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FRANCHISE DISCLOSURE DOCUMENT

WOW 1 DAY PAINTING LLC
a Washington limited liability company
301 - 887 Great Northern Way
Vancouver, BC, Canada V5T 4T5
1-888-WOW-1DAY (1-888-969-1329)
franchise@wow1day.com
www.wow1day.com

We offer franchises for the operation of professional commercial and residential painting businesses under the name "WOW 1 DAY PAINTING."

The total investment necessary to begin operation of a WOW 1 DAY PAINTING franchised business is $67,000 to $129,500. This includes initial fees of $47,000 to $71,000 that must be paid to us or our affiliate. If we grant you additional subterritories, these costs will increase by $12,000 per subterritory.

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 our Franchise Development Manager at 301 - 887 Great Northern Way, Vancouver, British Columbia, Canada, V5T 4T5; or by phone at 1-888-969-1329.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 23, 2020, as amended July 21, 2020

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only WOW 1 DAY PAINTING business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a WOW 1 DAY PAINTING franchisee?	Item 20 or Exhibit A lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Washington. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Washington than in your own state.

2. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" in Exhibit I to see whether your state requires other risks to be highlighted.

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ITEM 1. The Franchisor and any Parents, Predecessors, and Affiliates

To simplify the language in this disclosure document "Company," "us," "our" and "we" means WOW 1 DAY PAINTING LLC, a Washington limited liability company, the Franchisor. "1Day Corporate" means WOW 1 DAY Painting Inc., a British Columbia, Canada corporation, our parent company. "You" means the person who buys a franchise. If you are a corporation, partnership, or other entity, "you" includes your owners.

The Franchisor, its Predecessors and Affiliates

Company was formed on December 1, 2010 as 1-888-WOW-1DAY! LLC. On March 5, 2014 we changed our name to WOW 1 DAY PAINTING LLC and we conduct business under that name. Our principal business address is 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5. We grant franchises to qualified candidates in the United States for the operation of franchises (the "Franchised Business") using the System and identified by the name WOW 1 DAY PAINTING and have offered these franchises since November 2010. We have no other business activities and have not operated businesses of the type being franchised. We are a wholly-owned subsidiary of 1Day Corporate. 1Day Corporate is owned by 0766143 BC Ltd. and 0848700 BC Ltd. 1222072 BC Ltd. owns the majority interest in 0766143 BC Ltd. The principal business address for 1Day Corporate, 0766143 BC Ltd., 0848700 BC Ltd. and 1222072 BC Ltd. is 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5.

Our predecessor, One Day Franchising Inc., was formed in 2010 and in October 2010 sold its assets to our parent, 1Day Corporate, which now owns the System and related marks, including the trademark "WOW 1 DAY PAINTING," and licenses them to us for our exclusive use and sublicensing in the United States. 1Day Corporate does not offer franchises in any line of business in the United States. One Day Franchising Inc. has a principal business address at 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5. One Day Franchising Inc. and 1Day Corporate do not have any prior business experience, do not offer franchises in any line of business, nor do they provide products or services to our franchisees.

Our affiliate, O2E Brands Inc. ("O2E Brands") is a British Columbia, Canada company incorporated on April 15, 2014 with a principal place of business at 301 - 887 Great Northern Way, Vancouver, BC, Canada, V5T 4T5. O2E Brands provides shared franchise services, such as marketing, human resources, business technology, legal and finance to all franchised brands founded by the co-founder of WOW 1 DAY PAINTING, Brian Scudamore, including to the WOW 1 DAY PAINTING system.

Our agents for service of process are disclosed in Exhibit D to this disclosure document.

The System

The WOW 1 DAY PAINTING system is a unique method for operating and franchising professional commercial and residential painting services (the "System"). Our main competitive advantage over other painting companies is the way we deliver our service. We complete most projects in one day. WOW 1 DAY PAINTING projects are completed by means of combining a strategic operating plan and a sufficient number of trained staff to carry out the plan. The System includes proprietary software, brand development, training, business processes, marketing programs, and access to the exclusive service of the call center and online booking system (the "Sales Center"), as well as the mark "WOW 1 DAY PAINTING" and related marks (collectively, the "Marks"). 1Day Corporate manages the Sales Center in Vancouver, BC on our behalf, which receives telephone, web-based and faxed orders and acts as a "point of sale" contact for each customer. The Sales Center schedules all appointments, maintains a detailed client database, conducts follow-

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up calls with all customers to gauge customer satisfaction and provides you with detailed reports so that you may more effectively manage the Franchised Business. We leverage a national Sales Center, operate a sophisticated web-based dispatch system, and provide you with a comprehensive training program and ongoing business coaching and support.

