information. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit. We will bear the cost of the audit, unless you fail to report as required or understate Gross Revenue by two percent (2%) or more for any reported time period, in which case you will pay the audit cost. You will immediately pay us all sums owed. We are also entitled to other remedies provided in this Agreement or by law.

**5.9 Method of Payment.** We require you to sign automatic funds transfer authorization(s) and other documents to authorize your bank to transfer, either electronically or through some other method of payment designated by us, directly to our account and to charge your account for all amounts due to us from you. A convenience fee will apply if you choose to use a credit card for this payment. Or, we may specify another method of payment, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or the Internet. All dollar amounts stated in this Agreement are in United States dollars unless otherwise expressed.

**5.10 Member Billing Fee.** We require you to use specific methods for managing member billing. If you use other methods or if we perform manual billing on your behalf then you are required to pay a fee of two dollars (\$2.00) per member per billing period.

**5.11 Late Charges and Other Fees.** Each late payment by you is subject to a late payment charge of Seventy-Five Dollars (\$75.00) or the maximum late charge allowed by applicable law, whichever is less. In addition to late payment charges, you must pay interest at the rate of one and one-half percent (1.5%) per month on the amount due, or the maximum interest rate allowed by applicable law, whichever is less. You must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees we incur in connection with your failure to make any required payments. If you choose to use a credit card to pay your fees which are due on a weekly basis, a convenience fee of Twenty-Five Dollars (\$25.00) will apply or the maximum charge allowed by applicable law, whichever is less.

## **SECTION 6 FRANCHISE DUTIES**

**6.1 Uniformity and Image.** Adherence to the Methods of Operation and proper use of the Trademarks are essential to maintaining a uniform image and high standards of the Business. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that you conform to our standards and specifications. While you will manage your own operations and employees, you agree as follows:

(a) You must purchase the equipment required for the operation of the Business as described in the Manual, including obtaining a service vehicle conforming to our specifications, tools, and other items.

(b) You will prominently display the Marks and other Trademarks and other commercial symbols on all vehicles, uniforms, and other items solely in the manner we specify. You may not add any other markings to the vehicles or other required items without our prior written consent.

(c) You must diligently commence your Business within three (3) months after signing this Agreement, and you must continue to operate the Business as required by the this Agreement. You may only engage in the business described in this Agreement and you must not allow the Business to be used for any purpose that is immoral, unethical, unauthorized or illegal.

(d) You may only sell approved products and services. We may receive rebates or other forms of allowances on account from vendors. We reserve the right to specify sources for services or products at any time.

(e) You must operate the business in accordance with the Manual and Methods of Operation, as amended by us in our discretion.

(f) You may set your own prices for products or services supplied by your Business; however, we may recommend prices, we may set maximum prices, and we may determine pricing strategies of Multi-Area Marketing Programs to the extent permitted by law.

(g) You must wear certain required uniforms and other clothing items at all times when operating your Business. The Initial Branding Fee includes a voucher for a set of branded clothing. You must purchase additional branded clothing for yourself, your employees and others. You must wear and require your employees and others to wear these uniforms at all times while operating the Business.

(h) You must complete all required initial training and periodic on-going training. Our required training includes: a) initial training; b) launch training during the initial twelve weeks after opening your business, weekly launch worksheets and weekly coaching calls or meetings; c) follow-up training; and, additional development training. Review Section 4.1 in this Agreement for more information. Some or all of our training may be administered locally, on-line, at our location or through other means that we determine.

**6.2 Right of Entry and Inspection.** At any business location other than your home or residence, we or our authorized agent or representative may enter the Premises with notice to you if reasonable under the circumstances and inspect the operations of the Business. Without any liability to you, we may confiscate any materials which we, in our reasonable judgment, determines to be either illegal or in violation of this Agreement.

Within 90 days following the close of each fiscal year, you must provide us with financial reports: Business balance sheet; Business profit and loss; Business tax return; personal tax return. If you choose not to provide this information then you may instead pay the then current Back Office Fee avoidance charge.

**6.3 Computer Systems and Access.** You must acquire, maintain, and upgrade computer, information processing and communication systems, accounting, including all applicable hardware, software, and Internet and other network access providers, Web site vendors, as we may prescribe. You must have a dedicated desktop or laptop computer meeting the minimum requirements stated in the Manual and meeting our specifications as they evolve over time. Your computer system must have the capability of accessing the Internet over a consistent and reliable connection and must support email. You must also have a printer and a facsimile machine. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing these services. We may access financial information and Member data produced by or otherwise located on your computer system (collectively the "Member Data"). We own the Member Data that is stored on your computer system, although you will have the right to use the Member Data during the term of this Agreement. We periodically will establish policies respecting the use of the Member Data. We will give you various user access right to our web based business management application during the term of this Agreement. You are responsible for ensuring the security of these access points including informing us if system users need to be updated or removed. Example: If your employee leaves your company and that employee has a user identification in our system then you are responsible for letting us know immediately so we can close access to that user. You are responsible for issues arising from or liability in result of user access points that are issued by us, at your request to you and/or your employees or others.

**6.4 E-Problems.** Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You must also take reasonable steps to verify that your suppliers, lenders, landlords, Members, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

**6.5 Participation in the Operation of the Business.** Your personal supervision, participation, and example are essential to the success of the Business. You or your designated manager approved by us must participate personally in the Business after successfully completing the initial training program and any additional training required by this Agreement. Any owner or manager involved in your business after the signing of this Agreement must obtain our approval in writing and satisfactorily complete the training program at your expense. Each Principal Owner must also guaranty the terms of this Agreement by signing our standard Guaranty Agreement. During each year or less frequently as determined by us of the Term, you must send an approved representative to our annual conference. You must pay a conference



registration fee that we set annually which shall not exceed \$1,000. All expenses of attendees at the annual conference shall be your sole responsibility. If you do not send an approved representative, you must nevertheless pay for one conference registration fee. New Franchise Partners that complete the initial training within ninety (90) days of the next convention are expected to attend the convention but are not required to pay the convention registration fees for their franchise for the first convention.

**6.6 New Franchise Partner Training.** We may request that you host new Franchise Partners and/or their employees on ride-along training sessions periodically.

