



## FRANCHISE DISCLOSURE DOCUMENT

Stain Erasers, LLC  
A Florida Limited Liability Company  
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Naples, Florida 34103  
Telephone: 833-605-2572  
<https://www.stainerasers.com/>

Franchisor grants franchises for operation of a Stain Erasers business, which deploys Stain Erasers' proprietary processes and chemicals for effective and sustainable exterior cleaning, organic stain removal, and window cleaning for residential and commercial buildings and structures.

The total investment necessary to begin an operation of a Stain Erasers franchise is \$115,103.00 to \$391,898.00. This includes \$76,958.00 to \$227,288.00 that must be paid to the franchisor or affiliate.

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.

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](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 of this Franchise Disclosure Document: June 9, 2025.

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. Being that Stain Erasers is a startup, this information does not currently exist. However, Stain Erasers will update the FDD upon its existence.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the types of suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or <u>Exhibit C</u> includes an unaudited opening balance sheet. Review this balance sheet carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Stain Erasers business in my area?</b>	Item 12 and the "territory" provisions in the Franchise Agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Stain Erasers franchisee?</b>	Item 20 lists current and former franchisees. There are currently no former or current franchisees.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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## **EXHIBITS TO FRANCHISE DISCLOSURE DOCUMENT**

Exhibit A.	List of State Agencies and Agents for Service of Process
Exhibit B.	Operations Manual Table of Contents
Exhibit C.	Unaudited Opening Balance Sheet
Exhibit D.	Franchise Agreement, with: Attachment 1: Information Sheet

Attachment 2: Marks  
Attachment 3: Territory Description  
Attachment 4: General Release  
Attachment 5: Lease Addendum  
Attachment 6: Collateral Assignment of Lease  
Attachment 7: Internet, Advertising, Social Media, Software, and  
Telephone Listing Agreement  
Attachment 8: Confidentiality and Non-Compete Agreement  
Attachment 9: ACH Form  
Attachment 10: Personal Guarantee  
Attachment 11: Sub-Supply Agreement  
Attachment 12: State Specific Amendments

Exhibit E. Promissory Note, Security Agreement, and Personal Guarantee

Exhibit F. Receipts

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Stain Erasers, LLC, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Stain Erasers franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement will also apply to your owners (“**Principals**”), officers, and directors.

Franchisor was formed as a limited liability company in the State of Florida on April 25, 2024. Our principal business address is 3000 Gulf Shore Boulevard North, Suite 107, Naples, Florida and Franchisor’s telephone number is 833-605-2572. Franchisor does business under our company name, “Stain Erasers” and its associated design (the “**Marks**”). Franchisor has not offered franchises in any other line of business other than the area of business Franchisor operates in. Franchisor only offer franchises which operate under the “Stain Erasers” Marks. Franchisor has no prior business experience, and has no affiliates that offer franchising.

The principal business addresses of Franchisor’s agents for service of process are shown on Exhibit A.

**Franchisor’s Parents, Predecessors and Affiliates**

Franchisor has no predecessor company, nor any affiliated companies.

**The Franchise/Business Offered:**

Franchisor grants franchises to qualified persons for the right to provide organic stain removal and exterior cleaning of windows, patios, roofs, sidewalks, curbs, decks, gutters, walls, and pavers for residential and commercial buildings using a specific techniques and products under the Stain Erasers Marks through the use of Stain Erasers operating procedures and standards (the “**Franchised Business**”). The Franchised Business will include, but is not limited to, Franchisee’s distinctive and uniform trade dress standards, operations procedures, service methods, access to products, methods for management, training, and marketing, all of which may be changed, improved, or further developed by Franchisor at any time (the “**System**”).

**Market and Competition:**

The market for a Franchised Business is nationwide and competitive. The market typically includes residential homeowners, commercial property owners, homeowner associations, and municipalities. Depending on the geographic location of the Territory of the Franchised Business, the Franchised Business may be seasonal. The market may also be affected by economic conditions in Franchisee’s Territory.

Franchisee will compete with various specialty cleaning services businesses, including national, regional and local companies, offering services similar to those offered by Franchisee’s Franchised Business. There are other specialty cleaning services franchises, as well as independent businesses and individual providers that may offer similar services and products.

## **Industry Specific Regulations, Laws, Licenses and Permits:**

Regulations specific to the industry primarily consist of all safety regulations set forth by Occupational Safety Hazards Association (OSHA), environmental regulations concerning discharge of chemicals into surface water, including the Clean Water Act, the Federal Water Pollution Control Act, and the Resource Conservation Recovery Act. Federal, state and local governments also may have other territory specific requirements that may affect the operation of the Franchised Business. There may be other laws applicable to the Franchised Business, which may include bonding or licensing requirements for businesses performing cleaning using specific types of chemicals or application to outdoor areas. Franchisor also will be required to comply with all local, state and federal laws in the operation of the Franchised Business, including any rules and governmental orders issued in response to pandemic or public health emergencies. Franchisee should thoroughly investigate all of these laws and requirements before purchasing a Stain Erasers franchise.

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

#### **Todd Riggs: CEO**

Private Equity Operator & Investor Todd Riggs is a skilled executive with deep expertise in finance, operations, and corporate development. Specializing in strategic planning, operations management, and forging strategic partnerships, Todd is poised to drive growth and increase shareholder value. He holds an MBA from the University of Virginia's Darden School of Business and a BS in Mechanical Engineering from MIT.

#### **Joe Macomber III: Co-Founder**

Founder of M&M Contracting, Joey was raised in the cleaning industry, and witnessed his parents' small family cleaning business evolve into a multistate company. After graduating from the University of Maine, he launched a successful cleaning service in Colorado, focusing on windows, construction, and roof cleaning. After six years, he sold the thriving business, which continues its operations today. Now residing in Southwest Florida with his wife and two sons, Joey has started another cleaning business specializing in exterior cleaning for both commercial and residential properties.

#### **Aaron Virnig: Co-Founder & Training Manager**

President/Owner of AVP Contractor, Aaron Virnig is an energetic and creative entrepreneur who began using the Citra-Shield product line in 2012. Aaron has combined his extensive experience applying coating products and close communication with Citra-Shield inventor, Joe Macomber, to maximize the efficiency of application. Aaron's coordination of application reduces man hours and gets the job done efficiently and effectively.

#### **Joe Macomber: Co-Founder & Board Member**

Joe Macomber is the Inventor of Citra-Shield<sup>®</sup>, and with a remarkable 32 plus year career in the cleaning and product development industry, Joe stands out as a trailblazer. As the inventor of Citra-Shield, the proprietary cleaning chemical utilized by Stain Erasers, he plays a pivotal role in leading Citra-Shield operations. Joe has been a driving force in numerous BSC ventures, consistently prioritizing safety for both workers and the environment.

## **Ryan Sellars: Co-Founder & Board Member**

As the CEO of Legends Marketing & Sales, Ryan has extensive experience and success in manufacturing and marketing. He grew up in his family's manufacturing business, Sellars Absorbents Materials, headquartered in Milwaukee, Wisconsin, where he served as VP of Sales and Marketing for nearly a decade. He significantly increased market share and also received a patent during his tenure. Now, as CEO of Legends Marketing & Sales, he continues his success. Legends Marketing & Sales, under his leadership, has been the creative force behind all the branding and marketing initiatives for Stain Erasers.

## **John Sellars: Board Member**

John is the retired founder and President of Sellars Absorbent Materials. John led the company as President to remarkable success for 35 years. John is a team builder and an innovator. He also holds multiple United States patents and trademarks.

### **ITEM 3: LITIGATION**

No litigation is required to be disclosed in this Item.

### **ITEM 4: BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

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

All fees in this Item 5 are per Franchised Business are **non-refundable** unless otherwise noted. Further, Franchisor, in its sole and absolute discretion, may waive or alter any Fees based upon a Franchisee's particular circumstance.

#### **Initial Franchise Fee**

Franchisor will charge to Franchisee an initial franchise fee ("**Initial Franchise Fee**") upon Franchisee executing the Franchise Agreement. The Initial Franchise Fee is SEVENTY-FIVE THOUSAND DOLLARS AND XX/100 (\$75,000) for a Territory with a population of up to 500,000 people. If Franchisee is assigned a Territory greater than 500,000 people, the Initial Franchisee fee shall be adjusted on a pro-rata basis, by multiplying the number of persons in Franchisee's territory by \$0.15. Franchisor will determine the population of the Territory by the most current information available from the U.S. Census Bureau or its successor at the time of execution of the Franchise Agreement. This payment is fully earned by Franchisor and due in lump sum when Franchisee signs the Franchise Agreement. This fee formula is uniform, but, being that the final initial fee will vary upon population in the Territory, the fee itself is not uniform.

#### **Initial Equipment**

The Franchisor will supply the Franchisee with Equipment as listed in the Equipment List. If Franchisee owns equipment that is at least equivalent in type, quality, and functionality to the Equipment as listed in the Equipment List, as determined by Franchisor in Franchisor's sole and absolute discretion, the Initial Franchise Fee will be reduced according to the value of the

equipment that Franchisee would normally be provided as if they did not already have comparable equipment. The cost of the required Equipment is included in the Initial Franchise Fee.

**Sub-Supply Agreement Fee**

Franchisee will enter into a Sub-Supply Agreement with Franchisor. The product being purchased is a foundational component of the Franchised Business. The initial fee will be \$1,958.00 and shall cover the cost of a 55-gallon drum of the product, and will be paid to Franchisor according to the Sub-Supply Agreement. This fee is uniform. Franchisee may purchase more product from Franchisor than the minimum 55-gallon drum requirement if Franchisee wishes, all as laid out in the Sub-Supply Agreement.

**ITEM 6:  
OTHER FEES**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Renewal Fee	\$5,000	30 days prior to the expiration of Franchise Agreement Term.	Required only if renewing Franchise Agreement. Payable to Franchisor. Non-refundable. Formula is uniform, but the fee amount is non-uniform. (Note 1).
Order Processing Fee	3.5% of all monthly Gross Revenue.	Payable on the 10 <sup>th</sup> day of each month for the prior month.	Uniform. Payable to Franchisor. Non-refundable. Required for Franchisor performing Order to Remittance services
Royalty Fee	7% of monthly Gross Revenue; failure to achieve Minimum Gross Revenue could result in Franchisor collecting a minimum Royalty Fee equal to what Franchisee would have paid had Franchisor achieved the Minimum Gross Revenue.	Payable on the 10 <sup>th</sup> day of each month for the prior month.	(Note 2). Uniform. Payable to Franchisor. Non-refundable.
Grand Opening Advertising Fee	Included in Initial Franchise Fee. Franchisee will not be charged this Fee.	NA	NA
Brand Building Fee	2% of all monthly Gross Revenue.	Payable on the 10 <sup>th</sup> day of each	Will be used for the Brand Building Fund. See Item 11 for how the Brand

		month for the prior month.	Building Fund will be utilized. Uniform. Payable to Franchisor. Non-refundable.
Customer Service	1.25% of all monthly Gross Revenue.	Payable on the 10 <sup>th</sup> day of each month for the prior month.	Franchisee's payment for Franchisor to operate and perform Customer Service related activities on Franchisee's behalf. Payable to Franchisor. Non-refundable. Uniform.
Technology Fee	0.5% of Monthly Gross Revenue.	Payable on the 10 <sup>th</sup> day of each month for the prior month.	(Note 3).
Encroachment Fee	To encroached upon Franchisee: 50% of the price of the services or products sold; to Franchisor: \$1,000 for each customer sold products or services.	Upon demand.	Franchisee's acceptance of clients outside of Franchisee's Territory if that area is another franchisee's protected area will result in Franchisee paying to the encroached upon franchisee, and also to the Franchisor, the Encroachment Fee. Uniform. Non-refundable.
Open Territory Fee	\$1,000 for each customer products or services are sold to.	Upon demand.	If Franchisee sells products or services in an open area without Franchisor's permission, Franchisee must pay to Franchisor the Open Territory Fee. Payable to Franchisor. Uniform. Non-refundable.
Territory Expansion Fee	\$0.15 per person located in the proposed expanded area of the Territory.	Upon Franchisor's approval of the expansion.	Payable if Franchisor approves request, in writing, to expand the geographical location of Franchisor's Territory. Payable to Franchisor. Uniform. Non-refundable. (Note 4).
Insurance	Cost of insurance; If Franchisor fails to maintain the required insurance, Franchisor has the right to procure insurance on Franchisee's behalf and Franchisee must	As incurred.	Fee is only payable if Franchisee fails to obtain the required insurance and Franchisor does (but need not) obtain it on Franchisee's behalf.

	pay Franchisor, on demand, for the costs and premiums Franchisor incurs, plus 2% of said costs and premiums each month until Franchisee obtains the required insurance.		Payable to Franchisor. Uniform. Non-refundable.
Indemnification	An amount equal to the value of all losses and expenses Franchisor incurs.	As incurred.	Franchisee must reimburse Franchisor if Franchisor is sued or held liable for claims arising from Franchisee's Franchised Business. Payable to Franchisor. Uniform. Non-refundable.
Transfer Fee	\$10,000 plus any applicable broker/referral fee, per transfer.	Before transfer occurs.	(Note 5).
Late Fee	\$50 per week.	Due on the Friday following the due date for each late payment.	Due for any payment that is not paid when due or any Gross Revenue Report that is not received by Franchisor by the 5 <sup>th</sup> day of each calendar month. Payable to Franchisor. Uniform. Non-refundable.
Interest	Lesser of 18% per annum or highest rate of interest allowed by applicable law.	As incurred.	Payable on all overdue amounts. Payable to Franchisor. Uniform. Non-refundable.
Audits	Actual cost of examination plus related expenses.	Upon Demand.	(Note 6).
Additional Training Fee	Cost of all travel, lodging, and food expenses incurred by Franchisor's agent for additional on-site training.	Upon Demand.	(Note 7).
Ongoing Training Development Fee.	0.75% of monthly Gross Revenue.	Payable on the 10 <sup>th</sup> day of each month for the prior month.	Fee used for Franchisor's continued research and development on training. Payable to Franchisor. Uniform. Non-refundable.
Supplies and Inventory	Varies based on amount and type of purchases.	As incurred.	(Note 8).

Franchisee must pay fees and other amounts due to Franchisor via electronic funds transfer or other similar means. Franchisee must sign an agreement authorizing Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest that may be owing. Franchisee will make the funds available to Franchisor for withdrawal by electronic transfer no later than the payment due date. Interest and late fees will apply at Franchisee's expense to any late payments, returned checks or electronic funds transfer requests denied due to insufficient funds.