You will operate your WOW 1 DAY PAINTING franchised business in an assigned territory. Your Territory will generally consist of two to four subterritories. A subterritory is a geographic area we determine based on recently published census data. A territory consisting of two subterritories is typically the minimum territory you may purchase.

Market and Regulatory Matters

The market for your services is competitive and developed. You will be competing with other painting business, including local painting companies, individuals performing painting services, other franchised painting operations, as well as seasonal student painting companies. In particular, your main competitors include: Certa Pro Painters, Five Star Painting, 360 Painting, College Pro (and other student painting companies) and Fresh Coat Painting. All of these companies are franchised operations with a range of 13-300 franchises each.

Each municipality has divisions that monitor business and trades to ensure they follow all applicable laws. Each jurisdiction will issue a business license if required. You should consult your own local authority's licensing and standards division for licenses or permits to do business, assumed name registrations and obtain sales tax permits. We are aware of industry specific regulations including, but not limited to, labor and wage laws, health and safety and sanitation regulations, and safety requirements. There may be specific laws or regulations in your state or municipality regarding the operation of the Franchised Business. The laws in your state or municipality may be more or less stringent. You should examine these laws before purchasing a franchise from us. You may be required to obtain licenses, registrations, authorizations and permissions required under applicable federal, state or local laws to operate your Franchised Business. Some states, such as California, require that all contractors be licensed. Also, all employees are required by federal law to complete lead paint training.

You will be required to research and to follow all pertinent local, state and federal laws and regulations specific to your business. You will also be required to comply with all general business and commercial vehicle licensure laws and regulations. The Franchised Business will perform professional commercial and residential painting services (the "Services"). We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, and regulations are subject to change, you must be aware of all regulations and keep apprised of changes that may have an impact on the Franchised Business. We have not determined the licensing requirements in your proposed Territory, or whether it is possible to obtain necessary licenses. You are solely responsible for determining licensing requirements in your proposed Territory before you sign the Franchise Agreement. You may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

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ITEM 2. Business Experience

Chief Executive Officer/ Director; Member of Board of Directors: **Brian C. Scudamore**

Brian Scudamore co-founded Company in December 2010 and has served as its Chief Executive Officer and as director since its formation. He has served as CEO 1-800-GOT-JUNK? in Vancouver, B.C. since 1989. Mr. Scudamore has served as the CEO of 1-800-GOT-JUNK? LLC since October 1998 and of Shack Shine Home Services LLC since July 2015, both located in Vancouver, B.C. Mr. Scudamore has served as the Chief Executive Officer of O2E Brands since April 2015.

Chief Operating Officer: **Erik Church**

Erik Church co-founded Company in December 2010 and became Chief Operating Officer in November 2011. Mr. Church has also been Chief Operating Officer of O2E Brands since April 2014. He has also served as Chief Operating Officer of 1-800-GOT-JUNK? LLC since November 2011 and of Shack Shine Home Services LLC since July 2015, both located in Vancouver, B.C.

Managing Director, Corporate Operations: **James Alisch**

James Alisch joined Company in February 2014 as Managing Director, Corporate Operations. He has also been Managing Director; Corporate Operations of Shack Shine Home Services LLC since December 2017, located in Vancouver, B.C.

Executive Vice President, Customer and Strategy of O2E Brands: **Owen Gormley**

Owen Gormley has served as Executive Vice President of Customer and Strategy for O2E Brands since July 2018. Prior to that, Mr. Gormley served as the Vice President of Strategy and Business Operations for O2E Brands from April 2015 to July 2018. Prior to that, Mr Gormley served as the Director of Strategy and Implementation for O2E Brands from July 2014 to April 2015.