**6.7 Franchise Partner Advertising.** If you want to independently advertise or promote in any media or delivery system, you must obtain our prior written approval, except when using materials previously approved by us. Regardless of the materials, you must obtain our prior written approval before placing any advertising or marketing material on the Internet. At your own expense, you must participate in and cooperate with all advertising and promotional programs we approve, including Multi-Area Marketing Programs, as described in Sections 5.5 and 5.6. You are not required to follow any particular sales price when placing advertising, except that we may recommend prices, set maximum prices, and determine pricing strategy of marketing programs each to the extent permitted by law.

**6.8 Sales Quota and Scheduling.** Your Territorial rights and your right to renew the Agreement are both contingent on, for each full calendar year beginning with the second calendar year and each subsequent calendar year throughout the remainder of this Agreement including any renewals or extensions: (i) your attainment of a minimum of Eighty Thousand Dollars (\$80,000) in Gross Revenue unless agreed upon in advance; (ii) service all Members in your region who are requesting service; and (iii) maintain positive feedback from a majority of Members as determined by a representative and fair Member survey that we design or approve. If you fail to meet these requirements, we have the right to sell additional franchises in your Territory (notwithstanding Section 2.2 above) to ensure that end user clients are being served.

**6.9 Operating Standards.** You must provide Members with at least the minimum standard of Member service as described in the Manual. Failure to meet these standards is a breach of this Agreement, and may result in loss of your Territory rights or the termination of your franchise.

**6.10 License, Permits, Applicable Law.** You must comply with all applicable laws, regulations and standards. You are responsible for obtaining and paying for all governmental licenses and permits for the Business.

**6.11 Taxes and Debts.** You must promptly pay when due all taxes, fees, debts, expenses, and assessments of the Business, including payroll taxes. You will not permit a tax sale, seizure, levy, execution, bankruptcy, or assignment of Assets for or by creditors, or similar action to occur.

**6.12 Insurance Requirements.** You must procure and maintain:

- (a) Comprehensive general liability insurance with a policy limit of One Million Dollars (\$1,000,000) per occurrence or such amount as we may reasonably specify;
- (b) Business automobile liability insurance with a policy limit of Five Hundred Thousand Dollars (\$500,000) per occurrence or such amount as we may reasonably specify;
- (c) Any legally required insurance (such as workers' compensation insurance if required);
- (d) Comprehensive casualty, fire and theft coverage in an amount sufficient to replace the Business; and
- (e) Any other insurance we may reasonably require.

We may change these insurance requirements, upon reasonable notice to you, to conform to reasonable business practices. All insurance policies will name us, our officers, directors and employees as additional named insureds with waiver of subrogation against us, our officers, directors and employees. If applicable based on your location, all insurance policies will also name the specific development agent assigned to you, their officers, their directors and their employees as additional named insureds with waiver of subrogation against them, their officers, directors and employees. Before beginning operations, you will obtain any other liability insurance required by law, provide us with certificates of insurance, and maintain all required insurance during the term of this Agreement. Lapses, alterations, or cancellations will require immediate notice to us and may be deemed a material breach of this Agreement. If you do not comply with this Section, we may pay the premiums or acquire insurance, and bill you. We may change these insurance requirements upon reasonable notice to you. We make no representation or warranty that compliance with these insurance requirements will insure you against all insurable risks or losses. Your compliance with insurance requirements will not relieve you of your liability under the indemnity provisions of this Agreement.

6.13 **Warranties.** We will not be liable for nor will we guaranty any guarantee or warranty you make to a Member or other third party.

6.14 **Hazardous Materials.** You shall not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations ("Hazardous Materials") to be used, generated, stored or disposed of near, on, under, about or transported to or from the Premises or any of your vehicles ("Hazardous Materials Activities") except as necessary for your operation of the Business and in accordance with the Manual. You shall conduct such permissible Hazardous Materials Activities in strict compliance (at your expense) with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. We will not be liable for any of your Hazardous Materials Activities. You must provide us with a copy of all Hazardous Materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify us both by telephone and in writing of any spill or unauthorized discharge of Hazardous Materials or of any conditions constituting an imminent hazard.

## SECTION 7 TERM, RENEWAL, TRANSFER, TERMINATION

7.1 **Term.** The initial term of this Franchise Agreement is ten (10) years from the executed date, unless earlier terminated under the provisions of this Agreement.

7.2 **Renewal; Fee.** If you are not in default under this Agreement, you may request a single renewal term that shall not exceed ten (10) years. You must submit the request for renewal in writing no fewer than six (6) months or more than twelve (12) months before the end of the initial term. At the time you sign a renewal franchise agreement, you must pay a renewal fee of Seven Thousand Five hundred Dollars (\$7,500) or the then-current fee and be in compliance with the conditions listed below.

7.3 **Conditions for Renewal.** In order to renew the Agreement for the renewal term, you must in substantial compliance with the Franchise Agreement and you must upgrade your Business to the then-standard form, execute a release agreement, pay the renewal fee, and sign the then-current form of franchise agreement which may vary in materials respects from this Agreement. You will be required to pay the fees and contributions at the rate then charged to new Franchise Partners, although you will not pay a new initial franchise fee. You may also be required to refurbish, or update your vehicles, and equipment to meet then-current standards.

### 7.4 **Termination by You.**

(a) You may terminate this Agreement before its expiration, or the expiration of any renewal term if we violate a material provision of the Franchise Agreement and fail to remedy or make substantial progress toward curing the violation within ninety (90) days after receiving notice from you detailing our alleged default.

(b) You may also terminate this Agreement upon thirteen (13) weeks advance written notice if you have: (a) successfully completed the business launch process as defined by us and (b) are in compliance with this Agreement at the time of the termination notice. The intent of this provision is to allow termination of the Agreement if profitability cannot be achieved despite your performance of all obligations under this Agreement, the Operations Manual and the business launch process. Provisions described in Section 7.6 apply to all terminations.

### 7.5 **Termination by Us.**

(a) Except as otherwise provided under Section 7.5(b) below, we may terminate this Agreement or any other agreement between you and us or our affiliates upon written notice to you of your breach of this Agreement if you fail to cure the breach or for other good cause within thirty (30) days. "Good Cause" includes your failure to: (i) conduct the business in an ethical or businesslike manner; (ii) complete required ongoing training, repairs, or renovations; (iii) comply with the Methods of Operation; or (iv) otherwise comply with the terms of this Agreement.