If Franchisee's state, or any governmental body in Franchisee's state, charges a tax on any fee owed to Franchisor or to Franchisor's affiliates, then Franchisee must pay an additional amount equal to the amount of this tax.

Franchisor, in its sole and absolute discretion, may waive or alter any Fees based upon a Franchisee's particular circumstance.

**Defined Terms**

“**Gross Revenues**” includes all revenues and income from any source derived or received by Franchisee from, through, by, or on account of, the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues does not include:

- (i) sales taxes and taxes paid to taxing authorities;
- (ii) refunds and credits made in accordance with Franchisor's standards and specifications; and
- (iii) the discount value of any voucher or other allowance that Franchisor authorizes.

“**Open Territory**” means areas outside of the Territory.

“**Territory**” means the geographic area described in Attachment 3 of the Franchise Agreement.

**Notes**

Note 1. Franchisor will determine the population of the Territory by the most current information available from the U.S. Census Bureau or its successor Agreement 30 days prior to the expiration of Franchise Agreement Term.

Note 2. **Minimum Gross Revenue.** If Franchisee fails to achieve the minimum level of monthly Gross Revenue, Franchisor may collect a Royalty Fee equal to what Franchisee would have been assessed had Franchisee achieved the minimum Gross Revenue. Franchisor, in its sole discretion, may adjust the reporting period for the minimum Gross Revenue to take into account the seasonality of a particular franchised outlet. Franchisee must maintain minimum Gross Revenue as follows (“**Minimum Gross Revenue**”):

<b>Months since Opening Date</b>	<b>Monthly Minimum Gross</b>
0 – 12	\$5,000
13– 24	\$10,000
25– 36	\$16,666

37– 48	\$19,900
49– 60	\$25,000
61– 72	\$27,500
73– 84	\$29,900
85– 96	\$33,500
97– 108	\$36,600
109 – 120	\$39,500

Note 3. **Technology Fee.** Franchisor reserves the right to increase the Technology Fee by an amount of no more than 3% each calendar year, in order to recover in part any increase in costs for such services. Payable to Franchisor. Nonrefundable and Uniform.

Note 4 Franchisor will determine the population of the expanded Territory through the use of the most current information available from the U.S. Census Bureau or its successor Agreement on a date set by Franchisor.

Note 5. **Transfer Fee.** Franchisee must pay a Transfer Fee if Franchisee seeks to sell or transfer the Franchise Agreement, Franchised Business, or a majority interest in the Franchised Business. Franchisee will not be required to pay a Transfer Fee if Franchisee is an individual and wishes to transfer the Franchise Agreement to a newly formed legal entity wholly owned by the individual and established solely for purposes of the convenience of ownership and the operation of the Franchised Business; provided that the newly formed legal entity’s principals execute the Personal Guarantee attached to the Franchisee Agreement as Attachment 10. The Transfer Fee is nonrefundable, payable to Franchisor, and Uniform.

Note 6. **Audit.** Franchisor has the right under the Franchise Agreement to examine Franchisee’s books, records, and tax returns pertaining to the Franchised Business. If any audit or inspection reveals that Franchisee has understated or underreported Gross Revenue, Royalty Fees, or other amounts owed to Franchisor by an amount greater than 2%, or Franchisee does not provide any requested information within 30 days from the date of Franchisor’s initial request, in addition to the amounts owed to Franchisor, Franchisee must reimburse Franchisor the cost and out-of-pocket expenses of the inspection or audit.

Note 7. **Additional Training Fee.** Franchisor may provide mandatory additional training if Franchisor believes it necessary for whatever reason. If provided, Franchisee and/or Franchisee’s agents or employees that Franchisor approves, must attend this mandatory training. Franchisor may also provide additional training requested by Franchisee. Regardless of whether additional training is requested by Franchisee or deemed required by Franchisor, Franchisee must reimburse Franchisor’s agent’s travel, lodging, and food expenses that are incurred in providing this on-site training. Non-uniform and nonrefundable.

Franchisor estimates the fee to be between \$2,000-\$5,000 for each additional training session, but said fee could be more or less.

Note 8. **Supplies and Inventory.** Franchisor, an affiliate of Franchisor, or suppliers or vendors approved by Franchisor may sell to Franchisee a supply of inventory approved by Franchisor to use in the Franchised Business, which may include branded items such as uniforms and marketing materials, inventory and

replacement equipment, as well as other items. The cost for these items will vary depending upon many factors, including the type and quantity of the items purchased. Payment will be made to whomever sells supplies and inventory, which may include Franchisor, Franchisor’s affiliates, suppliers, or vendors.

**ITEM 7:  
ESTIMATED INITIAL INVESTMENT**

**Franchise Agreement – Startup Franchised Business (Note 1).**

Please note: Franchisor, in its sole and absolute discretion, may waive or alter any Fees based upon Franchisee’s particular circumstance.

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (Note 2)	\$75,000	\$225,000	Lump sum	Upon signing Franchise Agreement	Franchisor
Vehicle Down Payment (Note 3)	\$0	\$10,000	Lump Sum	Before Opening	Suppliers
Stain Erasers Wrap for Vehicle	\$2,000	\$4,000	Lump Sum	Before Opening	Suppliers
“Launch Package” (Equipment and Supplies) (Note 4)	Included as part of Initial Franchisee Fee	Included as part of Initial Franchisee Fee	NA	NA	NA
Additional Equipment not included in Launch Package	\$720	\$1,210	Lump Sum	Before Opening	Suppliers
Signage	\$100	\$300	Lump Sum	Before Opening	Suppliers

Uniforms	\$300	\$1,000	Lump Sum	Before Opening	Suppliers
Initial Citra-Shield Supply (Note 5)	\$1,958	\$2,288	Lump Sum	Before Opening	Franchisor
Real Property, whether Purchased or Leased (Note 6)	\$0	Unknown	Lump sum	As incurred	Seller or Landlord
Wages, Travel, and Living Expenses During Training	\$500	\$4,000	As incurred	During Training	Airlines, Hotels & Restaurants
Additional Training Expenses	\$2,000	\$5,000	As incurred	As incurred	Franchisor and travel providers.
Computers and Office Equipment (Note 7)	\$0	\$4,500	As incurred	Before opening	Suppliers
Leasehold Improvements/Build out (Note 8)	\$0	\$15,000	As incurred	As incurred	Suppliers
Insurance (Note 9)	\$21,500	\$50,700	As incurred	Before opening	Insurance Companies
Inventory to Begin Operating	Included in Price of "Launch Package" and "Initial Citra-Shield Supply"	Included in Price of "Launch Package" and "Initial Citra-Shield Supply"	NA	Before Opening	Franchisor/Suppliers
Permits, Licenses, and Accreditation (Note 10)	\$25	\$400	As incurred	Before opening	Government Agencies
Accounting and Legal Fees (Note 11)	\$1,000	\$10,000	As incurred	As incurred	Professional Service Firms.

Security Deposits and Utility Deposits (Note 12)	\$0	\$8,500	Lump Sum	As incurred	Landlord
Grand Opening Advertising Fee	Included in the “Initial Franchise Fee”	NA	NA	N/A	Franchisor
Additional Funds - 3 Months (Note 13)	\$10,000	\$50,000	As incurred	As incurred	Franchisor, Vendors, Government Agencies, Professional service firms
<b>Total (Note 14)</b>	<b>\$115,103</b>	<b>\$391,898</b>			

#### Notes to Table

Note 1. Table purely an estimate of the initial investment to start a singular Franchised Business. None of these payments are refundable (except as provided below).

Note 2. The Initial Franchise Fee is described in Item 5.

Note 3. The vehicle must be either a Class 2a (or greater) Pickup Truck, or a Cargo Van. The vehicle must have less than 100,000 miles and the model must not be older than 5 years and in good condition as of the time the Vehicle Wrap is applied, free of noticeable dents and damages. Franchisee may use a vehicle Franchisee currently owns if, in Franchisor’s sole discretion, the vehicle meets Franchisor’s specifications and Franchisor consents to the use of the vehicle. Low Amount projection is based upon Franchisee utilizing vehicle already owned by Franchisee.

Note 4. The Launch Package refers to all Equipment listed in the “Equipment List” to be provided by Franchisor to Franchisee following execution of the Franchise Agreement, which contains all equipment, supplies, inventory, and products needed to begin operating the Franchised Business, with the exception of the Citra-Shield Product, which is listed under Item 7 separately.

Franchisor also has available, for purchase, the “Labor Saver” Package, which is an upgraded version of the Launch Package. The Labor Saver Package contains all items included in the Launch Package, plus additional items. The Labor Saver Package is **not** necessary to begin operation of the Franchised Business. However, if Franchisee purchases the Labor Saver Package, such package will satisfy the same requirement of Franchisee to purchase the Equipment and supplies necessary

to begin operations of the Franchised Business. If you wish to know more about the Labor Saver Package, please contact the Franchisor.

If Franchisee has equipment in its possession, and said equipment is determined by Franchisor, in Franchisor's sole and absolute discretion, to be at least equivalent in type, quality, and functionality to the Equipment as listed in the Equipment List, Franchisor may reduce the Initial Franchise Fee in an amount equal to the value of the equipment that Franchisor will not be provided to the Franchisee.

Note 5. This cost is only for the initial supply of Citra-Shield. Franchisee shall execute Attachment 11, the Sub-Supply Agreement, which contains information on pricing of all future Citra-Shield orders.

Note 6. This cost shall only apply if Franchisee decides not to have the Franchised Business address be a "home-based office" as defined in the Franchise Agreement. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and whether Franchisee is leasing or buying.

If Franchisee purchases, rather than rents, real estate on which a building suitable for the Franchised Business already is constructed or could be constructed, real estate costs will be higher. As such, it is not possible for Franchisor to provide an estimated "low-high" range, but the real estate Franchisee purchases should at least be at least 300 square feet, located either in a shopping center, downtown, or rural area.

Note 7. These estimates are for the minimum technology Franchisee must acquire to open Franchisee's Franchised Business. These estimates assume 1 personal computer or laptop in Franchisee's Franchised Business, 1 smartphone, and 1 printer (with scanning and faxing capabilities), and modems, routers, and access points for secure Wi-Fi throughout Franchisee's Franchised Business. All of these items must meet Franchisor's specifications, including those related to model, brand, and functionality, and must be purchased from an approved vendor. Franchisee must also have Internet (Wi-Fi) access at the Franchised Business (see Item 11).

Note 8. Applies only if Franchisee does not have Franchisee's Franchised Business address be a "home-based office." Leasehold improvement costs include floor covering, cabinets, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. These amounts depend on various factors, including: the existing site condition, location, and size; the demand for the site among prospective tenants; the site's previous use; the build-out required to conform the site for Franchisee's location; and any construction or other allowances the landlord grants. Franchisor's estimates assume Franchisee assumes and performs minimal changes to an existing building that has previously been used as an office, or similar space. Construction of a new building on a pad site would require a greater initial investment, the amount of which would depend on market conditions.

Note 9. Franchisee must carry the types and amounts of insurance Franchisor specifies, at Franchisee's cost and expense. Franchisor currently requires that Franchisee obtain and maintain on a primary and non-contributory basis at least worker's compensation coverage, general liability insurance (including errors and omissions coverage and personal and advertising injury coverage), commercial automobile insurance, and umbrella liability insurance. This estimate is for the combined yearly payment all aforementioned insurances. Franchisor may require Franchisee to obtain

some or all of these minimum required insurance coverages from Franchisor's approved vendor at Franchisee's cost.

- Note 10. This estimate reflects the fees Franchisee will pay to apply for various permits, licenses, and accreditation. The application and fees required will depend upon the regulations of the governing agencies in Franchisee's city and state.
- Note 11. Franchisee must retain an attorney licensed to practice law in the state where Franchisee's Franchised Business is located to validate Franchisee's licensure under applicable state laws. Franchisor recommends, but does not require, that Franchisee also retain an attorney to review any insurance contracts for any payors that Franchisee desires to accept at the Franchised Business.
- Note 12. Franchisee's landlord may require a lease deposit and will typically require monthly rent in advance. Rent will vary depending upon the location of the premises and other related factors. Prepaid rent is usually nonrefundable. The estimate in this expenditure includes a security deposit equal to 1 months' rent, along with the first 3 months' rent. Estimates also assume the location has been prepped with heating/cooling delivery systems, lighting, electrical, bathrooms, finished ceilings, and walls for separate rooms that are prepped for painting, etc., and that Franchisee did not receive any tenant improvements or allowances from Franchisee's landlord. Franchisee will have additional build-out costs if Franchisee receives the premises in any other condition than what Franchisor has assumed.
- Note 13. These amounts include estimated operating expenses Franchisee should expect to incur during the first 3 months of operation of Franchisee's Franchised Business, which include estimated franchise fees payable to Franchisor, initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These amounts do not include any salary or compensation to Franchisee or any other employee of Franchisee's Franchised Business, which Franchisee may determine in Franchisee's discretion, or any other costs separately included above. These estimates will vary depending on the size of Franchisee's Franchised Business.
- Note 14. This total is an estimate of Franchisee's initial investment and is based upon Franchisor's estimate of average costs and market conditions prevailing as of the date of this Disclosure Document. Franchisor does offer financing for the Initial Franchise Fee only. Franchisor's estimates do not include any finance charges, interest, or debt service obligations. Franchisor should review these amounts carefully with a business advisor before making any decision to purchase the Franchised Business. The amounts listed above do not include compensation for Franchisee's time and labor, and assumes Franchisee will have one vehicle and a Franchise Principal will oversee the day to day operations of Franchisee's Franchised Business. Therefore, in addition to the total initial investment itemized above, Franchisee will also need sufficient savings or source of income to cover Franchisee's personal living expenses during the start-up phase of the Franchised Business.

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

Franchisor has identified equipment, inventory, and supplies the Franchisee must use in the operation of Franchisee's Franchised Business, as well as specific services the Franchisee must provide. Said equipment, inventory, supplies, products, and services all meet the standards and requirements of Franchisor. Franchisor's specifications included for equipment, supplies, and

services are based upon positive outcomes from testing and experience performing the services prior to the formation of the Franchise System. Franchisee must purchase all equipment, inventory, and supplies and services that are not being provided to it by Franchisor from the suppliers and vendors Franchisor has designated, or said equipment, inventory, supplies and services are in accordance with Franchisor's specifications. Franchisor maintains written lists of approved items of equipment, inventory, supplies and services, as well as a list of designated suppliers, vendors, and contractors for those items, as applicable. **Franchisee has a duty to maintain all equipment in good and working condition.** Franchisor will update these lists periodically and issue the updated lists to all franchisees.