Senior Manager, Franchise Development: **Cameron Wears**

Cameron Wears joined us in January 2012 and was Senior Manager, Franchise Partner Recruitment until December 2017, when he was promoted to Senior Manager of Franchise Development. He has also been the Senior Manager of Franchise Development for Shack Shine Home Services LLC since December 2017, located in Vancouver, B.C.

Vice President, Operations: **James Graham**

James Graham joined Company in February 2015 and was Director, Field Operations until December 2017, when he was promoted to Vice President, Operations. Before joining us, Mr. Graham owned and operated Fresh Painting from April 2010 to January 2015 in Toronto, Ontario, and also served as Business Development Manager for LoyaltyOne in Toronto, Ontario from November 2013 to April 2014. Mr. Graham served as Client & Partner Development Manager for AIMIA in Toronto, Ontario and Sydney, Australia from December 2011 to October 2013.

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Director, Operations: **Leigh Adler**

Leigh Adler joined Company in January 2011 and was Operations Manager for the Sales/Call Center until December 2017, when he was promoted to Director of Operations. In January 2014 Mr. Adler became our Start-Up Operations Manager.

ITEM 3. Litigation

Val DiNardo v. WOW 1 Day Painting LLC. Case Number 2:16-cv-01600-JLR, United States District Court, Western District of Washington at Seattle. The action was commenced June 16, 2016 when the plaintiff returned a Writ, Summons and Complaint in the Superior Court of Connecticut, Judicial District of Hartford at Hartford. WOW 1 Day Painting LLC removed the action to the United States District Court for the District of Connecticut on June 22, 2016. On October 11, 2016, the action was transferred to the United States District Court for the Western District of Washington at Seattle. The plaintiff, a franchisee, alleged that WOW 1 Day Painting LLC intentionally or recklessly made material misrepresentations or omissions, which he alleged also constituted a deceptive act or practice under Connecticut statutory law, failed to comply with the Connecticut Business Opportunity Investment Act, and refused to honor the plaintiff's notice of intention to void the Franchise Agreement. The plaintiff sought actual damages, punitive damages pursuant to Connecticut statute, avoidance of the Franchise Agreement, a return of all funds, and attorneys' fees and costs. WOW 1 Day Painting LLC counterclaimed against the plaintiff, alleging breach of contract, an action on accounts receivable, and sought damages, injunctive relief, attorneys' fees and costs. On January 23, 2018, the United States District Court for the Western District of Washington in Seattle granted WOW 1 Day Painting LLC's motion for summary judgment and dismissed all of the plaintiff's claims against WOW 1 Day Painting LLC. The counterclaims that WOW 1 Day Painting LLC asserted against the plaintiff were subsequently dismissed without prejudice to possible refiling in state court. On March 22, 2018, WOW 1 Day Painting LLC filed a Complaint against Val DiNardo and DiNardo Painting, LLC in the Superior Court of King County, Washington, Case Number 18-2-07362-6 SEA, alleging breach of contract, tortious interference, and also seeking injunctive relief. On August 24, 2018, WOW 1 Day Painting LLC obtained a Judgment by Default against the defendants.

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

ITEM 4. Bankruptcy

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5. Initial Fees

The initial franchise fee is a minimum of $32,000, which includes $20,000 for the first subterritory, plus $12,000 for one additional subterritory. The minimum initial investment is a territory consisting of two subterritories. We may allow you to purchase additional subterritories, in our sole discretion, for $12,000 per subterritory. The initial franchise fee of $20,000 for the first subterritory is payable to us in a lump sum when you sign the Franchise Agreement. The fee for additional territories is payable to us on the due date mutually agreed upon and set forth in the Franchise Agreement. These fees are not refundable. Except as noted herein, each portion of the initial franchise fee is fully earned upon receipt.

The range of initial franchise fees payable for franchise agreements signed in the year ending December 31, 2019 was between $30,000 and $56,000.

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If you are granted multiple subterritories within which to operate the Franchised Business, we may (in our sole discretion) allow you to pay the initial franchise fee with respect to some of the subterritories in equal monthly installments for a period not to exceed one year. We may not allow you to operate or service customers in any such subterritories until you pay the initial fees for those subterritories in full.

