

FRANCHISE DISCLOSURE DOCUMENT

MULTIVISTA SYSTEMS LLC

A Delaware limited liability company 2111 E. Highland Avenue, Suite 310 Phoenix, Arizona 85016

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Multivista Systems LLC is offering franchises for the operation of a business which provides construction documentation and other approved products and services.

The total estimated initial investment necessary to begin operation of a Multivista franchise ranges from \$97,000 to \$477,500. This includes \$27,375 to \$169,875 that must be paid to the franchisor or affiliate.

We also grant to qualified persons the right to a specific geographic area(s) in which to develop a predetermined number of Businesses under a Multi-Territory Development Agreement. If you execute a Multi-Territory Development Agreement, in addition to payment of the initial franchise fee for the first Business, you pay a nonrefundable development fee equal to 15% to 50% of the initial franchise fee for each additional Business to be developed, which is later applied to the initial franchise fee due for the additional Business.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at 2111 E. Highland Avenue, Suite 310, Phoenix, Arizona 85016, (602) 840-4122 or 38 Fell Avenue, Suite 203, North Vancouver, British Columbia, CANADA V7P 3S2, (604) 988-4280.

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 "Buying a Franchise: A Consumer's Guide" which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

THE DATE OF ISSUANCE OF THIS DISCLOSURE DOCUMENT IS:



STATE COVER PAGE

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

Call the state franchise administrator listed in <u>Exhibit A</u> for information about the franchisor, about other franchisors, 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 AND MULTI-TERRITORY DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR, AS APPLICABLE, LITIGATION, ONLY IN MARICOPA COUNTY, ARIZONA. OUT OF STATE ARBITRATION OR, LITIGATION, AS APPLICABLE, MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR, AS APPLICABLE, LITIGATE, WITH US IN MARICOPA COUNTY, ARIZONA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND MULTI-TERRITORY DEVELOPMENT AGREEMENT STATE THAT ARIZONA 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. IF THE FRANCHISEE IS AN INDIVIDUAL, IMMEDIATE FAMILY MEMBERS MAY BE REQUESTED TO EXECUTE A NONDISCLOSURE AND NONCOMPETITION AGREEMENT PLACING THEIR PERSONAL ASSETS AT RISK.
- 4. FAMILY MEMBERS OF FRANCHISE OWNERS WILL BE BOUND BY NONDISCLOSURE/NONCOMPETITION AGREEMENTS.
- 5. THE CONTINUATION OF THE TERRITORY AND THE RIGHT TO OPERATE THE BUSINESS WITHIN THE TERRITORY DURING THE TERM OF THE FRANCHISE AGREEMENT DEPENDS ON THE BUSINESS MAINTAINING CERTAIN MINIMUM STAFFING REQUIREMENTS IN THE TERRITORY WHICH WILL REQUIRE YOU TO RETAIN A MINIMUM NUMBER OF FULL TIME INTERNAL AND EXTERNAL SALESPERSONS, OPERATIONS MANAGERS, PHOTOGRAPHERS, VIDEOGRAPHERS, ACCOUNT MANAGERS, CLIENT TRAINERS AND OTHER STAFF MEMBERS THAT WE MAY DESIGNATE IN EXHIBIT I TO THE FRANCHISE AGREEMENT.



- 6. THE CONTINUATION OF YOUR RIGHT TO YOUR TERRITORY AND TO OPERATE YOUR BUSINESS WITHIN THE TERRITORY DURING THE TERM OF THE FRANCHISE AGREEMENT DEPENDS ON YOUR BUSINESS MAINTAINING CERTAIN SALES LEVELS. IF THE AMOUNT OF THE AGGREGATE MONTHLY PERCENTAGE ROYALTY FAILS TO EXCEED THE AMOUNT OF THE AGGREGATE MONTHLY FLAT RATE ROYALTY FOR (1) THREE CONSECUTIVE CALENDAR QUARTERS, WE HAVE THE RIGHT TO TERMINATE YOUR RIGHTS IN THE TERRITORY AND (2) FOUR CONSECUTIVE CALENDAR QUARTERS, WE HAVE THE RIGHT TO TERMINATE THE FRANCHISE AGREEMENT.
- 7. IF THE FRANCHISEE IS AN ENTITY, EACH OWNER OF THE ENTITY MUST SIGN A GUARANTY AGREEING TO BE PERSONALLY LIABLE FOR THE OBLIGATIONS OF THE FRANCHISEE.
- 8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

The effective date of this Disclosure Document in the states with registration laws are on the following page.

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