(b) We may terminate this Agreement immediately without notice to you if you: (i) misrepresented or omitted material facts which induced us to enter into this

Agreement; (ii) fail to satisfactorily complete our initial training or to open for business in the required timeframe; (iii) become insolvent or fail to pay debts as they become due; (iv) file for bankruptcy, make an assignment for the benefit of creditors, allow appointment of a receiver or similar custodian, or make a disposition of the Assets of the Business outside of the ordinary course of business; (v) voluntarily abandon the Business (as defined below); (vi) are convicted of or plead guilty or no contest to a criminal charge for violation of any law relevant to the Business; (vii) attempt an unauthorized Transfer or make unauthorized use of the Trademarks or unauthorized disclosure of the Methods or Operation; (viii) take any action that endangers the public health or safety; or (ix) receive three or more notices of default in any 2-year period, regardless of whether you cure the defaults. You have abandoned the Business if you do not receive any Gross Revenue during any two consecutive months, if the telephone line used in the Business is disconnected, or if you dispose of your service vehicle.

**7.6 Effect of Termination.** Upon Termination of this Agreement you must immediately:

(a) Return to us all copies of the Manual, Member Data and all items containing any Trademarks, and all copyrighted and proprietary items;

(b) Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories and listings to us or our designee;

(c) Cease doing business under any of the Trademarks, cancel any assumed name registration that includes any of the Trademarks, assign all domain names and Internet directory listings that contain the Trademarks to us, and refrain from identifying yourself as our Franchise Partner;

(d) Allow us or our representatives access to the business and your computer systems to verify and secure your compliance with your obligations, and to make a final inspection and audit of your computer system, books, records and accounts;

(e) Allow us the first right of refusal to purchase or assume your interest in the Business, or in its Assets on the same terms as those contained in a bona fide offer from a third party. This right is governed by time limits and procedures described in Section 7.11;

(f) Strictly abide by all covenants including non-competition, confidentiality and nondisclosure, indemnity, and all other covenants that expressly or by their nature survive this Agreement. You must transfer to us all of your records concerning Member contacts, sales history, which we will assume; and

(g) Pay us any amount that you owe us under this Agreement or any other agreement that you have with us or our affiliates. This requirement includes the payment of all fees including weekly minimum through the term of the Agreement and other ongoing fees. We also reserve the right to exercise any additional remedies that we have under the law.

Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination or expiration, including those pertaining to non-competition, confidentiality, return of proprietary items, and indemnity will remain in effect.

**7.7 Our Option To Purchase the Service Vehicle.** If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon ninety (90) days' written notice from the date of expiration or termination, to purchase from you, or (if applicable) to obtain an assignment of your lease, respecting the service vehicle(s) used in the Business. We may assign this option to purchase or acquire your lease interest separate and apart from the remainder of this Agreement.

The purchase price for the service vehicle(s) will be based on book value, as reflected in your most recently submitted annual financial statements, using a five (5) year "straight-line" depreciation basis without provision for salvage value. The service vehicle(s) must be in good condition. We may exclude from the price of the service vehicle(s) any accessories or other items that were not acquired in compliance with this Agreement as well as any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the purchase price of the service vehicle(s). We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than thirty (30) days after we deliver notice of our election to purchase the service vehicle(s), unless the purchase price is determined by audit, in which case the closing will occur within a reasonable time, not to exceed thirty (30) days, after the results of the audit are made available. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates.

**7.8 Assignment or Transfer by Us.** We or any of our affiliates may sell or assign this Agreement in whole or in part, and our assignee may enforce this Agreement in whole or in part. We may sell or issue our stock, other ownership interests, or assets, whether privately or publicly.

**7.9 Assignment or Transfer by You.** You may not Transfer the Business without our prior written consent. Any attempted transfer of any interest in the Business without our prior written consent will be considered a material breach under this Agreement, and the Agreement will be voidable by us as provided under the termination provisions above. As a requirement for approval and before the effective date of an approved Transfer of a fifty percent (50%) interest or more in the Business:

- (a) The transferee must assume all of your obligations under the Agreement in connection with the Business;

- (b) You must show that you have paid all debts due under the Agreement or any other agreement between you and us or our affiliates;
- (c) You must show that you are not in default under the Agreement or any other agreement between you and us or our affiliates;
- (d) You or the transferee must pay the transfer fee of Seven Thousand Five Hundred Dollars (\$7,500) or the then-current Transfer fee;
- (e) The transferee must pay the applicable Initial Training Fee and successfully complete the initial training program then required of new Franchise Partners at our facility in Seattle, Washington, or other location chosen by us;
- (f) The transferee must meet our subjective and objective written criteria and standards for granting or renewing franchise licenses with Franchise Partners;
- (g) You or your owners if you are an entity must execute a general release in favor of us, to the extent permitted by law;
- (h) The transferee must pay Initial Branding Fee of Five Thousand Dollars (\$5,000) or the then-current Initial Branding Fee.
- (h) You must obtain and submit to us satisfactory evidence of transfer or consent of lenders, lessors, and governmental authorities for all material permits, approvals, and licenses; and
- (i) You must comply with the procedures described in Section 7.11

If you Transfer less than fifty percent (50%) of the Business, you must comply with only subsection (a), (b), (c), (f) and (g) above in this Section 7.10 as a requirement to obtain our approval of the Transfer. Notwithstanding this section, you may transfer your rights and obligations under this Agreement once without our consent to an entity in which you own at least eighty percent (80%) of the outstanding stock, provided the entity assumes all obligations under this Agreement. You must provide written notice to us before transferring the obligations to the entity, and you must execute the personal guarantee of the obligations of the entity under this Agreement in a form substantially similar to Schedule 2 to this Agreement.

**7.10 Death or Incapacity.** If you or a majority owner of the legal entity holding the franchise dies or becomes incapacitated, the heirs, beneficiaries or legal representatives of the individual, must within one hundred eighty (180) days either (i) apply to us for the right to continue to operate the Business for the duration of the term of this Agreement, which will be granted upon the fulfillment of all the general Transfer conditions (except that no transfer fee will be required); or (ii) transfer your interest according to the general Transfer conditions.