You must also pay to us before you open $15,000 for Initial Marketing Expenses. We will spend this amount in your area to market and promote your Franchised Business before you open and during the first 6 months after you begin business. If you purchase additional subterritories, or are in a brand new major market, we may recommend that you spend an additional $5,000 for Initial Marketing Expenses. The Initial Marketing Expense monies are non-refundable.

ITEM 6. Other Fees

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	6% of Gross Revenue. See Note 1.	Semi-monthly within three business days of the 15th day and the last day of each month	Paid by electronic fund transfer.
Minimum Royalty	Depending upon your year of operation, the Minimum Royalty will range from $2,000 to $4,200 per Subterritory per calendar year. The amount payable by you is the amount the Minimum Royalty exceeds the amount of Royalties actually paid by you in any year of operations. See Note 2.	On or before January 15th of the following year	This is only payable if the Royalties actually paid by you in a year of operations are less than the Minimum Royalty.

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Name of Fee	Amount	Due Date	Remarks
Sales Center, Marketing & Technology Fee	5% of Gross Revenue	Same as Royalty	We use and expend these amounts to cover costs associated with the Sales Center and CRM System and related current or new technology and systems; advertising and promotion and related activities, public relations, website and social media brand account message management; loyalty programs; gift card programs; marketing, recruiting and managing National Account Customers and local commercial services; and administrative costs related to these expenditures
Branding Cooperative	Up to 3% of Gross Revenue in aggregate	As determined by us	Only imposed if we authorize franchisees in a particular area to establish a branding cooperative and 65% of the involved franchisees (calculated on a gross revenue basis) subject to the branding cooperative consent to paying fees. This is paid as directed by the Franchisor. These amounts may be credited towards Local Marketing obligations. Any franchisor-owned outlets in an area subject to a branding cooperative will pay into and vote in the same manner as franchised outlets. You will not be required to contribute more than 3% of your Gross Revenue in the aggregate for all branding cooperatives to which you belong.

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Name of Fee	Amount	Due Date	Remarks
Additional Training and Retraining	Payment for additional training or retraining at our then current training fee (currently up to $500 per person per day), plus our related out-of-pocket costs including all transportation, lodging and meal expenses incurred by our personnel	Within 30 business days of billing by Franchisor	There is no separate charge for initial training for the Principal Operator and any other director, officer, or shareholder that we require. The costs of transportation, accommodations, meals and living expenses associated with additional training, for which you are responsible, are not disclosed since they will vary greatly depending upon the timing of the training and your location in relation to Vancouver, BC, the site of training.
Transfer Fee	$10,000	You are required to pay $2,500 upon announcing your intention to sell, and the balance upon transfer.	
Transferee Administrative Fee	$5,000	Payable before and as a condition of any assignment	We may charge this fee to an assignee
Renewal Fee	$7,500	At least 30 days before expiration of current term.	This fee is partly intended to defray legal and administrative costs incurred by us when you renew your franchise agreement.
Audit Expenses	Costs of examination or audit (approximately $1,500 to $5,000 but may be more), plus any deficiency in amounts that should have been paid to us	Upon demand	Audit costs are payable only if the audit reveals a material deficiency in any report delivered by you.

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Name of Fee	Amount	Due Date	Remarks
Failure to Report Fee	5% of the Royalty, the Sales Center, Marketing & Technology Fee and other amounts payable to us during the applicable semi-monthly period	Upon demand	Payable if you fail to submit a semi-monthly report as required by the Franchise Agreement
Interest on late payments	Lower of 24% per annum or highest rate allowed by the state where you are located	Upon demand	Payable on all overdue amounts accruing from the date payment is due until payment is received by us.
Reimbursement for Declined Transfers	Amounts payable that were declined plus all costs incurred by us in connection with such declination, including any reasonable administrative fee we may set periodically	Upon demand	Payable if your electronic funds transfer is declined by your bank for any reason
Annual Conference	$1,500 to $2,000, plus costs associated with attendance	As incurred	This fee is intended to reimburse the Franchisor for the cost of holding annual conference. This will generally include hotel and some meals and will generally not include travel, entertainment, and salaries. You must send attendees for each Franchised Business.
Management Assistance	$1,000 per day plus out-of-pocket expenses	Within 7 days of invoice	Payable if we exercise our right to run your Franchised Business. See Section 20.7 of the Franchise Agreement.