Franchisee shall not be allowed to request Franchisor consider another item, service supplier, or vendor.

Franchisor has not yet received any revenue from required purchases from this fiscal year, but Franchisor expects to have received revenue by the completion of the next fiscal year, December 31, 2025.

Franchisor may serve as the supplier for the equipment, supplies, and/or services. For any additional equipment, supplies, and services in the future, Franchisor reserves the right to be the supplier for said equipment, supplies, or services as well. Franchisor also reserves the right to designate an affiliate of Franchisor or a Third Party to be a supplier.

Joe Macomber, as well as Joe Macomber III, both have an ownership interest in Citra-Shield Cleaning Systems, LLC, one of Franchisor's required suppliers.

Ryan Sellars and John Sellars each have an interest in Legends Marketing, LLC, who Franchisor utilizes for Franchisee marketing and advertising services.

Franchisor does receive revenue, discounts, and other material consideration based on Franchisee's required purchases of products, supplies and equipment. And any rebates or discounts Franchisor may receive in the future that Franchisor does not currently receive may be kept by Franchisor in Franchisor's sole discretion.

Franchisor estimates that Franchisee's purchase of products, supplies and services from approved suppliers (or those which meet Franchisor's specifications) will represent approximately 80% - 100% of your costs to establish Franchisee's Franchised Business and approximately 50% - 80% of Franchisee's costs for ongoing operations.

Franchisor may, now or in the future, negotiate purchase agreements, including price terms, with designated and approved suppliers on behalf of all franchisees.

Franchisor always attempts to make good faith efforts whenever negotiating purchase agreements with suppliers (including price terms) for said agreements to be beneficial to franchisees.

### **Insurance**

Franchisee must obtain and maintain insurance policies protecting Franchisee and Franchisor against any demand or claim with respect to personal injury, death or property damage, or loss, liability, or expense related to or connected with the operation of the Franchisee's Franchised Business. All insurance must be provided by an approved vendor or an insurer with an A.M. Best rating of not less than an A-VIII ("excellent" and \$100,000,000 to \$250,000,000 in policy holder

surplus) and are authorized to sell insurance in the state in which Franchisee's Franchised Business is located. Franchisee must also provide Franchisor with a certificate of insurance and additional insured endorsement complying with the below requirements no less than 10 days prior to opening Franchisee's Franchised Business for all other policies, and at least 30 days prior to any renewal providing the endorsements as noted below. If Franchisee does not comply with the insurance requirements, Franchisor reserves the right, but does not have the duty, to "force-placed" insurance on Franchisee's behalf and charge Franchisee the premium due along with any administration fee that might apply and which will be due immediately to Franchisee.

Franchisee must obtain the following insurance coverages and meet the following minimum insurance requirements:

- a) Worker's Compensation insurance, which shall have coverage in the limits required by state law, employment practices/abuse, and employee dishonesty insurance with third-party coverage in the amount of at least ONE MILLION AND XX/100 DOLLARS (\$1,000,000), as well as such other insurance as may be required by statute or rule of the state in which Franchisor's Franchised Business is located and operated;
- b) Comprehensive general liability insurance, including errors and omissions coverage, personal and advertising injury coverage, and in the form of a general liability rider or as a separate policy, in the amount of at least ONE-MILLION AND XX/100 DOLLARS (\$1,000,000) per occurrence and TWO-MILLION AND XX/100 DOLLARS (\$2,000,000) in the aggregate;
- c) Commercial automobile insurance in the amount of at least a combined single limit for bodily and property damage of at least a ONE-MILLION AND XX/100 DOLLARS (\$1,000,000), or greater if required by state law. Coverage shall include all owned, non-owned, and hired autos. If allowable by law, waiver of subrogation in favor of all parties required in insurance documents;
- d) Umbrella Insurance in the amount of TWO MILLION AND XX/100 DOLLARS (\$2,000,000) per occurrence and TWO MILLION AND XX/100 DOLLARS (\$2,000,000) in the aggregate; and
- e) any other insurance required by the state or locality in which your Franchised Business is situated.

Franchisor may update Franchisor's required insurance policies from time to time. Franchisee shall be required to comply with Stain Erasers updated insurance policies within thirty (30) days of receiving notice.

Franchisor provides no material benefits (such as the grant of additional franchises) based on Franchisee's use of designated sources; however, failure to use approved items or designated suppliers and vendors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, Franchisor reserves the right (as applicable under the law of the state of the Franchised Business), in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold products and services to Franchisee.

**ITEM 9:  
FRANCHISEE'S OBLIGATIONS**

**This table lists Franchisee's principal obligations under the Franchise Agreement and other agreements. It will help Franchisee find more detailed information about Franchisee's obligations in these agreements and in other items of this disclosure document.**

<b>Obligation</b>		<b>Section(s) in Franchise Agreement</b>	<b>Item in Franchise Disclosure Document</b>
a.	Site Selection and Acquisition/Lease	6	7, 12
b.	Pre-Opening Purchases/Leases	6, 7,	7, 11
c.	Site Development and Other Preopening Requirements	6	7, 12
d.	Initial and Ongoing Training	5	6, 7, 11, 15
e.	Opening	6	11
f.	Fees	4	5, 6, 7
g.	Compliance with Standards and Policies/Operating Manual	6	11
h.	Trademarks and Proprietary Information	12	13
i.	Restrictions On Products/Services Offered	8, 16	8, 11
j.	Warranty and Customer Service Requirements	6	8
k.	Territorial Development and Sales Quotas	10	12
l.	Ongoing Product/Service Purchases	Attachment 11	7
m.	Maintenance, Appearance and Remodeling Requirements	6.V., 10	8, 11
n.	Insurance	4	8
o.	Advertising	11	11
p.	Indemnification	6	6
q.	Owner's Participation/ Management/Staffing	15	8
r.	Records and Reports	6.K., 4.U.	11
s.	Inspections and Audits	6	8
t.	Transfer	17	17
u.	Renewal	3	17

Obligation		Section(s) in Franchise Agreement	Item in Franchise Disclosure Document
v.	Post-Termination Obligations	17	11
w.	Non-Competition Covenants	9	15
x.	Dispute Resolution	18	17
y.	Guarantee	8, Attachment 10	9

**ITEM 10:  
FINANCING**

Except as described below, Franchisor does not offer direct financing. Franchisor is unable to estimate whether Franchisee will be able to obtain financing for any or all of Franchisee’s investment and, if so, the terms of such financing. Additionally, Franchisor selects, in its sole and absolute discretion, whether or not to Franchisor shall provide financing to any Franchisee, as Franchisee is not entitled to receive financing from Franchisor. Franchisor does not, and will not, guarantee Franchisee’s note, lease, or other obligations.

At Franchisor’s discretion, Franchisor may provide financing for up to 100% of any of the Initial Fees listed in Item 6, as well as any of items listed in the Estimated Initial Investment in Item 7. Franchisor reserves the right to add, change or delete any financing programs at any time. If Franchisee qualifies for financing, Franchisee must sign Franchisor’s then-current forms of a Promissory Note, and, if applicable, Financing Personal Guarantee, as well as the Security Agreement, all of which are attached to this disclosure document as Exhibit E.

Depending on the circumstances of the Franchisee as determined by the Franchisor, the terms of such Promissory Note offered to the Franchisee shall be that the first payment under the Promissory Note shall not be due until: (i) on the date which Franchisee receives its first payment from a customer for services or products rendered, not to exceed 12 months following the execution date of the Promissory Note; or (ii) on the first day of the month which immediately follows the execution date of the Promissory Note. Depending on the circumstances of the Franchisee as determined by the Franchisor, the term of the Promissory Note shall be a fixed payment for a period of anywhere from 12 months to 60 months, following which Franchisee’s payment shall be five percent (5%) of Franchisee’s Gross Revenue until the remainder of the Promissory Note balance is paid. Depending on Franchisee’s qualifications, the Promissory Note shall bear interest at a fixed rate between one percent (1%) to fifteen percent (15%). The Promissory Note is payable in equal monthly payments of principal and interest over the term. Franchisee shall be allowed to prepay the Promissory Note in whole or in part without penalty over the term. If any required installment payment is not made when due, Franchisor shall have the right to call the Promissory Note due and demand immediate payment of the entire outstanding balance, as well as exercise its rights under the Security Agreement. If the Franchisee is an entity, the Franchisee’s Principals must personally guarantee the Promissory Note, and each Principal waives presentment for payment, protest rights, and notice of failure to make payment. Failure to pay the Promissory Note is a default under the Franchise Agreement.

Events of default under the Security Agreement include failure to pay any monies due under the Franchise Agreement or any Promissory Note; breach of any other contractual obligation; false or misleading representations under the Security Agreement; loss or destruction of the collateral; liens on the collateral; bankruptcy or insolvency; and declines in the collateral's value. If Franchisee defaults under the Security Agreement, Franchisor shall have all rights available under the Uniform Commercial Code and also may accelerate the maturity of any notes payable to Franchisor, take possession of the collateral, sell the collateral, and take over the Franchised Business. As specified in the Promissory Note, Franchisee has potential liability upon default, including the acceleration of all sums due, and responsibility for our attorneys' fees, late fees, court costs, and other reasonable collection costs.

Franchisor does not intend to sell, assign, or discount to any third-party any note or other financing instrument that any franchisee executes. Franchisor, however, reserves the right to do so in the future. Franchisor may also, from time to time, pledge Franchisor's interest in financing instruments to third parties to secure Franchisor's various obligations to third parties.

Franchisor may vary financing terms and conditions at Franchisor's own discretion.

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

**EXCEPT AS LISTED BELOW, FRANCHISOR IS NOT REQUIRED TO PROVIDE FRANCHISEE WITH ANY ASSISTANCE.**

**Pre-Opening Obligations**

As set forth in Section 7 of the Franchise Agreement, after Franchisee has signed the Franchise Agreement, but before Franchisee may open the Franchised Business, Franchisor will:

- a) designate the boundaries of Franchisee's territory under the Franchise Agreement, and approve Franchisee's office location (Franchise Agreement, Section 7.A, Attachment 3).
- b) provide Franchisee the Stain Erasers' Operations Manual, as well as any other manual and training aids Franchisor designates for use in the operation of the Franchised Business, as may be revised from time to time (Franchise Agreement, Section 7.B).
- c) provide Franchisee a written list of equipment, signage (if applicable), fixtures, opening inventory, supplies and products that will be required or recommended to open Franchisee's Franchised Business. Said list will include written specifications for said items as applicable. (Franchise Agreement, Section 7.B).
- d) provide Franchisee a written list of approved and/or recommended suppliers of products and services. Said list will include written specifications for said items as applicable (Franchise Agreement, Section 7.C.)
- e) provide Franchisee with initial training, described as the Initial Training Program. Franchisor will determine, in Franchisor's sole discretion, whether Franchisee has satisfactorily completed the initial training (Franchise Agreement, Section 7.E).

- f) subject to applicable law, recommend minimum and maximum prices for the services and products offered by Franchisee's Franchised Business. Franchisee's Franchised Business services and products can be set at any price Franchisee determines within Franchisor's parameters. Franchisor's suggested prices are not a representation, warranty or guarantee that such prices will enhance Franchisee's sales or profit (Franchise Agreement, Section 7.D).

### **Time to Open**

Franchisor estimates the typical amount of time between the signing of the Franchise Agreement and the time Franchisee opens the Franchised Business to be 90 days, possibly less. Before Franchisee opens, Franchisee must (i) complete the Initial Training Program, (ii) hire and train staff, if required, (iii) acquire all equipment, computer systems, software, applications, supplies, products, and vehicle required, (iv) obtain the required licenses to operate the Franchised Business, and (v) enter into any and all agreements necessary to secure the sale of the authorized services, products, or supplies, whether or not such agreements are attached to the Franchise Agreement as Attachments.

### **Post-Opening Obligations**

During the operation of the Franchised Business, Franchisor will:

- a. offer from time to time, both mandatory and requested additional training programs. If required, Franchisee must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location Franchisor designates. Such additional mandatory training may be held online. Failure to attend or complete mandatory additional training, or failure to attend an annual business meeting or conference, is a default of the Franchise Agreement. Franchisor reserves the right to impose a reasonable fee for tuition and/or attendance for all additional training programs. Franchisee must also pay for Franchisee's, as well as Franchisee's attendees, transportation, lodging, meals, and other expenses to attend any mandatory training program. If such additional training requires Franchisor to send out training personnel to perform the training at Franchisee's location, Franchisee shall be responsible for all transportation, lodging, airfare, meals, and other expenses of the training personnel to attend any training. (Franchise Agreement, Section 5.B).
- b. from time to time, perform advertising services for Franchisee. (Franchise Agreement, Section 11).
- c. Perform customer service and order to remittance services as they relate to the Franchised Business, specifically, addressing customer complaints brought to Franchisor by customers or Franchisee, answering customer and potential customer inquiries, booking of jobs, and collection of payment from customers. (Franchise Agreement, Section 7.G).
- d. provide Franchisee with any updated written specifications for required equipment, products, and services, and provide Franchisee with updated lists of any approved suppliers of these items (Franchise Agreement, Section 7.H).
- e. subject to applicable law, recommend minimum and maximum prices for the services and products offered by the Franchised Business. Franchisee's Franchised Business services and products can be set at any price Franchisee determines within Franchisor's

parameters. Franchisor's suggested prices are not a representation, warranty or guarantee that such prices will enhance Franchisee's sales or profit (Franchise Agreement, Section 7.D).

- f. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns Franchisee proposes in writing to Franchisor (Franchise Agreement, Section 11.C).
- g. approve any proposed new office relocation (Franchise Agreement, Section 6.D).

### **Advertising**

Franchisee may develop advertising materials for Franchisee's own use at Franchisee's own cost. **Franchisee may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by Franchisor, approval of which may be withheld in Franchisor's sole discretion.** Franchisor will respond to a request for approval within ten (10) business days; however, if no response is given, the proposed advertising or marketing material is deemed "**disapproved.**"

Franchisor will monitor and create online advertising on Franchisee's behalf, through the use of Franchisor's website. Franchisee may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube, or any other social media and/or networking site without Franchisor's prior written approval. Franchisor may, but is not required to, create a business profile on Facebook, Twitter, LinkedIn, YouTube, or any other social media and/or networking site on behalf of Franchisee's Franchised Business.