**7.11 Right of Refusal.** Within seven (7) days after receipt of a bona fide offer acceptable to you to Transfer all or part of the Business, you will notify us of the offer in writing, enclosing a signed copy of the offer. We will then have access to all your books and records in order to evaluate this offer, including your business financial statements and tax returns. We

may then purchase the same assets or interest that is the subject of the offer to Transfer at the price and on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer and, at our option, may pay the entire purchase price at closing. We may exercise this right to purchase, by notifying you in writing within twenty-one (21) days after receiving your notice. We will close the Transfer by the later of either thirty (30) days after our notice to you of exercise of this right, or the time for closing contained in the original offer. If we do not exercise our right to purchase within the time set forth in this section, you may Transfer the Business to a third party, but not at a lower price or on more favorable terms than disclosed to us in writing. Such Transfer is subject to our prior written approval and other conditions specified in this Agreement. If you do not Transfer the Business to the transferee on the same terms offered to us, then you must again extend the right of first refusal to us in the manner described above, before another desired Transfer.

**7.12 Share Certificates.** If you are a legal entity, your certificates representing shares, membership interests, or other ownership units must bear the following legend, printed legibly and conspicuously:

The transfer of this instrument is subject to the terms and conditions of a Franchise Agreement with HOMETASK, INC. Reference is made to the Franchise Agreement and to its restrictive provisions. No transfer will diminish or minimize your obligations under the Agreement.

## **SECTION 8 DISPUTE RESOLUTION**

**8.1 Negotiation; Mediation.** Except as otherwise stated in this Section 8.1, the parties agree to resolve any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement first through informal negotiation between the parties. We will provide a procedure for internal dispute resolution. If the parties cannot resolve such dispute within ten (10) days following written notice of the dispute and request for negotiation, the parties agree to submit such claim to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation or another mediation service agreeable to you and us, at our corporate headquarters in King County, Washington. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within forty-five (45) days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 8.2 below. Either party may bring an action under the applicable provisions of this Section 8 without first submitting the action to mediation under this Section 8.1: (i) for monies owed, or (ii) for injunctive relief.

8.2 **Arbitration.** Except to the extent we seek to collect monies owed or elect to enforce the provisions of this Agreement by injunction as provided in Section 8.3 below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to negotiation or mediation as described in Section 8.1 above will be settled by arbitration under the authority of the Federal Arbitration Act in King County, Washington. The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. This Section 8 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, you and we will fully perform our respective obligations under this Agreement.

8.3 **Injunctive Relief.** Notwithstanding Sections 8.1 and 8.2 above, you recognize that a single Franchise Partner's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other HomeTask® Franchise Partners. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

8.4 **Attorneys' Fees.** You will pay all costs and expenses, including reasonable attorneys' fees, we incur in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

8.5 **Setoff.** You will not, on the grounds of our alleged nonperformance of any of our obligations under this Agreement, or due to any dispute with or claim against us, or for any other reason whatsoever, withhold payment of any amounts due to us.

## **SECTION 9 GENERAL PROVISIONS**

9.1 **Covenant Not to Compete.** During the term of this Agreement and for a period of two (2) years after termination, expiration, or Transfer of this Agreement for any reason, neither you, nor persons associated with you, including your Principal Owners or managers may:

(a) Participate directly or indirectly or serve in any capacity in any business engaged in the sale of services or products the same as, similar to, or competitive with those offered by the Business. This covenant not to compete applies: (i) during the term of the



Agreement, within any state in which we, our affiliates or Franchise Partners do business; and after termination within a twenty five (25) mile radius from the boundary of your Territory; (ii) within a twenty five (25) mile radius from any franchised, franchisor-owned or affiliated company-owned premises where you are using a yellow or similarly marked service vehicle; (iii) on the Internet; and (iiii) on any other Multi-Area Marketing channels used by us;

(b) Solicit, service, or sell to, directly or indirectly, any Member who was a Member of the Business prior to the termination, expiration, or Transfer of the franchise; or

(c) Hire any person from, or solicit or induce any person to leave his employment with us, our affiliates, or any of our Franchise Partners or company-owned businesses.

This covenant not to compete is given in part in consideration for training and access to our trade secrets, and which, if used in a competitive business without paying fees and other payments, would give you an unfair advantage over us and our Franchise Partners and affiliates. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

**9.2 Indemnification.** You agree to indemnify, defend and hold harmless us and our affiliates, and our respective shareholders, directors, officers, employees, agents, development agents, sub-contractors, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business and arising out of the Methods of Operation. For purposes of this indemnification, claims and liabilities shall include obligations, damages, costs, reasonable attorneys' and expert witness fees, litigation expenses, and travel and living expenses. We shall have the right to choose our counsel to defend any such claim against us, and to decide whether and how to settle any such claim. This indemnity shall continue subsequent to and notwithstanding the expiration or termination of this Agreement.

**9.3 Venue.** Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought in the Federal District Court for the Western District of Washington or in King County District Court in King County, Washington. We and you irrevocably consent to the jurisdiction of such courts. The provisions of this 9.3 will survive the termination of this Agreement.

**9.4 Governing Law.** Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the laws of the state in which the Business Premises are located, without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Business Premises are located.

**9.5 Construction.** All words used in this Agreement, regardless of their gender, include any other gender, as the context requires. Any use of the word "including," or synonymous terms, followed by one or more examples, does not limit in any way the antecedent

word or phrase. The words “we may” or “our approval” and other words giving us the option whether or not to take action or grant approvals mean that we may do so in our sole discretion unless otherwise specified.

9.6 **Integration.** This Agreement constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

9.7 **Headings.** Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

9.8 **Cumulative Rights.** Our rights and remedies are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

9.9 **Further Assurances.** The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement. To effectuate the purposes of this provision, you hereby irrevocably appoint us as your attorney-in-fact.

9.10 **Survivability.** The provisions of this Agreement, which by their terms or by reasonable implication require performance by you after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

9.11 **Time.** Time is of the essence for all purposes of this Agreement.