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Name of Fee	Amount	Due Date	Remarks
Liquidated Damages – Breach of Standards	$25 -$2,000, depending upon the breach	Upon demand	Payable if we determine that you have contravened a standard set out in the Franchise Agreement or Operations Manual. Amount of damages depends upon the nature of the violation.
Liquidated Damages – Termination	Will vary under circumstances	As incurred	If the Franchise Agreement is terminated due to your default, you pay liquidated damages equal to 100% of the Royalties and 30% of the Sales Center, Marketing & Technology Fees that would have been due for the remainder of the term but for the termination, based on the average monthly Royalties (or Minimum Royalty, if greater) and Sales Center, Marketing & Technology Fees paid during the 12 months prior to termination.
Indemnity	Depends upon the size of the loss for which you are required to indemnify us	Upon demand	You must indemnify us for losses incurred by us that arise out of your operation of the Franchised Business.
Proposed Supplier Evaluation	Varies, depending on proposed supplier and cost of products to be evaluated	As incurred	We may require you to reimburse us for reasonable expenses we incur in approving new items and/or suppliers.

Note 1: Gross Revenue is defined in the Franchise Agreement to mean "the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value) or otherwise, of all sales from or in connection with the operation of the Franchised Business (including, but not limited to, the sale of any Services from or in connection with the operation of the Franchised Business). No deductions shall be allowed from Gross Revenue except for the following: sums collected by or on behalf of Franchisee for any duly constituted governmental authority on account of sales taxes, goods and services taxes or other taxes imposed directly upon the sale of goods or services (or both) from the Franchised Business, provided that the amount of any such tax has in fact been paid or otherwise accounted for by Franchisee to the appropriate governmental authority; the amount of any refund or credit given in respect of any services or products provided to a customer of the Franchised Business for which a refund of the

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whole or part of the purchase price is made or for which a credit is given as long as such refund or credit is given in accordance with Franchisor's policies and procedures in relation to refunds set out in the Operations Manual; amounts for uncollected or uncollectable credit accounts as long as such credit accounts are deemed uncollected or uncollectable in accordance with Franchisor's policies and procedures in relation to uncollected or uncollectable credit accounts set out in the Operations Manual; and amounts uncollected for a customer of the Franchised Business due to discount coupons that were approved for use in advance by Franchisor. Where the operation of the Franchised Business has been interrupted, all sales assumed to have been lost by Franchisee by virtue of such interruption, being the basis upon which an insurer has paid business interruption insurance, shall also be included in the calculation of Gross Revenue."

Note 2: The Minimum Royalty is the following amount multiplied by the number of subterritories in your Territory: (i) $2,000 in the calendar year which the Franchised Business commences operations, pro-rated as necessary to account for operations for a partial calendar year only, (ii) $2,600 in the second calendar year of operations, (iii) $3,200 in the third calendar year of operations, (iv) $3,800 in the fourth calendar year of operations, and (v) $4,200 in each calendar year thereafter (including any calendar year during any Renewal Term, except as otherwise specified in any renewal agreement).

Unless otherwise noted, all fees are imposed by and payable to Company, are uniformly imposed, and are non-refundable.

ITEM 7. Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee (Note 1)	$32,000	$56,000	Lump sum	At signing of Franchise Agreement.	Company
Initial Marketing Expense (Note 2)	$15,000	$20,000	As arranged	At signing of Franchise Agreement.	Company
Computer Hardware and Software (Note 3)	$1,000	$3,000	As arranged	As incurred	3rd Party Vendors
Vehicles & Graphics Lease/Purchase Deposit (Note 4)	$0	$5,000	Monthly Lease	Monthly	Dealer/Seller/Lessor/ Finance Company
Real Estate/Rent (Note 5)	$0	$3,000	As arranged	As arranged	Landlord/Lessor
Training Expenses (Note 6)	$3,000	$6,000	As required by vendors	Before Opening	3rd Party Vendors
Insurance (Note 7)	$1,000	$4,000	As arranged	As arranged	3rd Party Vendors
Office Equipment and Supplies (Note 8)	$0	$1,000	As arranged	Before opening	3rd Party Vendors