Franchisor shall also promote the Franchisee's Franchised Business through the use of Pay Per Click advertising, email marketing, content creation, and through demonstration of the product at local tradeshows shall take place in Franchisee's state. These advertisements will be local.

### **Brand Building Fund**

Franchisee is required to contribute two percent (2%) of Gross Revenue per month to the Brand Building Fund.

The Brand Building Fund is administered by Franchisor. Franchisor may use Brand Building Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials, and programs. Franchisor may also use Brand Building Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. Franchisor may further use Brand Building Fund contributions to pay Franchisor's costs (including personnel and other administrative costs) for advertising that is administered by Franchisor or prepared by Franchisor, as well as for administration and direction of the Brand Building Fund.

The Brand Building Fund will not be used to defray any of Franchisor's other general operating expenses. Brand Building Fund contributions will not be used to solicit new franchise sales; provided however, Franchisor reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Building Fund contributions.

The Brand Building Fund collects and expends the Brand Building Fund contributions for the benefit of the System as a whole. Franchisor reserves the right to use the Brand Building Fund contributions to place advertising in national, regional, or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in Franchisor's discretion, including but not limited to, internet and direct-mail campaigns. Franchisor has no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where Franchisee's Franchised Business is located.

Franchisor has no obligation to make expenditures that are equivalent or proportionate to Franchisee's Brand Building Fund contribution or to ensure that Franchisee benefit directly or pro rata from the production or placement of advertising from the Brand Building Fund.

The Brand Building Fund is not audited. An annual unaudited financial statement of the Brand Building Fund is available to any franchisee upon written request.

If Franchisor spends more or less than the total of all contributions to the Brand Building Fund in any fiscal year, Franchisor may carry forward any surplus or deficit to the next fiscal year.

Brand Building Fund contributions will be required starting this fiscal year, which ends on December 31, 2025, while no contributions have been made or expended as of this time. Although the Brand Building Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Building Fund, however, until all monies in the Brand Building Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

### **Advertising Council**

Franchisor does not have an advertising council composed of franchisees that advise Franchisor on advertising policies. The Franchise Agreement gives Franchisor the right, in Franchisor's discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, Franchisor will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance, and profitability. Franchisor reserves the right to change or dissolve the council at any time.

### **Email, Phone, Website, and Social Media**

Franchisor will set up an initial email account for Franchisee. Franchisee must only use this account for all communication regarding Franchisee's Franchised Business. Franchisee must use this email as the sole email for all Franchised Business-related communications and accounts. Use of a private email account for business related to Franchisee's Franchised Business is prohibited.

Franchisor alone may establish, maintain, modify or discontinue all intranet, internet, world wide web and electronic commerce activities pertaining to the System. Franchisor has established, and may establish in the future, one or more websites accessible through one or more uniform resource locators ("URLs") designed to market and promote the System and the franchise opportunity. For the promotion of Franchisee's Franchised Business, Franchisee must provide Franchisor with the information that Franchisor requests. Franchisee may not establish Franchisee's own website or use social media platforms for the promotion of Franchisee's Franchised Business. Franchisee must sign such documents as Franchisor requires, that grant Franchisor the right to change, transfer or terminate Franchisee's email addresses, domain names, and comparable electronic identities that use

trademarks of the Franchisor if the Franchise Agreement expires or is terminated, or if Franchisee's franchise is not renewed.

Any websites or other modes of electronic commerce that are established or maintained by Franchisor may—in addition to advertising and promoting the products, programs or services available at the Stain Erasers' Franchised Businesses—also be devoted in part to offering Franchised Businesses for sale and be used by Franchisor to develop the electronic commerce rights which Franchisor alone controls.

In addition to these activities, Franchisor may also establish an intranet through where downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums, and System-wide communications (among other activities) can be done.

Except for the social media presence established for Franchisee by Franchisor, Franchisee is not permitted to promote the Franchisee's Franchised Business or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, Tik Tok, LinkedIn, Twitter, Snapchat, personal blogs, virtual worlds, audio and video-sharing sites, and other similar social networking or media sites or tools (collectively, "**Social Media**") without Franchisor's prior written consent. Franchisor will control all social media initiatives. Franchisee must comply with the System standards regarding the use of social media in Franchisee's Franchised Business operations, including prohibitions on employees posting or blogging comments about Franchisee's Franchised Business or the System. Franchisee will not be given access to branded social media pages/handles/assets, as these will be maintained by Franchisor. Franchisor reserves the right to conduct collective/national campaigns via social media on behalf of the Franchisee. Franchisee will be required to execute such documents as Franchisor deems necessary to assign all rights and interest Franchisee has in the Social Media accounts to Franchisor, regardless of whether or not Franchisor granted Franchisee written consent to establish said Social Media accounts.

Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material furnished to Franchisor by Franchisee.

Franchisee must notify Franchisor of the telephone number Franchisee will use for Franchisee's Franchised Business. Franchisee may only list the telephone number provided to Franchisor on all digital and print marketing materials. The telephone number listed will, upon termination, belong to Franchisor. Franchisee must directly pay the associated monthly and periodic telephone charges. If Franchisee lists any phone number, other than the dedicated Franchised Business telephone number, in any digital or print marketing materials, then Franchisor will also own that telephone number.

### **Computer Systems**

Franchisee is required to have at least an internet-capable laptop computer and a smart phone, and may have, but is not required to have, a tablet or iPad, so long as all items can operate the latest versions of software and computer platforms Franchisee requires. Franchisor requires Franchisor to use either Windows 11 or macOS 10.14 as its operating system. Costs associated with the computer system are subject to increase from the service provider.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. Franchisee must fully cooperate in implementing any such modifications at Franchisee's expense.

Franchisor may, in the future, modify or establish other service performance or revenue reporting systems, as Franchisor deems appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of products and services

Franchisee is required to have a digital bookkeeping application, QuickBooks. Franchisee is required to provide Franchisor with independent access to the QuickBooks Online account which Franchisor may access at any time. Franchisor is required to also have the digital software program Profit Keeper. Profit Keeper is a program utilized by Franchisor for the accurate and expeditious reporting of Gross Revenue and delivery of products and services Franchisee shall upload its QuickBooks Online records surrounding revenue and costs from the previous month to Profit Keeper on no later than the 30<sup>th</sup> day of each month.

Franchisor has no obligation to maintain, repair, update or upgrade Franchisee's computer hardware and software. At Franchisee's cost, Franchisee must provide on-going maintenance and repairs to the computer hardware and software. Franchisee must upgrade the computer hardware and software as necessary to operate the most current version of Franchisor's System requirements. Franchisor cannot estimate the cost of maintaining, updating, and upgrading Franchisee's computer hardware and software because it will depend on the make and model of Franchisee's computer, repair history, usage, local cost of computer maintenance services in Franchisee's area, and technological advances that Franchisor cannot predict.

Franchisor reserves the right to have remote and independent access to all information generated by and stored in Franchisee's computer system, including Franchisee's revenue information and customer data. There are no contractual limitations on Franchisor's right to have full access to this information. At Franchisor's option, Franchisor may retrieve, download, analyze and store such information and data at any time. Upon Franchisor's request, Franchisee must sign any documents Franchisor requires to allow Franchisor to independently and electronically access and retrieve the information stored in Franchisee's computer system. Franchisee must also download any software which can grant Franchisor said aforementioned access not more than 10 days following receipt of notice from Franchisor. Franchisor owns all client data stored in Franchisee's computer system.

### **Table of Contents of Operations Manual**

Franchisor will loan Franchisee a copy of Franchisor's Operations Manual. The Operations Manual is confidential and remains the property of Franchisor. Stain Erasers will modify this manual, but the modification will not alter your status and rights under the Franchise Agreement. The Table of Contents of the Stain Erasers Operations Manual, current as of the date of this Disclosure Document, is attached as Exhibit B.

### **Training**

Training must be completed to Franchisor's satisfaction before opening Franchisee's Franchised Business. Franchisee (if the franchisee is an individual) or all of Franchisee's Principals (if the franchisee is a business entity) shall complete the initial training program outlined below. Franchisor reserves the right to substitute live training for online/virtual training or to include a mix of online/virtual training and live training at any location Franchisor desires, including in the Franchisee's Territory.

### Initial Training Program

Subject	Hours in Classroom	Hours in the Field	Location
Introduction	1.5	0.0	Training Center in Rutherford NJ or other location Franchisor designates
Pre-Opening: Before Your First Job	1.5	0.0	Training Center in Rutherford NJ or other location Franchisor designates
Personnel	4.0	0.0	Training Center in Rutherford NJ or other location Franchisor designates
Sales and Marketing (including pointing out prior damage from bleach, etc.)	1.0	0.0	Training Center in Rutherford NJ or other location Franchisor designates
Office Procedures (including QuickBooks and Estimating)	3.0	0.0	Training Center in Rutherford NJ or other location Franchisor designates
Application and Other Service Procedures (including Safety Training)	8.0	20.0	Training Center in Rutherford NJ or other location Franchisor designates
Q&A and Deeper Dives as Requested	1.0	0.0	Training Center in Rutherford NJ or other location Franchisor designates
<b>Total</b>	<b>20.0</b>	<b>20.0</b>	

Franchisor conducts the Initial Training Program within the first 3 months following the execution of the Franchise Agreement. Training is currently provided by Aaron Virnig. Aaron Virnig is the Training Manager for Stain Erasers, LLC. Franchisor reserves the right to make changes in training staff as Franchisor deems necessary and advisable without prior notice. The level of experience of each of Franchisor’s trainers will, at a minimum, include the satisfactory completion of the Initial Training Program. In addition to the completion of the Initial Training Program, Franchisee will also be required to participate in and satisfy all other training programs Franchisor may designate.

Franchisor’s training materials consist of lectures, training videos, instructional materials and hands-on demonstrations. Franchisee may not commence operation of the Franchised Business unless and until Franchisor determines Franchisee has successfully completed the Initial Training Program.

Franchisee must pay for all travel and personal expenses, including, but not limited to, all costs for Franchisee’s transportation and meals for Franchisee and Franchisee’s trainees, agents, personnel, etc. The Franchisor’s current fee to provide initial training to any additional trainees above the max number of initial trainees who are granted training with Franchisee (said number being 4) is \$400 per person.

If Franchisee does not complete Franchisor's Initial Training Program to Franchisor's satisfaction, Franchisor reserves the right to terminate the Franchise Agreement.

Franchisor may conduct mandatory additional training programs. Franchisor may also, in its sole discretion, upon request from Franchisee, provide additional training. If Franchisor requires it, Franchisee must attend, or make Franchisee and Franchisee's personnel available for, mandatory additional training for up to fourteen (14) days each year at a location Franchisor designates, which may include any job sites of Franchisee. Failure to attend mandatory additional training or to make Franchisee, its Principals, or personnel unavailable, is a default under the Franchise Agreement. Franchisor reserves the right to impose a reasonable fee for tuition and/or attendance for all additional training programs. Franchisee must also pay for Franchisor's agent(s) transportation, lodging, meals, airfare, and other expenses to attend any mandatory or requested training program. If Franchisor fails to attend any mandatory training program, Franchisee is required to obtain the training at a location Franchisor designates, at Franchisee's sole cost, which includes tuition at the then-current rate, plus all of Franchisee and Franchisee's personnel's travel costs, as well as Franchisor's trainer's travel costs.

Franchisee must have purchased all equipment, supplies, products, and any other inventory necessary to begin operations as either listed in this Disclosure Document or in any list provided by Franchisor to Franchisee no later than 60 days from the date of execution of the Franchise Agreement.

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

Under the Franchise Agreement, Franchisee has the right to operate a Stain Erasers franchise within a particular territory (the "**Territory**"), the boundaries for which are defined in Attachment 3 of the Franchise Agreement. Franchisee is permitted to operate out of a home-based office, provided that such office is located in the Territory. Should Franchisee desire to operate out of a commercial office location, the office must be at a location within the Territory that meets Franchisor's site selection guidelines.

Franchisee will not receive an exclusive territory. Franchisee may face competition from other franchisees, from outlets that Franchisor owns, or from other channels of distribution or competitive brands that Franchisor controls. Franchisee may not solicit, perform services, or sell products related to the Franchise System to customers outside of the Territory without Franchisor's prior written consent. Any request for services or products in areas outside the Territory must be referred to the franchisee (if any) that owns the applicable territory. If Franchisee sell products or services of the Franchise System to customers outside the Territory, and the area in which said products or services are sold is a territory belonging to another franchisee, Franchisee shall pay to Franchisor a fee of \$1,000 for each customer sold a product or service, and, to the encroached upon franchisee, fifty percent (50%) of the price of the customer services or products sold. Franchisor will determine the population of the Territory by the most current information available from the U.S. Census Bureau or its successor at the time of execution of the Franchise Agreement. If there is no franchisee in the applicable territory, Franchisee may seek Franchisor's written permission to process such request.

If Franchisee is an existing franchisee and has requested to expand the geographical location of the Territory, and such request is granted, there will be an expanded territory fee of \$0.15 per person located in the proposed expanded territory upon approval of each expansion. Franchisee does not have any options, rights of first refusal or similar rights to acquire additional franchises within any particular territory.

Franchisee must use only those techniques, procedures and supplies as specified in writing by Franchisor for the operation of Franchisee's Franchised Business and sale of services or products.

Franchisor reserves all other rights not specifically granted to Franchisee, including, without limitation, (i) the right to provide, offer, sell, and grant others the right to provide, offer, and sell goods and services that are identical or similar to and/or competitive with those provided at Franchisee's Franchised Business, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including internet or similar electronic media) both inside and outside the Territory, and on any terms and conditions Franchisor deems appropriate; (ii) the right to establish and operate, and grant others the right to establish and operate, any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under the Marks and on any terms and conditions Franchisor deems appropriate; (iii) the right to establish and operate, and to grant to others the right to establish and operate, a Stain Erasers franchise located anywhere inside the Territory; (iv) the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Franchisee's Territory using the Franchisor's principal Marks, or those that are different from the ones the Franchisee will use under the Franchise Agreement.

Franchisee may seek to relocate Franchisee's Franchised Business by submitting, in writing, a request for relocation to the Franchisor, which shall include detailed information surrounding the new proposed location, including: the address, square footage, population of the area, and description of the local market conditions. Franchisee must perform the same tasks should Franchisee wish to open additional Stain Erasers franchises.