9.12 **Modification.** This Agreement may be modified only by written mutual consent of the parties. However, we may unilaterally modify the Methods of Operation to meet competition, protect Trademarks, maintain or improve the quality of the products or services you provide, or for other reason.

9.13 **Notices.** All written notices and reports permitted or required to be delivered by the provisions of this Agreement are deemed so delivered at the time delivered by hand, one (1) business day after sent by a recognized overnight delivery service which requires a written receipt, or three (3) business days after placed in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party..

9.14 **Waiver.** Our waiver of any particular right by you will not affect or impair our rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by us to execute any rights affect or impair our rights as to any future exercise of those rights.

9.15 **Operational Risk.** You recognize the uncertainties of the Business, and therefore acknowledge that, except as set forth in this Agreement, no representations or agreements have been made regarding the success or profitability of the Business or the suitability of any location.

9.16 **Amendment; Severability.** If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect. If an arbitrator or court declares any part of this Agreement, for any reason, invalid, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed.

9.17 **Representations and Warranties by Franchise Partner.** You warrant that you have received a complete copy of this Agreement, our disclosure document and applicable exhibits, and that before signing this Agreement, there was an ample opportunity to review them. NO STATEMENT WAS MADE, WHETHER ORAL, WRITTEN, OR OTHERWISE, THAT CONTRADICTS THE DISCLOSURE DOCUMENT.

[The remainder of this page left intentionally blank.]

The parties hereto have signed this Agreement on the day and year first above written.

WE:

HOMETASK, INC.,  
a Washington corporation

By: \_\_\_\_\_  
Print Name: Jerrod Sessler  
Title: CEO \_\_\_\_\_

YOU:

**(If you are a corporation)**

\_\_\_\_\_  
Name of Corporation

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

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

**(If you are an individual owner, you must sign below; if a partnership, all partners must sign below)**

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**(If you are a limited liability company)**

\_\_\_\_\_  
Name of Limited Liability Company

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

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

**Schedule 1**  
**Franchise Agreement Addendum**

Initial Franchise Fee: \$15,000

Business Address of Franchise Partner:

Number of licenses: 1 (one)

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Territory Description (by Brand):

LAWN ARMY, PET BUTLER:

List of postal codes assigned:

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YELLOW VAN HANDYMAN:

Operating radius of 1-25 miles (default = 10) in or around the following postal code:\_\_\_\_\_

*Note: Franchise Partners have the responsibility of modifying their operating radius listed above during the term of the agreement. The operating radius must be between a minimum of one (1) mile radius and cannot exceed a twenty-five (25) mile radius. The default starting radius is ten (10) miles.*

*Certain regions will require Franchise Partners to maintain a smaller radius depending upon regional density. In these cases, we will confirm the new maximum radius prior to signing this agreement. To make changes in your operating radius, you must notify us during the term of the agreement.*

Initials:

\_\_\_\_\_ Franchise Partner

\_\_\_\_\_ Franchise Partner

\_\_\_\_\_ Franchisor

**Schedule 2**  
**Individual Guaranty**

This Guaranty is to the Franchise Agreement between HomeTask, Inc. (“Franchisor”) and \_\_\_\_\_ (“Franchise Partner” or “Franchise Partners”) dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and to any other agreement between Franchisor and Franchise Partner (“Agreements”).

**RECITALS**

Guarantors know Franchise Partner, and that Franchise Partner voluntarily executed the Agreements for the purposes expressed, and are familiar with all provisions of the Agreements, and have received Franchisor’s disclosure document at least 14 days before the date set forth below; and

Guarantors consulted legal counsel of their own choosing as to their responsibilities and liabilities under this Guaranty.

**AGREEMENT**

In consideration of, and as an inducement to, the execution of the Franchise Agreement, each of the undersigned personally, irrevocably and unconditionally, individually and for any marital community, agrees as follows:

1. To guarantee the performance of Franchise Partner under the Agreements, including that Franchise Partner will punctually pay and perform all obligations under this Agreement upon default of Franchise Partner. The undersigned further agree to pay any judgment or award against Franchise Partner obtained by Franchisor. Guarantors are also bound by covenants of the Agreement that by their terms or by reasonable implication survive the expiration or termination of the agreement, including but not limited to noncompetition, indemnity, and nondisclosure provisions.

2. That:

(a) Liability under this Guaranty is joint and several;

(b) Each will render any payment or performance required under this Guaranty on demand, if Franchise Partner fails or refuses punctually to do so;

(c) Each will comply individually with all provisions of the Agreements and associated documents;

(d) Liability is not contingent or conditioned on Franchisor’s pursuit of any remedies against Franchise Partner or any other persons;

(e) Liability is not affected by any extension of time, acceptance of part performance, release of claims, or other compromise that Franchisor may grant; and

(f) Each waives acceptance by Franchisor; and waives notice of demand to Franchise Partner or other parties, waives protest by the other party, and waives notice of default to it.

Dated on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Set forth the name, address and percentage ownership of each Owner of the Franchise Partner, and their percentage ownership, if applicable):

Name	Address	Percentage Ownership
Signature	_____	%
Printed	_____	
Signature	_____	
Printed	_____	
Signature	_____	
Printed	_____	
Signature	_____	
Printed	_____	

**EXHIBIT C**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF FRANCHISE PARTNERS AND CERTAIN FORMER FRANCHISE PARTNERS  
(includes all current and former Franchise Partners)**