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Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Licenses and Permits (Note 9)	$500	$2,000	As arranged	As incurred	Governmental authorities
Professional Fees (Note 10)	$2,000	$5,000	As arranged	As incurred	Lawyers, accountants, other professionals, etc.
Equipment (Note 11)	$2,500	$4,500	As arranged	As incurred	Local organizations
Additional Funds – 3 Months (Note 12)	$10,000	$20,000	As required by vendors and employees	As incurred	Employees, Suppliers, Utilities
TOTAL (Notes 13 and 14)	$67,000	$129,500			

Notes:

(1) The Initial Fee ranges from $32,000 for a Territory consisting of two Subterritories, to $56,000 for a Territory consisting of four Subterritories. The minimum initial investment is two Subterritories. See Item 5.

(2) The initial marketing expense will be used by us to market and promote the Franchised Business prior to and/or during the first 6 months of operation. If you purchase additional subterritories, or are in a brand new major market, we may recommend that you spend an additional $5,000 for Initial Marketing Expenses.

(3) You must establish and maintain a high speed Internet connection for use in connection you're your Franchised Business, and establish and operate such software, computer, communications and other systems hardware and software that we prescribe. These amounts represent the estimated cost to purchase and establish this equipment. Item 11 describes the required computer hardware and software in greater detail. You must purchase a cell phone for use in connection with the Franchised Business, and you will be responsible for all costs associated with the use and maintenance of the cell phone. Upon termination or expiration of the Franchise Agreement, we may, at our option, purchase the cell phone number from you for fair market value, or require that you cancel the cell phone number, the costs or penalties of which will be your paid by you.

(4) The above figures assume you lease one vehicle and represent the initial lease deposit for that vehicle. Some franchisees with good credit and who meet certain other vendor requirements may be able to lease a vehicle with no payments for the first six months of the lease term, as represented by the low end estimate of $0 shown above. Costs may vary substantially, especially if you elect to purchase a vehicle rather than lease one. You must purchase or lease vehicles which meet our standards and specifications, and you are required to use only those vehicles in the operation of any part of the Franchised Business. You are permitted to use those vehicles only for the Franchised Business and for no other reason. You are required to abide strictly to our vehicle requirements and standards, including our requirements for the vehicles to be decorated with our approved graphics package. Your vehicles shall be outfitted, wrapped and/or decaled to our specifications, the cost of which is included in the above estimated figures. Please see Section 5 and Schedule C of the Franchise Agreement for further details.

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(5) You may want to operate from a home-based office, in which case, there would be no cost to you for rent. However, if you choose to rent office space, then you must pay all rent and other fees payable under the lease. We cannot estimate the amount of rent, as it will vary depending on a number of factors, including size, condition and location of the facility. If you do not have sufficient storage space at your designated office then we recommend that you rent a 20' by 10' storage garage, which we estimate would cost $250 per month. Alternatively, you may rent a designated office space, which we estimate would cost $500 per month. Prices for storage garages and office space may vary greatly.

(6) Training fees for your Principal Operator and any other director, officer, or shareholder of your entity that we require, is included in your Initial Fee; however, you are responsible for your travel, accommodations and meals while training at our training facility. Costs will vary depending on your proximity to British Columbia and the number of people attending training. These expenses are typically not refundable. Per person expected costs are based upon a 15-day estimated stay, with shared accommodations from $100-200 per night; one meal per day (we provide breakfast and lunch during training); air transportation at $500-1,000 per person, and shared local transportation at $10-25 per day.