Franchisor, who maintains sole discretion to approve or deny Franchisee's request for relocation or to open additional franchises, requires the following conditions be met prior to approval being granted: (1) Franchisee's current location must be operating successfully; (2) there must be sufficient demand to support the relocation or additional franchise; (3) Franchisee must have the financial ability to pay all fees and payments required to be paid to Franchisor and/or suppliers/vendors which must be made prior to the relocation or opening of the additional franchise; (4) be in full compliance with all existing Franchise Agreements and Franchisor's standards and procedures; and (5) execute a new Franchise Agreement. Franchisor shall have sole discretion in deciding whether the aforementioned requirements have been satisfied, and Franchisee shall comply with all requests for documentation from Franchisor to assist in Franchisor's decision.

Franchisee shall be owned **no** compensation from Franchisor for soliciting or accepting orders from inside the Franchisee's Territory.

**ITEM 13:  
TRADEMARKS**

The Franchise Agreement Licenses Franchisee to use the service mark STAIN ERASERS, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the “Marks”). Franchisor owns the following Marks and has applied for registration of such mark on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

Franchisor filed an application for registration of the following Principal Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	Serial Number	Filing Date	Register
	98027852	February 27, 2024	Principal

Franchisor has filed or intends to file when due all required affidavits and renewals for the Mark listed above. Franchisor also claims common law trademark rights for all of the Marks.

Franchisor’s use of the Mark and any goodwill is to Franchisor’s exclusive benefit, and Franchisee retains no rights in the Marks. Franchisee also retains no rights in the Marks upon expiration or termination of the Franchise Agreement. Franchisee is not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless Franchisor so directs in writing.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit Franchisor’s rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to Franchisor that could materially affect Franchisee’s use of the Marks.

Franchisee must notify Franchisor immediately when Franchisee learns about an infringement of or challenge to Franchisee’s use of our Marks. Franchisor will take action Franchisor deems appropriate, but is not obligated to protect Franchisee’s rights to use the Marks. Franchisor has the right to control the defense of any claim using attorneys Franchisor chooses and Franchisee must cooperate in that defense. Franchisee may participate in the defense and settlement at Franchisee’s own expense, but Franchisor’s decisions will be final and binding. Except to the extent that such litigation is the result of Franchisee’s use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, Franchisor will indemnify Franchisee or reimburse Franchisee for liability and reasonable costs if there is a challenge to Franchisee’s authorized use of the Marks, provided Franchisee has notified Franchisor immediately after Franchisee learned of the challenge and cooperate with Franchisor in defending the challenge as required.

Franchisee must follow Franchisor's rules when Franchisee uses the Marks. Franchisee may only use the Marks for the operation of the Franchised Business in Franchisee's Territory. Franchisee must execute any documents Franchisor requires to protect the Marks or to maintain the Marks continued validity and enforceability. Franchisee may not directly or indirectly contest the validity of the Marks, Franchisor's ownership of the Marks, or Franchisor's right to use or license Franchisor's Marks, trade secrets, confidential information or business techniques that are part of the Stain Erasers business. Franchisee cannot use the Marks as part of a corporate or other legal name and Franchisee must comply with Franchisor's instructions in filing and maintaining trade name or fictitious name registrations.

Franchisee must modify or discontinue the use of a Mark, at Franchisee's expense if Franchisor directs. If Franchisor's direct, Franchisee must adopt or use one or more additional or substituted Marks.

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

There are no patents or copyrights currently registered or any pending patent applications that are material to the Stain Eraser franchise. Franchisor does claim copyright protection for Franchisor's manuals, advertising and promotional materials, forms, and related materials produced by Franchisor, but none have been registered with the Copyright Office of the Library of Congress. Said materials are proprietary and confidential and are the property of Franchisor. Franchisee may be allowed to use these materials, so long as Franchisee remains a franchisee, and only as provided in the Franchise Agreement. Franchisor reserves the right to change the items listed at any time and Franchisee must modify its operations to comply with these changes. Franchisor shall have no liability or obligation because of the discontinuation, modification, or change of any item.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit Franchisor's rights to use or license the use of any patents or copyrights in any manner material to the Stain Erasers Franchise. There are no infringing uses actually known to Franchisor that could materially affect Franchisee's use of the patents or copyrights.

Franchisor is not obligated to protect Franchisee against infringement or unfair competition claims arising out of Franchisor's use of any patents or copyrights, or to participate in Franchisee's defense or indemnify Franchisee. Franchisor reserves the right to control any litigation related to any patents and copyrights and Franchisor has the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. Franchisee must notify Franchisor promptly of any infringement or unauthorized use of the Marks of which Franchisee become aware.

Franchisor will be disclosing to Franchisee certain information Franchisor believes to be confidential or proprietary information and trade secrets. This will be included in Franchisor's manuals, the initial training program, additional training (if any), and in materials Franchisor may separately provide Franchisee. Franchisee may use these materials and information in the manner

Franchisor approves and only in the operation of the Franchised Business during the duration of Franchisee's Franchise Agreement. However, Franchisee may not use these materials or information in any other way for Franchisee's own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials and information include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, forms, administrative support systems, vendor and supplier information, training, and methods of operation. Franchisee may disclose this information to its staff but only to the extent necessary to operate the Franchised Business, and only while the Franchise Agreement is in effect.

If Franchisor asks, Franchisee must have Franchisee's personnel who receive or will have access to confidential information sign covenants not to divulge the confidential information or use it for their own benefit. If Franchisee is a corporation or other business entity, Franchisee's shareholders, members and/or owners must also abide by these covenants.

If Franchisee develops any new product, concept, invention, business venture, technique, process or improvement in the operation or promotion of Franchisee's Franchised Business, Franchisee must promptly notify Franchisor and provide Franchisor with all necessary information free of charge. Franchisee acknowledges Franchisor owns any such information and agrees to assign ownership of same to Franchisor, and Franchisee further acknowledges Franchisor may provide this information to other franchisees for their use in their franchises.

Franchisee must notify Franchisor immediately if Franchisee learns about an unauthorized use of the confidential information. Franchisor is not obligated to take any action and Franchisor has the sole right to decide the appropriate response to any unauthorized use of the confidential information. Franchisee must comply with all changes to the requirements, standards, and procedures set forth at Franchisee's sole cost.

**ITEM 15:**  
**OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL**  
**OPERATION OF THE FRANCHISE BUSINESS**

The Franchise Agreement does not require Franchisee personally supervise and manage the day-to-day operation of the Franchised Business, although Franchisor does recommend more involvement than not. While Franchisee is not required to manage the day-to-day operations or be on-site, it is expected that Franchisee has total awareness of what is occurring in Franchisee's Franchised Business. Franchisee may hire a Franchise Manager to oversee the day-to-day operation of the Franchised Business. Upon approval by the Franchisor, the Franchise Manager must successfully complete the Initial Training Program and all other training courses Franchisor requires. Franchisee's Franchise Manager must devote full time to the job and cannot have an interest or business relationship with any of Franchisor's competitors. If the Franchisee is a business entity, the Franchise Manager is not required to have an equity interest in the Franchised Business owning entity.

The Franchise Manager and all other personnel who will have access to Franchisor's proprietary and confidential information and training must sign the Non-Disclosure/Non-Competition Agreement, which is attached to the Franchise Agreement as Attachment 6. If Franchisee's

Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement, including Attachment 6, as a Principal.

Everyone who owns an interest in the Franchised Business must also sign the personal undertaking and guarantee attached to the Franchise Agreement as Attachment 10. If Franchisee's Franchised Business is owned by an entity, all owners of the entity must personally sign Attachment 10 as a Principal.

**ITEM 16:**  
**RESTRICTION ON WHAT FRANCHISEE MAY SELL**

Franchisee shall only offer and sell the products and services that are part of the System, and the services and products which Franchisor incorporates into the System in the future. Franchisee may only offer products and services that Franchisor has previously approved and for which Franchisee is qualified to provide. Franchisor or its agents, shall be allowed to inspect the Franchised Business and any services, products, or equipment, in any matter Franchisor sees fit and at any time with or without notice to Franchisee, to determine whether they meet Franchisor's then-current standards, specifications, and requirements.

Franchisee may not use Franchisor's Marks for any other business, and Franchisee may not conduct any other business at or through Franchisee's Franchised Business operations or office. Franchisee cannot engage in any other business that competes with Franchisee's Franchised Business, with Franchisor or Franchisor's affiliates, or with Strain Erasers outlets owned by other franchisees, whether such business is inside or outside of the Territory.

Franchisor may add to, delete from, or modify the products and services that Franchisee can and must offer. Franchisee must abide by any additions, deletions, and modifications. There are no other limits on Franchisor's rights to make these changes.

Franchisee may only sell products and services in the manner Franchisor prescribes. Franchisee may only solicit sales from customers in Franchisee's Territory.

**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 Franchise Agreement (unless otherwise specified)</b>	<b>Summary</b>
a. Length of the Franchise Term	3	Initial term is 10 years.
b. Renewal or extension of the Term	3.A	Upon the Initial term's expiration, you have the right to renew your Franchise Agreement for one additional 10-year term as long as you meet the requirements listed in the Franchise Agreement. Once you have renewed your Franchise Agreement, you have no automatic further right of renewal and the provisions about renewal described in this section do not apply. At that point you may enter into a new franchise agreement on the then current terms if you and we agree to a new agreement.
c. Requirements for Franchisee to renew or extend	3.Ai.-ix	Upon the Initial term's expiration, you have the right to renew your Franchise Agreement for one additional 10-year term if you: (1) are not in default under any term in the Franchise Agreement, or have not been in default more than 2 times throughout the initial 10-year term, (2) provided your renewal request in written notice to Franchisor at least 90 days prior to the end of the term, (3) requested a copy of the current disclosure document from the Franchisor, (4) signed and returned the new franchise agreement (which may contain different terms compared to the Franchise Agreement) within 60 days of receipt, (5) completed all training requirements, (6) satisfied all obligations under the Franchise Agreement during the initial term, (7) completed all repairs, upgrades, and replacements as Franchisor may require, (8) signed a new general release as attached in the franchise agreement, (9) paid the

		<p>renewal fee, and (10) met the applicable minimum standards (as defined in the franchise agreement) during the previous three years.</p> <p>The renewal fee is -FIVE THOUSAND AND XX/100 DOLLARS (\$5,000).</p>
d. Termination by Franchisee	16.D	You cannot terminate the Franchise Agreement except for a material breach of this Franchise Agreement committed by Franchisor, and only if Franchisor does not cure the material breach within 30 days of notice of the breach.
e. Termination by Franchisor without Cause	N/A	We cannot terminate your Franchise Agreement without cause.
f. Termination by Franchisor with Cause	16.A-B	We can terminate your Franchise Agreement only if you default and, in certain instances, may do so without affording you an opportunity to cure the default, subject to the type of default and applicable state laws.
g. "Cause" defined-curable defaults	16.B	<p>You have 10 days (subject to local state law) to cure if you fail to pay amounts due or fail to submit required reports.</p> <p>You have 30 days to cure all other defaults of the Franchise Agreement except for the non-curable defaults described below.</p>
h. "Cause" defined-non-curable defaults	16.A.i-xxxi	We may terminate your Franchise Agreement, without allowing you to cure the default if you: (1) become insolvent or make a general assignment benefiting creditors, (2) file a voluntary petition for bankruptcy, (3) admit in writing you are unable to pay your debts, (4) a court finds you are bankrupt or insolvent, (5) have a receiver or custodian appointed to control the Franchised Business's assets, (6) have proceedings issued against you for a composition with creditors, (7) have a final judgement against you that remains unsatisfied for 45 days or more, (8) have your Franchise dissolved, (9) have a levy executed against you or, the business, or property, (10) have a suit filed against you to foreclose any lien or mortgage against the Franchised Business that is not resolved within 45 days, (11) fail to obtain and maintain all required license and permits

		<p>according to the Franchise Agreement, (12) falsify any report required to be provided under the Franchise Agreement, (13) cease to operate the Franchise Business for 15 days or more, (14) fail to comply with any law applicable to the Franchised Business including tax laws, (15) understate Gross Revenue two or more times, (16) transfer the Franchised Business not in accordance with the Franchise Agreement, (17) make a material misrepresentation in you franchise application, (18) are convicted of a felony damaging to the Franchise, (19) are convicted of fraud, racketeering, or improper trade practices, (20) refuse Franchisor its right to inspect your business records, (21) knowingly maintain or submit any false report, (22) create a danger to public health or safety through the Franchised Business, (23) use the Marks of copyrighted material in an unauthorized manner, (24) violate the non-competition agreement included in the Franchise Agreement, (25) default in performing your obligations three or more times during the term, (26) cannot honor a check of electronic funds transfer two or more times in any 12 month period, (27) default under any agreement with Franchisor, which includes any financing related agreements, or the Franchisor's suppliers and it remains uncured, and (28) terminate the Franchise Agreement when no breach has been committed by Franchisor or Franchisor has not yet been given the opportunity to cure said breach according to the applicable time limits set forth in the Franchise Agreement.</p>
<p>i. Franchisee's obligations on termination/non-renewal</p>	<p>17.A-H</p>	<p>When the Franchise Agreement ceases to be in effect, you shall: (1) cease all representations concerning your relationship with the Franchised Business, (2) discontinue using promotional materials and all Marks, including those on vehicles, (3) pay all fees and amounts owed to Franchisor and its affiliates, (4) return all materials, records, files, and other confidential property and property related to the Franchised Business, (5) assign all phone numbers, email addresses, and other advertising accounts to the Franchisor, and (6) honor the</p>