## List of Outlets and Franchisee Information

### Pet Butler Brand

FRANCHISE PARTNER	PHONE	LOCATION	
Scott Cockrell	256-337-0002	Harvest	Alabama
Ryan Burke	480-262-2880	Phoenix	Arizona
Sandy Aaron	480-600-6139	Gilbert	Arizona
Susan Jerrick	602-763-5513	Mesa	Arizona
Gina Osborne	951-816-0267	Tustin	California
Jason Varas de Valdes	925-584-9622	Fairfield	California
Kevin McCarthy	714-620-5685	Hungtington Beach	California
Kim Rentschler	619-546-4408	San Diego	California
Richard Raymond	951-544-6689	Moreno Valley	California
Roger Salter	310-804-8321	Los Angeles	California
Bill Ewing	561-314-9678	Boca Raton	Florida
Dan Vickers	727-744-4649	Pinellas Park	Florida
Heger Levine	239-537-1942	Naples	Florida
Kelly Brott	407-217-3246	Winter Garden	Florida
Rebecca Stewart	770-617-0528	Stone Mountain	Georgia
Rich Fernandez	208-938-5313	Meridian	Idaho
Chris Bozic	317-414-2252	Zionsville	Indiana
Shirley Ramsey	317-535-4115	Whiteland	Indiana
Darron Kitterman	515-202-7377	Des Moines	Iowa
Pat Kelly	859-983-5021	Lexington	Kentucky
John McKay	225-383-6231	Baton Rouge	Lousiana
Coby Hough	301-439-4510	Silver Spring	Maryland
Joel McCurley	248-840-3952	Birmingham	Michigan
Kyle Scappaticci	832-419-9593	Plymouth	Michigan
Ashley Anderson	989-891-7700	Bay City	Michigan
Bill Heitzman	908-247-8777	Califon	New Jersey
Aaron Thomson	732-948-6338	Brick	New Jersey
Georgeann Caperna	845-613-7679	Blauvelt	New York
Elizabeth Doddridge	419-297-2234	Sylvania	Ohio
Kathleen Simpson	937-748-4609	Springboro	Ohio
Lynne Mowery	937-271-5576	Dayton	Ohio
Pete Hulse	614-235-4835	Columbus	Ohio
John Andrade	401-644-6596	Warwick	Rhode Island
Bill Ahring	806-220-6727	Canyon	Texas
Brad Cook	713-249-8534	Pearland	Texas
Eric Hoffpauir	830-496-0305	San Antonio	Texas
Mark Hamel	214-923-3007	Bartonville	Texas
Don Stone	817-991-1874	Dallas	Texas
Kyle Scappaticci	832-419-9593	Houston	Texas
Alan Andersen	206-473-8722	Seattle	Washington

## Yellow Van Handyman Brand

FRANCHISE PARTNER	PHONE	LOCATION	
Ryan VandenBerg	480-559-0277	Phoenix	Arizona
Arthur Gemperle	778-241-8275	Surrey	British Columbia
Jeff Berkley	604-898-9885	Brackendale	British Columbia
Mark Griffioen	604-807-1754	Langley	British Columbia
Michael Murphy	604-618-3891	New Westminster	British Columbia
Nelson & David Murcia	778-668-0167	Surrey	British Columbia
Charles Tu	408-693-1160	Santa Clara	California
William Forsythe	714-225-7688	Dana Point	California
Harold Glover	912-257-3650	Savannah	Georgia
Ian Peterson	770-650-7042	Dunwoody	Georgia
Nathan Norton	404-923-0742	Lawrenceville	Georgia
Mike Stevens	978-833-1470	Warner Robins	Georgia
Fernando Salagado	773-301-3469	Chicago	Illinois
Brad Sligh	240-286-8691	Kensington	Maryland
Joshua Kaijala	978-821-2592	Gardner	Massachusetts
Alex Ufema	978-771-7936	Worcester	Massachusetts
Alex Mandara	914-962-3652	Yorktown Heights	New York
Neil Singh	516-978-9900	Westbury	New York
Phil Rodrigues	347-578-0123	Bronx	New York
Gary Overholser	631-838-5262	Ridge	New York
Timothy Guffey	336-459-9796	Burlington	North Carolina
Brian Nisinger	336-858-9689	Jamestown	North Carolina
Darryl Hammock	614-751-0264	Whitehall	Ohio
Dave Webb	614-595-0584	Hilliard	Ohio
David Higgins	740-971-9561	Edison	Ohio
Jerry McCarthy	740-404-5551	Reynoldsburg	Ohio
Mark Endsley	614-832-1705	Dublin	Ohio
Rick Sanscrainte	614-948-3595	Westerville	Ohio
Will Carrel	614-348-1592	Columbus	Ohio
Ed Larson	937-869-4691	Mechanicsburg	Ohio
Frank Stetka	330-671-4625	Reminderville	Ohio
Mike McHugh	503-200-7778	Portland	Oregon
Gordon & Anne Parker	301-789-1572	Longs	South Carolina
Dean Turner	704-301-5544	Bluffton	South Carolina
Troy Shepherd	801-455-9947	Salt Lake	Utah
Dick McKinley	425-772-1351	Mountlake Terrace	Washington
Jason Arntzen	253-761-6312	Federal Way	Washington
Robbie Truva	206-849-3182	Burien	Washington
Roger Gee	206-910-5081	Burien	Washington
Scott Steepleton	206-992-8369	Mercer Island	Washington
Sergio Bravo	425-652-5244	Renton	Washington
Shane Hendrix	253-830-4864	Tacoma	Washington
Tom Flood	206-396-2430	Bellevue	Washington
Andrey Shcherbinskiy	253-459-9733	Federal Way	Washington
Jeff Prellwitz	920-295-7194	Ripon	Wisconsin
Philip Wimer	920-277-0080	Appleton	Wisconsin
Cory Demaschke	920-573-3426	Ripon	Wisconsin
Russ Kettner	920-379-3324	Appleton	Wisconsin

### Lawn Army Brand

<b>FRANCHISE PARTNER</b>	<b>PHONE</b>	<b>LOCATION</b>	
Shan Applin	253-682-7865	Kent	Washington

### List of Former Outlets and Franchisee Information

<b>FRANCHISE PARTNER</b>	<b>PHONE</b>	<b>LOCATION</b>	
Dale Lauber, Yellow Van Handyman	509-844-4222	Spokane	Washington
Ryan Knudtson, Yellow Van Handyman	425-829-3852	Snohomish	Washington
Paul Wendt, Yellow Van Handyman	425-330-3432	Everett	Washington

List of former franchisee information includes outlets that were close due to termination, cancelation, non-renewal, voluntary closer, involuntary closure or those that cease to do business under the franchise agreement during the most recent fiscal year; or, those that have not communicated with us within the final ten weeks before the disclosure document date.