(7) You must obtain and maintain at all times during the term of your franchise the types of insurance policies or coverages and the minimum policy limits or maximum deductibles of any policy as specified in the Operations Manual ("Coverages"), which are apt to change from time-to-time. You must also maintain at all times all insurance policies as required by the law in which your Franchised Business is operated. You must name us and our affiliates, agents, representatives, shareholders, directors, officers and employees as additional insureds The following are our current minimum requirements for Coverages, which are may change periodically:

Type	Coverage
Comprehensive Liability	not less than $2,000,000 per occurrence
Business Interruption	As required by Franchisor
Vehicle Liability	Not less than $1,000,000 or as required by Franchisor
Worker's Compensation	As required by state law
Employers Liability Insurance	As required by Franchisor; not less than $1,000,000
Other	As required by Franchisor

(8) The cost of office equipment and supplies will depend on whether you already have such items (such as a desk, stationary, etc.).

(9) Government agencies typically charge fees for permits and operating licenses. Your actual costs may vary from the estimates based on the requirements of federal, state and local government agencies. See also Item 1 of the Disclosure Document.

(10) You will need to retain a lawyer, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rates of local lawyers, accountants and consultants. These fees are typically non-refundable.

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(11) The equipment includes items such as indoor and outdoor ladders, pressure washer, sander, paint sprayer and general sundry supplies.

(12) This estimates your initial operating expenses, including working capital, during the initial start-up months. Your costs will depend on factors such as: following our methods and procedures; your management skill, experience and business knowledge; local economic conditions; local market for services; prevailing wage rate; competition; sales level reached during the initial period; and lease rates for your Franchised Location, vehicle and computer and communications equipment. Additional Funds relate only to costs associated with the Franchised Business and do not cover any owners' draw or personal, "living," unrelated business or other expenses you may have, such as royalty payments, debt service on any loans, state sales and/or use taxes on goods and service, and a variety of other amounts not expressly described and included in the notes above.

(13) We relied on the experience of our franchisees in the United States to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. You will also have to pay for insurance on your truck and equipment, public liability and property insurance for your franchise, and fuel and maintenance costs for your truck. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting your business.

(14) Unless otherwise noted, all fees payable to us are nonrefundable under any circumstances. Refundability of fees paid to third parties, however, will depend on your negotiation with each party. Neither Company nor its affiliates generally offer financing of all or part of the initial investment.

ITEM 8. Restrictions on Sources of Products and Services

You must purchase or lease certain items for your Franchised Business from our approved supplier(s) or satisfying our specifications. All orders for Services and customer inquiries must be placed and processed using our designated Sales Center, and our designated customer relationship management system (the "CRM System"). We are the only approved supplier of the Sales Center and CRM System. Items you must purchase from our approved suppliers include paint and painting supplies, vehicles, signage, uniforms, credit and debit card processing services, communications equipment, and marketing materials. Sometimes we will provide only specifications, and it will be up to you to find suppliers that meet our specifications for items such as vehicles, tools, equipment, insurance, computers, communications equipment, and credit card processing software. Sometimes we may recommend a supplier, but we will not require you to use that supplier, while other supplier relationships are mandatory. We reserve the right, in the future, to serve as, to change, or to designate, an approved supplier for any of these items.

Specifications and standards for these items are included in the Operations Manual, and may be updated or modified periodically by us. Our criteria for supplier approval, as may be needed, may also be included in the Operations Manual, or may be requested from us directly in writing on a case by case basis. The intent of the specifications, standards and supplier approval is to create brand consistency throughout North America. The criteria we apply to designate or approve a supplier include: the ability meet our standards, specifications and supply commitments; the integrity of ownership (to ensure that the supplier's association with us will not be inconsistent with our image or damage our goodwill); financial stability; and the negotiation of a mutually satisfactory license to protect our intellectual property.

We will advise you within a reasonable time (no more than 30 days) whether the proposed items and supplier(s) meet our specifications, and our approval will not be unreasonably withheld. You will be notified in writing of our approval or disapproval and any revocation of approved suppliers. Suppliers

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must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System's specifications will result in the termination of an approved supplier's status. We reserve the right to require you to reimburse us for reasonable expenses we incur in approving new items and/or suppliers.

In our fiscal year ended December 31, 2019, we received no revenue from our franchisees for required purchases and leases. Our parent, 1Day Corporate, received $497,086 in revenue from fees paid by our franchisees for required purchases and leases.