		Franchisor’s right to purchase any or all of the Franchised Business’s equipment according to the Franchise Agreement.
j. Assignment of Franchise Agreement by Franchisor	[see Transfer by Franchisor]	Franchisor may assign your Franchise Agreement to any 3 <sup>rd</sup> party without providing you prior notice and without your consent.
k. “Transfer” by Franchisor - defined	15.G	A “Transfer” includes the Franchisor: (1) selling Franchisor’s assets and Franchisor’s rights to the Marks and the System outright to a third party, (2) conducting a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; (3) merging, acquiring other corporations, or be acquired by another corporation, including competitors, or (4) engaging in a public or private placement of some or all of Franchisor’s securities.
l. Franchisor approval of transfer by Franchisee	15.A	Franchisor has the sole right to approve or disapproves all transfers but will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	15.B	The Franchisor may approve your Transfer if: (1) the proposed transferee(s) has sufficient demeanor character, business experience, and financial resources, (2) the proposed transferee agreed to be bound to all the Franchisee’s customer obligations including warranties and service plan obligations, (3) the Franchisee paid all amounts owed to Franchisor, including any amount owed from any financing provided to Franchisee by Franchisor, and third party creditors, (4) the proposed transferee agrees to complete the Initial Training Program, (5) the parties involved in the proposed transfer execute a general release of all claims against the Franchisor, (6) in the case of an installment sale, the Franchisee guarantees the performance of the Franchise Agreement until the final installment is paid, (7) the Franchisee or transferee agreed to modernize, remodel, refurbish, or upgrade the site, equipment, or vehicles used in connection with your Franchised Business, (8) Franchisor approves

		the terms and conditions of the Transfer, (9) Franchisee provides all proposed transfer documents at least 30 days prior to the proposed Transfer's closing, and (10) the Transfer Fee is paid as specified in the Franchise Agreement.
n. Franchisor's right of first refusal to acquire the Franchised Business	15.F	Franchisor may buy your Franchised Business at the same price and on the same terms as those of a third-party offer.
o. Franchisor's Option to Purchase the Business	16.F	<p>If you want to transfer all or part of your interest in the Franchised Business or the Franchise Agreement, then you shall promptly notify Franchisor in writing of the offer. Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in the Franchise Agreement and your Franchised Business for the price and on the terms and conditions contained in the offer. You further agree, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that Franchisor: (1) may substitute cash for any form of consideration in the offer, (2) will have its credit deemed equal to the credit of any proposed transferee, (3) may pay the full purchase price at closing at the Franchisor's option, (4) will have at least 30 days to close the purchase, and (5) is entitled to receive all representations and warranties from the Franchisee as customary in an asset or equity sale.</p> <p>If Franchisor does not exercise its right to purchase within 30 days, you may transfer your interests to the proposed transferee on terms no more favorable than the terms you disclosed to Franchisor. If the sale to the proposed transferee is not completed within 45 days after notice to Franchisor, or there are any material changes to the terms, you must resubmit the offer to the Franchisor and Franchisor shall again have a right of first refusal.</p>

<p>p. Franchisee’s death or disability</p>	<p>15.E.i</p>	<p>You or your personal representative must promptly notify Franchisor of your death, disability, or incapacity. If your successor-in-interest wants to continue as the Franchisee they must, within 120 days, (1) tender the right of first refusal, (2) apply for our consent to the transfer, (3) pay the transfer fee, and (4) satisfy the transfer conditions (provided that no right of first refusal or transfer fee is applicable if the transferee is your spouse or child).</p>
<p>q. Non-competition covenants during the term of the Franchise Agreement</p>	<p>9</p>	<p>You (including your guarantors, Principals, managers, or officers if you are an entity, or your spouse, children, parents, or siblings if you are an individual) cannot be involved in a Competitive Business.  <b>“Competitive Business”</b> is any business that offers or sells commercial and/or residential cleaning service, or otherwise competes with Franchisor’s System.</p>
<p>r. Non-competition covenants after the Franchise Agreement is terminated or expires</p>	<p>17.E</p>	<p>For 1 year, you will not be involved in a Competitive Business in your Territory, within a 25-mile radius of the outer boundary of your Territory, or inside the territory of another Stain Erasers business.</p>
<p>s. Modification of Franchise Agreement</p>	<p>19G</p>	<p>No modification of the Franchise Agreement except by written agreement of both parties.</p>
<p>t. Integration/merger clause</p>	<p>18</p>	<p>Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable and the Franchise Agreement supersedes all prior written or oral agreements. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this disclosure document.</p>
<p>u. Dispute resolution by arbitration or mediation</p>	<p>18</p>	<p>Initially, you must attempt to resolve any dispute with the Franchisor’s President or CEO. If you are unable to resolve it, most disputes must be submitted to non-binding mediation. You are responsible for your costs associated with mediation and 50% of the mediator’s cost. If mediation fails to resolve the dispute, most</p>

		disputes must be subject to arbitration. You shall not seek, nor are you entitled, to any punitive or exemplary damages from the Franchisor.
v. Choice of venue	18.B	Unless local law supersedes this provision, governing law shall be the State of Florida, specifically Collier County, Florida for mediation and arbitration proceedings or the nearest office of the American Arbitration Association. Franchisor may elect to hold dispute resolution proceedings in the county of your Franchised Business's Principle place of business.
w. Choice of law	18.B	Florida law applies unless state law supersedes this provision.

SEE THE ATTACHED SPECIFIC STATE ADDENDUMS (ATTACHMENT 12) FOR ADDITIONAL DISCLOSURES.

**ITEM 18:**  
**PUBLIC FIGURES**

Franchisor does not currently use any public figure to promote the Stain Eraser franchise. No public figure is currently involved in Franchisor's management.

**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 Ryan Sellars (262-525-8421), the Federal Trade Commission, and the appropriate state regulatory agencies.

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

Table No. 1  
System-wide Outlet Summary  
For Years 2022-2024

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
None	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0

Table No. 4  
Status of Company Owned\* Outlets  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
N/A	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
<b>Total</b>		0	0	0	0	0	0

Table No. 5  
Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
N/A	0	0	0
	0	0	0
	0	0	0
<b>Total</b>	0	0	0

Franchisor has not yet opened franchises in any state. As such, during Franchisor’s last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise or involuntarily ceased to do business under the franchise agreement or has not communicated with Franchisor within 10 weeks of the date of this Disclosure Document. If Franchisee buys this franchise, Franchisee’s contact information may be disclosed to other buyers, including when Franchisee leave the franchise system.

As a startup franchise, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the Stain Erasers System being offered in this Franchise Disclosure Document.

**ITEM 21:**  
**FINANCIAL STATEMENTS**

Stain Erasers, LLC was formed on April 26, 2024. Due to Stain Erasers, LLC not having been in business for three years, Franchisor is not able to include the three prior years of audited financial

statements normally required by this Item 21. Franchisor's unaudited balance sheet as of April 30, 2025, is included in Exhibit C.

Franchisor's fiscal year end is December 31.

**ITEM 22:**  
**CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are included in Exhibit D of the Franchise Agreement. Franchisor urges Franchisee to read all of agreements carefully. While Franchisor has put forth its best efforts, this Franchise Disclosure Document cannot possibly contain all of the terms of the various agreements. Franchisor has attached the following agreements:

- Exhibit D - Franchise Agreement, with:
  - Attachment 1: Information Sheet
  - Attachment 2: Marks
  - Attachment 3: Territory Description
  - Attachment 4: General Release
  - Attachment 5: Lease Addendum
  - Attachment 6: Collateral Assignment of Lease
  - Attachment 7: Internet, Advertising, Social Media, Software, and Telephone Listing Agreement
  - Attachment 8: Confidentiality and Non-Compete Agreement
  - Attachment 9: ACH Form
  - Attachment 10: Personal Guarantee
  - Attachment 11: Sub-Supply Agreement
  - Attachment 12: State Specific Amendments

**ITEM 23:**  
**RECEIPT**

A receipt in duplicate is attached to this Disclosure Document as the final two pages. Franchisee should sign both copies of the receipt. Keep one copy for Franchisee's own records and return the other signed copy to Ryan Sellars, Stain Erasers, LLC, 2450 N. 127<sup>th</sup> Street, Suite A, Brookfield, Wisconsin 53005; 833-605-2572.

**EXHIBIT A**

**AGENCIES/AGENTS FOR SERVICE OF PROCESS**

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as Franchisor's agents for service of process (to the extent that Franchisor is registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as Franchisor's agents for service of process.

<b><u>State</u></b>	<b><u>State Administrator/Agent</u></b>	<b><u>Address</u></b>
Florida	Registered Agent Solutions, Inc.	2894 Remington Green Lane Suite A Tallahassee, FL 32308
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-9555

## **EXHIBIT B**

### **STAIN ERASERS OPERATIONS MANUAL TABLE OF CONTENTS**

Introduction

Pre-Opening: Before Your First Job

Personnel

Sales and Marketing (including pointing out  
prior damage from bleach, etc.)

Office Procedures (including Quickbooks and  
Estimating)

Application and Other Service Procedures  
(including Safety Training)

Q&A and Deeper Dives as Requested

**EXHIBIT C**

**UNAUDITED OPENING BALANCE SHEET**

**Stain Erasers, LLC**  
**Balance Sheet**  
**as of April 30, 2025**

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 257,924
Cash- Escrow	<u>-</u>

**Total Current Assets** 257,924

**Fixed Assets**

Property, Plant & Equipment, Net of Accumulated Depreciation	<u>\$ 56,080</u>
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**Total Assets** \$ 314,005

**Liabilities and Members' Equity**

**Current Liabilities**

Accounts Payable	<u>\$ 37,995</u>
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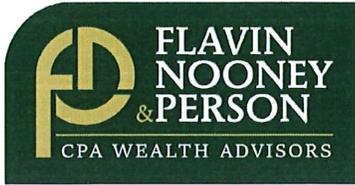
**Total Current Liabilities** 37,995

**Total Liabilities** 37,995

**Members' Equity** 276,010

**Total Liabilities and Members' Equity** \$ 314,005

*No Assurance is Provided on These Financial Statements  
Substantially All Disclosures Omitted*



2200 South Babcock Street  
Melbourne, Florida 32901  
Phone 321.725.4700 | Fax 321.725.0074  
www.flavincpa.com

*Setting your course for success.*

May 7, 2025

Re: Stain Erasers, LLC  
Franchise Disclosure

CONSENT

Dear Sir/Madam,

Flavin, Nooney & Person, LLC consents to the use in the Franchise Disclosure Document issued by Stain Erasers LLC (“Franchisor”) on May 7, 2025, as it may be amended, relating to the financial statements of Franchisor for the period ending April 30, 2025.

Sincerely,

A handwritten signature in black ink that reads 'Barbara Nooney'.

Barbara Nooney, CPA/PFS, CGMA, CFP®

**EXHIBIT D**

**FRANCHISE AGREEMENT AND ATTACHMENTS**

## STAIN ERASERS, LLC FRANCHISE AGREEMENT

This Franchise Agreement (the “**Agreement**”) is made as of \_\_\_\_\_, 20\_\_\_, (the “**Effective Date**”) by and between Stain Erasers, LLC, a Florida limited liability company, with its principal business located at 3000 Gulf Shore Boulevard North, #107, Naples, Florida 32103 (“**Franchisor**”), and the person or entity (the “**Franchisee**”) identified as Franchisee on the Information Sheet attached as Attachment 1. If the franchisee is a corporation, partnership, limited liability company or other legal entity, the provisions of this Agreement also apply to its owners (the “**Principals**”).

### RECITALS

**WHEREAS**, through the expenditure of considerable time, effort and money, Franchisor has developed and established a cleaning service to provide organic stain removal and exterior cleaning of windows, patios, roofs, sidewalks, curbs, decks, gutters, walls, and pavers for residential and commercial buildings using Franchisor’s format, trade dress, methods of marketing and operation, training and assistance, and confidential operations manual of business practices and policies (taken together herein the “**System**”).

**WHEREAS**, the System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the service mark Stain Erasers, as set forth in Attachment 2, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “**Marks**”).

**WHEREAS**, Franchisor continues to develop, use, and control the use of such Marks to identify for the public the source of services and products marketed under the Marks and System and to represent the System’s high standards of quality, appearance, and service.

**WHEREAS**, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, appearance, and service, and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications.

**NOW, THEREFORE**, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

### GRANT OF FRANCHISE

**1. Rights Granted.** Franchisor hereby grants to Franchisee, and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Stain Erasers franchise (the “**Franchise**” or “**Franchised Business**”), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved, and further developed by Franchisor from time to time.

Franchisee accepts said license and will undertake the obligation to operate the Franchised Business diligently and in good faith, using the System and remaining in compliance with this Agreement and Franchisor's standards and requirements. This grant applies only within a territory that is designated in Attachment 3 attached hereto and incorporated herein (the "**Territory**").

## **TERRITORY, SOLICITATION, SALES RESTRICTIONS**

**2. Territory and Solicitation.** This Agreement grants Franchisee the right to operate the Franchised Business within the Territory only.

Except as set forth in this Agreement, Franchisee cannot solicit, perform services, or sell products related to the Franchised Business to customers outside of the Territory without prior written consent of Franchisor. Franchisor may withhold or consent at Franchisor's sole discretion. Franchisee must refer any request for services or products in areas outside the Territory (each, an "**Open Territory**") to the franchisee (if any) that owns the applicable territory. If no franchisee owns the applicable territory, Franchisee may seek written permission from Franchisor to process such request.

Franchisee must comply with all conditions and requirements Franchisor may, from time to time, specify as a condition of being granted permission to solicit or provide services to an Open Territory. Upon demand from Franchisor, or upon Franchisee's actual notice that an Open Territory has been purchased by another franchisee, Franchisee agrees to immediately cease all activities in such Open Territory and comply with Franchisor's procedures for the transition of customer accounts for such Open Territory.

**A. Reservation of Rights.** Franchisor reserves the rights listed in this Section 2.A. Franchisee understands and agrees all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. Franchisor and Franchisor's affiliates retain all rights whatsoever not expressly granted herein, including, but not limited to:

i. the right to provide, offer, sell, and grant others the right to provide, offer, and sell goods and services that are identical or similar to and/or competitive with those provided at Franchisee's Franchise, whether identified by the Marks or other trademarks or service marks, through similar or dissimilar channels of distribution (including internet or similar electronic media) both inside and outside the Territory, and on any terms and conditions Franchisor deem appropriate;

ii. the right to establish and operate, and grant others the right to establish and operate, any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Territory, under the Marks and on any terms and conditions Franchisor deems appropriate.

iii. the right to establish and operate, and to grant to others the right to establish and operate, a Stain Erasers franchise located anywhere inside the Territory;

iv. the right, directly or through an authorized third party (including, another franchisee), to advertise, solicit, enter into contracts with, and service accounts in any area, including in the Territory, upon such terms as Franchisor (in Franchisor's sole discretion) negotiate from time to time;

v. the right to be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services like those provided at the Franchised Business, or by another business, even if such business operates, franchises and/or licenses a business(es) that competes with Franchisee in the Territory;

vi. the right to acquire the assets or ownership interests of one or more businesses providing products and services like those provided at the Franchised Business, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory);

vii. the right to authorize another franchisee (or designate or authorize a corporate employee or any other third party) to perform services for, or sell products to, the applicable customers inside the Territory if Franchisee refuses or, in Franchisor's sole judgment, is not qualified, interested, or available to perform services, or otherwise cannot or do not perform services for any customer located within the Territory; or if Franchisee requests assistance in the performance of services to a customer; or a customer, orally or in writing, specifically requests services within the Territory from a different franchisee or another third party. Franchisee agrees Franchisee will not be entitled to any compensation for sales or services performed inside the Territory by someone other than Franchisee as contemplated under this Agreement; and

viii. notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a new Franchise Agreement for this Franchised Business as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

Franchisee agrees such implementation of Franchisor's rights pursuant to this is Section 2.A is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

**B. Applicable Minimum Standards.** Franchisee agrees to be bound by the annual applicable minimum performance standards set forth in Attachment 1 (the "**Annual Minimum Performance Standards**"). The Annual Minimum Performance Standards serve as the absolute minimum amounts per year expected from Franchisee, and Franchisee

acknowledges meeting the Annual Minimum Performance Standards does not suggest the Franchised Business is successful.