**EXHIBIT D**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT D**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

<b>STATE</b>	<b>STATE ADMINISTRATOR/AGENT</b>	<b>ADDRESS</b>
California	Commissioner of Corporations Department of Corporations	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-1105
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	201 State House, 200 W. Washington St. Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York City, NY 10271
New York (Agent)	Secretary of State of the State of New York	162 Washington Avenue Albany, NY 12231
North Dakota	Securities Commissioner	600 East Boulevard, Fifth Floor Bismarck, ND 58505
Rhode Island	Director, Department of Business Regulation, Securities Division	233 Richmond Street, Suite 232 Providence, RI 02903-4232
South Dakota	Director Division of Securities Division of Securities	118 West Capitol Avenue Pierre, SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23209
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23209
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53701

**EXHIBIT E**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**STATE AND PROVINCIAL ADDENDA**

## **CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of California and is intended to comply with California statutes and regulations.

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

2. Item 3. In addition to the information required by Item 3, neither the Franchisor, or any person 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.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 17. Item 17 of the Franchise Disclosure Document has the following additional provisions:

(a) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

(b) Any proposed termination of the Franchise Agreement for bankruptcy may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Section 101 et seq.)

(c) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(d) The Franchise Agreement (and, to the extent applicable, the Multiple Unit Franchise Agreement) requires binding arbitration to be conducted in Seattle, Washington. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

4. The Franchisor's web site is found at [www.hometask.com](http://www.hometask.com).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [www.corp.ca.gov](http://www.corp.ca.gov).

**CALIFORNIA ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT**

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_



**ILLINOIS ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations.

1. Item 17. Item 17 of the disclosure document is amended by replacing the description in the Summary column of Item 17(v) with the following:

Franchise Agreement and Multiple Unit Franchise Agreement: Litigation not subject to arbitration must be in federal district court in Illinois.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**ILLINOIS ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

Illinois law governs:

1. Venue. Section 9.3 of the Franchise Agreement is deleted.
2. Integration. Section 9.6 of the Agreement is amended by adding the phrase “except for or other than those contained in the Franchise Disclosure Document (FDD)” at the end of the sentence in such Section.
3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**MARYLAND ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

Item 22.

The Franchise Agreement requires the franchisee to sign a general release as a condition of renewal, sale, or assignment of the franchise. This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The form of release that you must sign in those situations will be substantially similar to the form attached to this page.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its \_\_\_\_\_ CEO \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**RELEASE OF CLAIMS**

**THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, HomeTask, Inc. (“we”) and \_\_\_\_\_ (“you”) enter into this Release of Claims (“Agreement”).

**RECITALS**

A. We and you entered into a HomeTask® Franchise Agreement dated \_\_\_\_\_, \_\_\_\_.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to the terms and conditions set forth below, we and you now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

**AGREEMENTS**

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** You hereby releases us, our officers, directors, shareholders, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between we and you, the offer and sale of that franchise and the franchise relationship between the parties.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of \_\_\_\_\_ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

WE:

YOU:

HomeTask, Inc.

\_\_\_\_\_

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

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

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

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

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

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

**MARYLAND ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Release. Sections 7.3 and 7.8 of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”). Specifically, Section 14-229(a)(3) of the Maryland Franchise Law, Business Regulation Article, Annotated Code of Maryland prohibits general releases by a franchisee in favor of the franchisor.

2. Venue. Section 9.3 of the Franchise Agreement is amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration will be brought in Federal District Court in Maryland.

3. Acknowledgments. Section 9.17 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

4. Bankruptcy. Item 17 of the Disclosure Document and Section 7.3 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “Any proposed termination of the Franchise Agreement for bankruptcy may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Section 101 et seq.)”

5. Claim Limit. Section 8 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

6. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful 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.

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE  
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

**Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.**

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**MINNESOTA ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of Minnesota and is intended to comply with Minnesota statutes and regulations.

1. Item 13. Item 13 of the disclosure document is amended to include the following language:

We will indemnify you for damages for which you are held liable in any proceeding arising out of the use of the “HomeTask” mark, provided you have used the Marks properly and have notified us of any claim against you within 10 days of your knowledge of the claim. We will have sole control of any litigation involving the Marks. Our indemnification obligation will not apply to any franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Item 17. Item 17 of the disclosure document is amended to include the following: “Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes Section 80C.14, subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.

Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. To the extent a dispute is subject to litigation (and not arbitration or mediation), nothing in the disclosure document or Franchise Agreement can eliminate or reduce any of your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_



**MINNESOTA ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Trademarks – Indemnification. Section 3 of the Franchise Agreement is amended to include the following language:

We will indemnify a Minnesota franchisee for damages for which such Franchise Partner is held liable in any proceeding arising out of the use of the “HomeTask” mark, provided that you have used the mark properly and has notified us of any claim against you within ten (10) days of your knowledge of such claim. We will have sole control of any litigation involving the Trademarks. Our indemnification obligation will not apply to any Franchise Partner residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Application of Minnesota Law. Sections 7.3 and 7.8 of the Franchise Agreement are amended by adding the following sentences at the end of each Section: “Minnesota law provides franchisees with certain termination and nonrenewal rights. Minnesota Statutes Section 80C.14, subs. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.”

3. Venue. Section 9.3 of the Franchise Agreement is deleted.

4. Governing Law. Section 9.4 of the Franchise Agreement is amended by adding the following provision at the end of such Section: “Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit non-arbitrable matters to the jurisdiction of the courts in Minnesota. Minnesota statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota.”

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

## NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations.

1. Item 3. Other than as already disclosed in Item 3 of the Franchise Disclosure Document, neither we, our predecessor, or any person identified in Item 2:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, anti-trust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the Franchise system or its business of operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within a ten (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, anti-trust, or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. 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, anti-trust, trade regulation or trade practices 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 associations 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 effecting a license as a real estate broker or sales agent.

2. We represent that this Franchise Disclosure Document does not knowingly omit any material fact or contain any untrue statement of a material fact.

3. Item 17(c). Item 17(c) of the Franchise Disclosure Document is amended to provide that all rights arising in your favor from the provisions of Article 33 of the Gen. Bus. Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of Gen. Bus. Law sections 687.4 and 687.5 be satisfied.