We currently negotiate purchase arrangements with some suppliers for the benefit of our franchisees. We intend to negotiate additional volume discounts for our franchise system, which may involve rebates paid directly to us. Currently we may receive payments from certain suppliers ranging from 1% to 6% of required purchases and leases of products and services made by our franchisees; in the year ending December 31, 2019, such payments we received totaled $84,078, which was approximately 3.7% of our total revenues of $2,282,773.

We are not currently an approved supplier of any items for use in the Franchised business, and except for the Sales Center and CRM System, neither are our affiliates. Our CEO, Brian Scudamore, owns a majority interest in our parent, 1Day Corporate, but otherwise, none of our officers own an interest in any of our suppliers. The purchase and lease of items from approved suppliers or that meet our specifications are anticipated to represent approximately 70% to 85% of your total expenses in connection with the establishment of the Franchised Business, and approximately 45% to 55% of your total expenses in connection with the ongoing operation of the Franchised Business.

There are no purchasing or distribution cooperatives.

We do not provide material benefits to you based solely on your use of designated or approved sources.

ITEM 9. Franchisee's Obligations

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	2.1 - 2.3; 4	Items 7, 8 and 11
b.	Pre-opening purchases/leases	4.1; 5; 14.7; Schedule C	Items 7 and 8
c.	Site development and other pre-opening requirements	N/A	N/A
d.	Initial and ongoing training	11; 14.3; 16.2	Item 11
e.	Opening	2.5	Item 11
f.	Fees	2.2; 3; 7.1(bb); 9.4; 10; 11; 14.7; 19.2(b) and (c); 20.4(c) and (d); 20.7; 23.1	Items 5 and 6

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	Obligation	Section in Agreement	Disclosure Document Item
g.	Compliance with standards and policies/Operating Manual	2.1; 7.1; 8.6; 13	Item 11
h.	Trademarks and proprietary information	2.1; 7.1; 12.3; 12.9; Schedule A	Items 13 and 14
i.	Restrictions on products/services offered	2.3; 6; 12	Items 8 and 16
j.	Warranty and customer service requirements	7.1(b); 23.23	Item 11
k.	Territorial development and sales quotas	2.2	Items 6 and 12
l.	Ongoing product/service purchases	7.1(k); 9; 16.1	N/A
m.	Maintenance, appearance and remodeling requirements	4.1; 5; 7.1(f) and (g)	Item 11
n.	Insurance	15	Item 7
o.	Advertising	7.1; 10	Items 6 and 11
p.	Indemnification	22	Item 6
q.	Owner's participation/management/staffing	7.1; 11, 12	Item 15
r.	Records and reports	8	Item 11
s.	Inspections and audits	8.5; 8.6; 12.4; 14.4	Items 6 and 11
t.	Transfer	20	Item 17
u.	Renewal	19	Item 17
v.	Post-termination obligations	18	Item 17
w.	Non-competition covenants	21	Item 17
x.	Dispute resolution	23.14 - 23.19	Item 17
y.	Other (guarantee of franchise obligations)	2.7	Item 22

*Notes: (1) All of your directors, officers, shareholders, partners or members, as required by us, shall each be required to sign and deliver an agreement guaranteeing the full and punctual payment and performance obligations of the Franchisee under the Franchise Agreement. See Exhibit F to this disclosure document.

ITEM 10. Financing

If we grant you multiple subterritories within which to operate your Franchised Business, we may (in our sole discretion) allow you to pay the initial franchise fee with respect to some of the subterritories in equal monthly installments for a period not to exceed one year, with interest ranging from 0% to 15% APR, to be set at the time you sign the franchise agreement. The installment payments are secured by and subject to the terms of the General Security Agreement attached as Exhibit G to this disclosure document, as well as the personal guaranty of franchise owners attached as Exhibit F to this disclosure document. You may prepay the amounts at any time without penalty. If you fail to make the installment payments we may, at our option, terminate the franchise agreement, accelerate the amount due, recover costs of collection, renegotiate the installment plan, or revoke the grant for the unpaid subterritories and refund any amounts paid towards those subterritories, or some combination of these remedies. Except as noted herein, each portion of the initial franchise fee is fully earned upon receipt. We do not otherwise offer financing at this time.

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