### **TERM AND RENEWAL**

**3. Term.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date and terminate on the date that is 10 years from the Effective Date (the “**Term**”).

**A. Renewal; Conditions of Renewal.** Franchisor shall grant Franchisee the right to renew its license for 1 renewal term of 10 years (“**Renewal Rights**”); if all the following conditions are met:

i. Franchisee is not in default under the Terms of this Agreement (or any other agreement that relates to Franchisee’s franchise), nor has Franchisee been in default more than 2 times throughout the Term of this Agreement;

ii. Franchisee has provided written notice to Franchisor of Franchisee’s request to renew Franchisee’s license at least ninety 90 days prior to the end of the expiring Term;

iii. Franchisee has requested, in writing, a copy of Franchisor’s then current Disclosure Document (including Franchisor’s then current franchise agreement);

iv. executed and returned to Franchisor said current Franchise Agreement and any auxiliary document within sixty (60) days after receipt by Franchisee;

v. all training requirements have been successfully completed by Franchisee;

vi. all monetary and other material obligations have been satisfied on a timely basis during the Term of this Agreement by Franchisee;

vii. Franchisee has performed such repairs, upgrades and replacements as Franchisor may require causing the Franchised Business equipment, computer system, vehicle(s) and other assets to conform to the then-current specifications for franchised businesses on the renewal date;

viii. Franchisee shall execute a general release of all claims Franchisee may have against Stain Erasers LLC, its parent, subsidiaries and affiliates, officers, directors, shareholders, agents, members, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4;

- ix. Franchisee has paid the Renewal Fee (as defined herein); and
- x. Franchisee has met the Applicable Minimum Standards during the last 3 years of the Term.

**B. Acknowledgement of Franchisee.** Upon Franchisee exercising its Renewal Rights, Franchisee understands and acknowledges that:

- i. the terms of the Franchisor's then current Franchise Agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees;
- ii. Franchisee's failure to perform any of the acts, or deliver any of the notices required pursuant to Section 3.A in a timely fashion, shall be deemed an election by Franchisee not to exercise Franchisee's Renewal Rights, and such failure shall cause Franchisee's rights and option to automatically lapse and expire, without further notice by Franchisor; and
- iii. the initial Term of this Agreement provides Franchisee a more than sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

#### **FEES, AUDIT RIGHTS AND REPORTING**

**4.** Franchisee agrees to pay the fees described below and comply with the following provisions:

**A. Initial Franchise Fee.** Franchisee acknowledges and agrees the grants of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee, which shall be SEVENTY-FIVE THOUSAND AND XX/100 DOLLARS (\$75,000) for up to 500,000 individuals residing within the Territory ("the **Initial Fee**"). The Initial Fee which is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances, and must be paid upon Franchisee's execution of this Agreement. This fee shall be prorated if the number of individuals residing in the Territory as of the date of renewal is more than 500,000, and the fee shall equal the number of individuals residing in the Territory multiplied by fifteen cents (\$0.15).

**B. Renewal Fee.** As a condition of renewing this Agreement, Franchisee shall pay Franchisor a non-refundable fee of FIVE THOUSAND AND XX/100 DOLLARS (\$5,000). This fee is nonrefundable.

**C. Royalty Fees.** Franchisee agrees to pay Franchisor a nonrefundable monthly royalty fee equal to 7% of the Gross Revenue from the previous month realized from the Franchised Business and from any other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets (the **Royalty Fee**) throughout the Term of this Agreement. The monthly Royalty Fee shall be due on the 10<sup>th</sup> day of each month for the

preceding month. If Franchisee fails to achieve the minimum monthly Gross Revenue as defined below, Franchisor may collect from Franchisee a Royalty equal to what Franchisee would have paid had Franchisee achieved the minimum gross revenue (“**Minimum Gross Revenue**”). Franchisor, in its sole discretion, may adjust the reporting period for the Minimum Gross Revenue to consider the seasonality of a particular franchised outlet. The Minimum Gross Revenue is set forth below:

<b>Months since Opening Date</b>	<b>Monthly Minimum Gross Revenue</b>
0 – 12	\$5,000
13– 24	\$10,000
25– 36	\$16,666
37– 48	\$19,900
49– 60	\$25,000
61– 72	\$27,500
73– 84	\$29,900
85– 96	\$33,500
97– 108	\$36,600
109 – 120	\$39,500

The term “**Gross Revenue**” includes all revenues and income from any source derived or received by Franchisee from, through, by, or on account of, the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues does not include:

- i. sales taxes and taxes paid to taxing authorities;
- ii. refunds and credits made in accordance with Franchisor's standards and specifications; and
- iii. the discount value of any voucher or other allowance that Franchisor authorizes.

**D. Gross Revenue Reports.** As part of the order to remittance services provided by Franchisor, Franchisor shall accept all work orders on behalf of Franchisee, and shall also accept all payment for all jobs. Within 30 days of due date of payment for the job, Franchisor shall deposit the payment for the job to Franchisee. Franchisor shall also provide to Franchisee a copy of all receipts associated with payment from jobs. Franchisee must provide to Franchisor, on or before the fifteenth (15<sup>th</sup>) day of each calendar month, a report showing Franchisee’s Gross Revenue during the immediately prior calendar month (the “**Gross Revenue Report**”). The Gross Revenue Report shall be in such form (including electronic) and shall contain such information as Franchisor may from time to time prescribe.

**E. Brand Building Fees.** Franchisee must pay each month a Brand Building Fund fee (the “**Brand Building Fees**”) in an amount equal to 2% of Gross Revenue from the previous month. The Brand Building Fee shall be due on the 10<sup>th</sup> day of each month. Franchisor reserves the right to modify the Brand Building Fee. This fee is nonrefundable.

**F. Technology Fee.** Franchisee must pay each month a nonrefundable technology fee (the “**Technology Fee**”) in the amount of 0.5% of Gross Revenue from the previous month, which shall be used to fund new and ongoing franchisee support and business development activities that Franchisor deems necessary to grow the System. Franchisor reserves the right to increase the Technology Fee by an amount of no more than 3% of Franchisee’s Gross Revenue per month per calendar year in order to recover in part any increase in costs for such services. The Technology Fee shall be on the 10<sup>th</sup> day of each month. The monies will be administered by Franchisor.

**G. Encroachment Fee.** If Franchisee sells products or services of the Franchised Business to customers outside the Territory, and the area in which said products or services are sold is a territory belonging to another franchisee, Franchisee shall pay the Franchisor a fee of \$1,000 for each customer products or services are sold to, and, to the encroached upon franchisee, fifty percent (50%) of the price of the services or products sold (the “**Encroachment Fee**”). Franchisee shall pay the Encroachment Fee upon receipt of written demand from Franchisor.

**H. Open Territory Fee.** If the Franchisee sells products or services of the Franchised Business to customers in an Open Territory without the permission of Franchisor, Franchisee shall pay the Franchisor a fee of \$1,000 for each customer products or services are sold to (the “**Open Territory Fee**”). Franchisee shall pay the Open Territory Fee to Franchisor upon written demand from Franchisor. This fee is nonrefundable.

**I. Territory Expansion Fee.** If Franchisee requests, in writing, to expand the geographical location of the Territory, and such request is granted, Franchisee shall pay \$0.15 per person located in the proposed expanded area of the Territory for each approval of expansion (“**Expanded Territory Fee**”). The Territory Expansion Fee shall be paid upon Franchisor’s approval of the expansion. This fee is nonrefundable.

**J. Insurance.** Franchisee shall pay for insurance at cost, in retaining policies as stated in Section 13. Failure to acquire insurance shall result in Franchisee being subject to not only the costs and premiums incurred by Franchisor in obtaining any insurance on Franchisee’s behalf, but an additional fee equal to 2% of the costs and premiums Franchisor pays each and every month until Franchisee obtains the required insurance. Such fee, meaning the costs and premiums incurred by Franchisor, as well as the additional 2% fee, is nonrefundable.

**K. Indemnification.** Franchisee shall reimburse the Franchisor for all costs and expenses incurred in connection with any claims, damages or liabilities against Franchisor which Franchisee indemnifies Franchisor for via Section 14. Such reimbursement is nonrefundable.

**L. Transfer Fee.** Franchisee must pay to Franchisor a Transfer fee in the amount equal to \$10,000 plus any applicable broker/referral fee. The Transfer fee is nonrefundable. Franchisee will not be required to pay a Transfer fee if Franchisee is an individual and wishes to Transfer this Agreement to a newly formed legal entity wholly owned by Franchisee and established solely for purposes of the convenience of ownership and the operation of the Franchised Business.

**M. Method of Payment.** Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee, Brand Building Fee, Ongoing Training Development Fee, and Technology Fee then due. Franchisee must execute Attachment 9, as well as any documents that allow Franchisor to automatically take the Royalty Fee, Brand Building Fee, Technology Fee, and other sums due to Franchisor when due from bank accounts via electronic funds transfers.

**N. Late Fee.** If the Royalty Fee, Technology Fee, Brand Building Fee, Ongoing Training Development Fee, or other fee due and payable to Franchisor, or any Gross Revenue Reports, are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Fifty Dollars (\$50) per week (the “**Late Fee**”). The Late Fee is reasonably related to Franchisor’s costs resulting from the delay in payment and/or receipt of any report, and Franchisee acknowledges this is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement. This fee is nonrefundable.

**O. Grand Opening Advertising Fee.** The “**Grand Opening Advertising Fee**” is included in the Initial Franchise Fee and is not due to Franchisor. .

**P. Order Processing Fee.** Franchisee must pay each month an order processing fee (“**Order Processing Fee**”) in the amount of 3.5% of Gross Revenue from the previous month. The Order Processing Fee shall be due on the 10<sup>th</sup> day of each month, and is non-refundable. The Order Processing Fee shall be used to cover the administrative costs associated with all Order to Remittance services provided by Franchisor, which include addressing customer complaints brought to Franchisor by customers or by Franchisee, answering customer and potential customer inquiries, booking of jobs, and collection of payment from customers.

**Q. Additional Training Fee.** For all additional training required by Franchisor, or requested by Franchisee, Franchisee must also pay the costs of all meals, travel costs, and lodging costs for Franchisee’s additional trainees, as well as Franchisor’s Agents. Non-refundable.

**R. Ongoing Training Development Fee.** Franchisee must pay to Franchisor each month 0.75% of Gross Revenue from the previous month to serve as the fee for the Franchisor to conduct research and development to improve training (“**Ongoing Training Development Fee**”). Non-refundable.

**S. Customer Service Fee.** Franchisee must pay to Franchisor each month 1.25% of Gross Revenue from the previous month to operate and perform customer service related activities on Franchisee's behalf. ("**Customer Service Fee**"). Non-refundable.

**T. Electronic Transfer of Funds.** Franchisee must sign the Electronic ACH Form, which is attached as Attachment 9, to authorize and direct Franchisee's financial institution to allow Franchisor direct Franchisee's financial institution to initiate a transfer of funds electronically directly to Franchisor's account, and to charge Franchisee's accounts all of the amounts due and owing to Franchisor and any affiliate of Franchisor. Franchisee is responsible for any penalties, fines, or other similar expenses associated with the transfer of funds described in this Section. It is Franchisee's obligations to maintain a balance in Franchisee's account that is sufficient to allow Franchisor and Franchisor's affiliates to collect the amounts owned when due.

**U. Interest.** All amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or the maximum permitted by law. Any interest accrued shall be nonrefundable.

**V. Audits.** Franchisor, or its authorized representative, has the right, at all times, to enter the premises where Franchisee's books and records relative to the Franchised Business are kept and to evaluate, copy, and audit such books and records, including, but not limited to any and all financial statements, reports, state, federal, personal income tax records or other income tax records covering or related to the Franchised Business, sales tax records, payroll records, databases, and other related records. In addition, if, in Franchisor's reasonable business judgment, Franchisor believes Franchisee has failed to comply with reporting and/or record keeping obligations hereunder, Franchisor has the right to also access and evaluate, copy and audit books and records related to any other business in which Franchisee has an ownership or management interest, Franchisor has the right to request information from Franchisee and Franchisee's suppliers, vendors, and Customers. If any such evaluation or audit reveals an understatement of 2% or more of Franchisor's Gross Revenue, or Franchisee does not provide any requested information within 30 days from the date of Franchisor's initial request, Franchisee must pay for the cost of the audit (including, without limitation, professional fees, travel, and room and board expenses directly related thereto). The cost for such audit shall be nonrefundable. To verify the information that Franchisee supplies, Franchisor has the right to reconstruct Franchisee's sales through any reasonable method of analyzing and reconstructing sales, including through the utilization of Profit Keeper. Franchisee agrees to accept any such reconstruction of sales unless Franchisee provide evidence in a form satisfactory to Franchisor of Franchisee's sales within a period of 14 days from the date of notice of understatement or variance.

## TRAINING

**5. Initial Training Program.** Franchisee shall complete, to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("**Initial Training Program**") prior to the opening of the Franchised Business. The Initial Training Program consists of a 5-day course which shall be conducted at the J Racenstein Training Center in Rutherford, New Jersey, or at any

other location Franchisor selects. Franchisor reserves the right to change any part of the Initial Training Program course from in-person to virtual, and also reserves the right to designate an alternate location for the Initial Training Program. Franchisee must, at all times during the term of this Agreement, have a Principal who has successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. The Initial Training Program shall be attended by Franchisee (if the franchisee is an individual) or all of Franchisee's Principals (if the franchisee is a business entity) ("**Initial Trainees**"). If the number of Initial Trainees would exceed four (4), or if Franchisee desires for additional employees or agents of Franchisee to attend the Initial Training Program, the cost to Franchisee shall be \$400.00 per person. Notwithstanding the foregoing, Franchisee shall be required to pay all the expenses of the Initial Trainees, including, without limitation, costs of travel, meals, and wages.