4. Item 17(j). Item 17(j) of the Franchise Disclosure Document is amended to provide that no assignment will be made by us, except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**NEW YORK ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Release. Sections 7.3 and 7.9 of the Franchise Agreement are amended to provide that all rights enjoyed by you and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the applicable nonrenewal or termination provisions of the General Business Law be satisfied.

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**NORTH DAKOTA ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the State of North Dakota and is intended to comply with North Dakota statutes and regulations.

1. Item 17. Item 17 of the disclosure document is amended by the addition of the following:

In North Dakota, Items 17(c) and (m) are amended to provide that we cannot require you to sign a release as a condition to renewal or transfer. In addition, the Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. These provisions may not be enforceable in North Dakota. Finally, in North Dakota, Items 17(u) and (v) are amended to provide that we cannot require you to agree in advance to mediate or arbitrate disputes or agree to litigation outside the State of North Dakota.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its \_\_\_\_\_ CEO \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

**NORTH DAKOTA ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Covenant Not to Compete. Section 9.1 of the Franchise Agreement is amended to provide that covenants not to compete upon termination or expiration of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.
2. Mediation. Section 8.1 of the Franchise Agreement is amended by replacing the phrase “at our corporate headquarters in King County, Washington” with the phrase “a site mutually agreeable to the parties” in the third sentence of such Section.
3. Venue. Sections 9.3 of the Franchise Agreement is deleted.
4. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**RHODE ISLAND ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Venue. Section 9.3 of the Franchise Agreement is amended by the addition of the following sentence: “Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a ‘provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under this Act.’”

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_

**WASHINGTON ADDENDUM TO  
HOMETASK® FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

Other Modifications

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.
2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.
3. A release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a trial by jury, may not be enforceable.
4. Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.
5. 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.

Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

WE:

YOU:

HomeTask, Inc.

By \_\_\_\_\_  
Its CEO

By \_\_\_\_\_

By \_\_\_\_\_



**EXHIBIT F**

to

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE PARTNER OPERATIONS MANUAL  
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## Franchise Partner Operations Manual

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**EXHIBIT G**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**CONDITIONAL ASSIGNMENT OF FRANCHISE PARTNER'S  
TELEPHONE AND DIRECTORY LISTINGS**

**EXHIBIT G**  
**CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS**

In consideration of HomeTask, Inc. ("We") concurrently granting a HomeTask franchise ("Business") to \_\_\_\_\_ ("You"), and other valuable consideration, We assign to You all telephone numbers, directory listings, fax numbers, Internet web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by You in the operation of the Business. You assume the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally issued to us. This Assignment is valid on the effective date and is irrevocable. We may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

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

**WE:**

**YOU:**

**HOMETASK, INC.**

\_\_\_\_\_

Sign: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: Jerrod Sessler

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

Title: CEO

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

Sign: \_\_\_\_\_

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

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

**EXHIBIT H**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**DISCLOSURE ACKNOWLEDGMENT AGREEMENT**

**EXHIBIT H**

**DISCLOSURE  
ACKNOWLEDGMENT AGREEMENT\***

Applicant \_\_\_\_\_  
(If corporation) State of Incorporation \_\_\_\_\_  
Address of Applicant \_\_\_\_\_  
Location (Territory) Applied For \_\_\_\_\_

1. I have received all appropriate disclosure documents for the State(s) of \_\_\_\_\_ at my first personal meeting with HomeTask, Inc. (“HomeTask”) and have had at least fourteen (14) days before signing the Franchise Agreement and/or payment of any monies.

2. I have signed and returned to HomeTask the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of HomeTask’s covenants and obligations and my obligations as a franchise partner of the HomeTask® system. I understand that the Franchise Agreement contains all obligations of the parties and that HomeTask does not grant to me under the Franchise Agreement any right of first refusal.

4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend largely upon me and my ability.

5. If HomeTask materially altered the provisions of the basic Franchise Agreement or any related agreements attached to the disclosure document (except as a result of negotiations I initiated) before I signed the Franchise Agreement, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.

6. I understand that HomeTask has a national marketing and promotional program which is not directed towards any specific franchise territory but is intended to benefit the entire HomeTask® system nationwide. I further understand that amounts from the national marketing and promotional fund will be used to offset in-house expenses incurred in providing marketing services, media planning, and network marketing support.

7. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

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Applicants' Acknowledgment:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\* These representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or the Maryland Franchise Registration and Disclosure Law.

**EXHIBIT I**

**to**

**HOMETASK, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPT**



## Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HomeTask, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Under Iowa, Michigan, New York, Oklahoma, Oregon, Rhode Island, Washington and Wisconsin law, if applicable, this period may be 10 business days, which could be longer than 14 calendar days. In addition, under Iowa, Maryland, New York, Oklahoma and Rhode Island, law, if applicable, we may be required to provide this disclosure document to you at your first personal meeting to discuss the franchise.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit D.

The franchisor is HomeTask, Inc. located at 611 SW 152nd St., Seattle, Washington 98166. Its telephone number is (206) 763-6800.

Our franchise seller is Jerrod Sessler or designated, 611 SW 152nd St., Seattle, Washington 98166, (206) 763-6800.

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document with an issuance date of March 5, 2013 that included the following Exhibits:

- |   |   |
|---|---|
| A) Financial Statements   | E) State and Provincial Addenda   |
| B) Franchise Agreement  | F) Manual Table of Contents   |
| C) List of Franchise Partners and Certain Former Franchise Partners | G) Conditional Assignment of Franchise Partner's Telephone and Directory Listings |
| D) List of State Administrators and Agents for Service of Process   | H) Disclosure Acknowledgment Agreement  |
|   | I) Receipt  |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

Copy for Franchise Partner

## Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HomeTask, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Under Iowa, Michigan, New York, Oklahoma, Oregon, Rhode Island, Washington and Wisconsin law, if applicable, this period may be 10 business days, which could be longer than 14 calendar days. In addition, under Iowa, Maryland, New York, Oklahoma and Rhode Island, law, if applicable, we may be required to provide this disclosure document to you at your first personal meeting to discuss the franchise.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit D.

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|   | I) Receipt  |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

Copy for HomeTask, Inc.

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to HomeTask Licensing Department by email to [franchise@hometask.com](mailto:franchise@hometask.com) or by fax to (206) 763-6883.