**A. Satisfactory Completion.** Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed, Franchisor may terminate this Agreement.

**B. Additional Training.** Franchisor may offer mandatory and/or optional additional training programs from time to time. Franchisor may require Franchisee to travel to a specific location for the additional training, or Franchisor may require Franchisor's Agents or training personnel to conduct said training in the Territory. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to fourteen (14) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training is a default of this Agreement. Franchisee or Franchisee's Principal(s) shall be required to obtain any missed additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's Principal(s), and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee via ACH.

## **OPERATION STANDARDS; REQUIREMENTS**

**6.** Franchisee agrees to be bound by the following requirements and operation standards of Franchisor:

**A. Site Selection.** Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing an office location for the Franchised Business within the Territory ("**Franchise Site**"). Franchisee is hereby permitted to operate out of a home-based office, defined as a space within Franchisee's place of residence, provided that

such office is located in the Territory and meets the criteria listed in Section 6.B. If Franchisee intends or desires to operate out of a commercial office location, Franchisor shall review the lease for such office space for Franchisor required terms only. Franchisor does not guarantee the success of any location. Franchisee shall not allow the Franchise Site to be located in a storage unit.

**B. Site Criteria.** The Franchise Site must meet the following criteria:

- i. the Franchise Site must be at least 300 square feet, shielded from the elements, and not reach temperatures below 32 degrees Fahrenheit or above 80 degrees Fahrenheit;
- ii. should Franchisee seek to operate out of a commercial space, Franchisor shall have no responsibility for any lease, and Franchisee has the sole responsibility to evaluate, negotiate and enter into a lease or a purchase agreement for the Franchise Site premises, incorporating the provisions of the Lease Addendum substantially as set forth in Attachment 5 to this Agreement;
- iii. Franchisee shall also be responsible for executing Attachment 6 to this Agreement; and
- iv. Franchisee shall maintain a P.O. Box that is located within the Territory, in addition to an address at the Franchise Site.

**C. Time to Open.** Franchisee acknowledges that time is of the essence in this Agreement. Franchisee must begin operating the Franchised Business within 90 days of the date Franchisor signs this Agreement. Franchisor is not responsible or liable for any of Franchisee's pre-opening obligations, losses, or expenses, including those incurred for Franchisee's failure to comply with obligations, or failure to open by a particular date. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "**Opening Date**". Prior to the Opening Date, Franchisee shall:

- i. satisfactorily complete Franchisor's Initial Training Program;
- ii. obtain all required licenses and certificates of insurance required to operate the Franchised Business, including an exemption from sales and use tax, sometimes referred to as a "resale certificate";
- iii. hire and train staff, if required;
- iv. obtain all equipment Franchisor requires, including but not limited to, computer systems, software, applications, equipment, and vehicle(s) in accordance with Franchisor's standards; and

v. enter into any and all agreements necessary to secure Franchisee's ability to sell the authorized services, products, or supplies, whether or not such agreements are attached hereto as Attachments.

If Franchisee fails to comply with any such obligations, Franchisor shall have the right to prohibit Franchisee from opening. Franchisee's failure to open the Franchised Business and commence business within 90 days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

**D. Relocation.** Franchisee may send a written request to relocate to a new Territory, which Franchisor may grant in Franchisor's sole discretion. The written request shall include detailed information surrounding the new proposed location, including the address, square footage, population of the area in which the Franchisee intends to operate, and a description of the local market conditions. Franchisee must perform the same tasks should Franchisee wish to open additional Stain Erasers franchises.

Franchisor, who maintains sole discretion to approve or deny Franchisee's request for relocation requires the following conditions be met prior to any approval being granted:

- i. Franchisee's current location must be operating successfully;
- ii. there must be sufficient demand to support the relocation or additional franchise;
- iii. Franchisee must have the financial ability to pay all fees and payments required to be paid to Franchisor and/or suppliers/vendors which must be made prior to the relocation or opening of the additional franchise;
- iv. be in full compliance with all existing Franchise Agreements and Franchisor's standards and procedures; and
- v. execute a new Franchise Agreement.

In the event such permission is granted:

- i. the parties shall amend the Territory description to reflect the address of the new Franchised Business office location; and
- ii. Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchised Business office as part of the System.

**E. Authorized Services and Products.** Franchisee must use only those techniques, procedures and supplies Franchisor specifies in writing for the operation of Franchisee's Franchised Business and sale of services of products. Franchisee must purchase all equipment, inventory, supplies, and services from suppliers and vendors

Franchisor has designated, or in accordance with Franchisor's specifications. Franchisee acknowledges and agrees Franchisor may change any requirement periodically and Franchisee agrees to conform to any such changes. Franchisor may introduce new products and supplies and change previously approved products and supplies from time to time, and Franchisee agree to promptly comply with Franchisor's new or changed requirements. Franchisor has the right to approve the supplier of approved products and supplies. Franchisee acknowledges and agrees certain approved products and supplies may only be available from one approved supplier source, and Franchisor or Franchisor's affiliates may be that source.

FRANCHISOR AND FRANCHISOR'S AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS FRANCHISOR APPROVES AND EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

**F. Unapproved Item/Suppliers.** Franchisee shall not be allowed to request Franchisor consider another item or supplier.

**G. Operating Procedures; Operations Manual.** Franchisee will be given a copy of Franchisor's Operations Manual prior to opening. Franchisee acknowledges the Operations Manual is at all times Franchisor's sole property. The Operations Manual, and the information it contains, is secret and confidential, and Franchisee must use all reasonable efforts to maintain such information secret and confidential. Franchisee must adopt and use the required standards, service style, procedures, techniques and management systems described in the Operations Manual or other written materials relating to the Franchised Business provided from time to time by Franchisor. Franchisor will revise the Operations Manual and these standards, procedures, techniques, and management systems periodically. Franchisor will notify Franchisee of any such updates or revisions. Franchisee expressly agrees to comply with each new or changed requirement. In the event of any dispute as to the contents of said Operations Manual, the terms of Franchisor's master copy of the Operations Manual Franchisor controls.

Required standards generally will be set forth in the Operations Manual or other written materials provided to Franchisee. In order to protect Franchisor's interests in the System and the Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

**H. Employment.** Franchisor will employ sufficient employees as prescribed by Franchisor to operate the Franchised Business at its maximum capacity and efficiency as required by Franchisor. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or

credit histories) that are required by state and local laws, regulations, ordinances, and/or that Franchisee determines to be necessary and appropriate, prior to hiring. It is Franchisee's responsibility to make sure no employee or subcontractor enters a customer's home if such person has not passed the required background checks. No employee of Franchisee will be deemed to be an employee of Franchisor for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third-party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 14 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee). Those employed by Franchisee must be trained and licensed as required by Franchisor and will conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System.

**I. Inspection.** Franchisor or its agents, shall be allowed to inspect the Franchised Business and any services, products, or equipment, in any matter Franchisor sees fit and at any time with or without notice to Franchisee, to determine whether they meet Franchisor's then-current standards, specifications, and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any product or service that does not conform to the System standards and specifications.

**J. Marks.** Franchisee must prominently display identifying elements of the System of such nature, form, number, color, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing. Franchisor must refrain from using any sign, advertising media or identifying element of any kind to which Franchisor objects. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may, at any time, enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort.

Franchisor's use of the Mark and any goodwill is to Franchisor's exclusive benefit, and Franchisee retains no rights in the Marks. Franchisee also retains no rights in the Marks upon expiration or termination of the Franchise Agreement. Franchisee is not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless Franchisor so directs in writing.

Franchisee must notify Franchisor immediately when Franchisee learns about an infringement of, or challenge to, Franchisee's use of Franchisor's Marks. Franchisee will act as Franchisor deems appropriate, but is not obligated to protect Franchisor's rights to use the Marks. Franchisor has the right to control the defense of any claim using attorneys Franchisor chooses and Franchisee must cooperate in that defense. Franchisee may participate in the

defense and settlement at Franchisee's own expense, but Franchisor's decisions will be final and binding. Franchisor is not obligated to protect Franchisee against infringement or unfair competition claims arising out of Franchisor's use of any patents or copyrights, or to participate in Franchisee's defense or indemnify Franchisee. Franchisor will indemnify Franchisee or reimburse Franchisee for liability and reasonable costs against infringement or unfair competition claims arising of Franchisee's use of any patents or copyrights, or to participate in Franchisee's defense.

Franchisee must follow Franchisor's rules when Franchisee uses the Marks. Franchisee may only use the Marks for the operation of the Franchised Business in Franchisee's Territory. Franchisee must execute any documents Franchisor requires to protect the Marks or to maintain the Marks continued validity and enforceability. Franchisee may not directly or indirectly contest the validity of the Marks, Franchisor's ownership of the Marks, or Franchisor's right to use or license Franchisor's Marks, trade secrets, confidential information or business techniques that are part of the Stain Erasers business. Franchisee cannot use the Marks as part of a corporate or other legal name and Franchisee must comply with Franchisor's instructions in filing and maintaining trade name or fictitious name registrations.

Franchisee must modify or discontinue the use of a Mark, at Franchisee's expense, if Franchisor directs. If Franchisor directs, Franchisee must adopt or use one or more additional or substituted Marks.

**K. Reports.** Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor.

**L. Bookkeeping.** Franchisee must compile and keep books and records that accurately reflect the operations and condition of the Franchised Business, including detailed daily sales, cost of sales, and other relevant records and information, maintained in an electronic media format and using the methods of bookkeeping and accounting as Franchisor periodically may prescribe. Franchisee must also retain check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, state, federal, personal or other income tax records and returns covering or related to the Franchised Business, payroll records, cash disbursement journals and general ledgers. Franchisee is required to have a digital bookkeeping application, Quickbooks Online. Franchisee is required to provide Franchisor with independent access to the QuickBooks online account, which Franchisor may access at any time. Franchisee shall be required to utilize Profit Keeper, and must upload Franchisee's Quickbooks Online records and any other records as Franchisor may require for each month no later than the 15<sup>th</sup> day of the previous month.

Franchisee must preserve the books, records and reports for the longer of (i) five (5) years from creation or (ii) such period as required under applicable laws. Franchisee must allow Franchisor electronic and manual access to any and all records relating to the Franchised Business.

**M. Computer System.** Franchisee, at Franchisee's sole expense, shall install, maintain, and upgrade the computer hardware and software Franchisor requires for the operation of the Franchised Business (the "**Computer System**") and shall follow the procedures related thereto that Franchisor specifies in the Operations Manual or otherwise in writing. Franchisor has no obligation to maintain, repair, update or upgrade Franchisee's computer hardware and software. Upon Franchisor's request, Franchisee shall execute such documents and install such software as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems, and web-based payment processing and bookkeeping accounts. Franchisee agrees to enter into a license agreement for the use of software approved by Franchisor as needed, and will pay any additional licensing or user fee in connection with the use of said software. Franchisee will be liable for all damages and issues caused by Franchisee's use on the Computer System. All rights, interest, and title in and to the software will remain with the licensor of the software. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

**N. Security of Data.** Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

**O. Rights of Data and Customer Information.** Franchisee acknowledges that any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is considered to be Franchisor's proprietary and Confidential Information owned exclusively by Franchisor. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

**P. Email Requirements.** Franchisor will create an initial email account for Franchisee. Franchisee must only use this account for all communication regarding the Franchised Business and Franchised Business-related communications and accounts. Use of a private email account for business related to Franchisee's Franchised Business is prohibited. All email accounts used in connection with the Franchised Business are subject to Attachment 7.

**Q. Phone Requirements.** Franchisee must maintain one phone line dedicated to Franchisee's Franchised Business that is separate from any personal plan Franchisee may be a part of (the "**Phone Line**"). Upon termination of this Agreement or at the Franchisor's request, Franchisee agrees to transfer all rights, title, and interest in the Phone Line or any other line or number used in relation to the Franchised Business to the Franchisor in accordance with Attachment 7. Franchisee must notify Franchisor of the telephone number Franchisee will use for Franchisee's Franchised Business. Franchisee may only use the telephone number provided to Franchisor on all pre-approved digital and print marketing materials. Franchisee must directly pay the associated monthly and periodic telephone charges.

**R. Pricing.** Subject to applicable law, Franchisor may recommend or set maximum or minimum prices for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

**S. Security.** Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 14 hereof shall apply to any claims made against Franchisor regarding safety or security.

**T. Customer Service and Satisfaction.** Franchisee shall always use its best efforts to ensure the complete satisfaction of each of Franchisee's customers and apply the highest standards of customer service and use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors.

**U. Customer Disputes.** If a customer lodges a complaint, Franchisee agrees to respond to customer complaints in a courteous, prompt, and professional manner and use its best efforts to promptly and fairly resolve customer disputes. Within forty-eight (48) hours of receiving a request from Franchisor, Franchisee will provide Franchisor a written summary of the dispute. If Franchisor, in Franchisor's sole discretion, determines Franchisee failed to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) act as Franchisor may deem necessary or appropriate to properly resolve the dispute fairly and promptly, including, but not limited to, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall reimburse Franchisor for any amounts refunded to a customer on Franchisee's behalf. **Franchisee hereby authorizes Franchisor to take payment of refunded amounts, at Franchisor's option, through electronic funds transfer or ACH payment.** Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

**V. Vehicle Acquisition and Maintenance.** Franchisee must acquire and maintain, at Franchisee's sole expense, one or more vehicles as specified by the Franchisor for use in the Franchised Business. Each vehicle shall be equipped, outfitted, insured and

maintained in accordance with Franchisor's specifications and standards. Franchisee is responsible for maintaining the interior, exterior, and mechanical parts of the vehicle(s) in good working order and condition and must have the vehicle serviced regularly.

**W. Variations in Standards.** Notwithstanding anything to the contrary contained in this Agreement and this Section in particular, Franchisor specifically reserves the right and privilege to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

**X. External Quality Assurance Services.** Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, customer surveys and periodic quality assurance audits ("**Quality Review Services**"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

**Y. Continuous Operation of Franchised Business.** Franchisee acknowledges and agrees that if the Franchised Business is closed or otherwise not operated for a period of 15 consecutive days or more without Franchisor's prior written consent, the closure or failure to operate will constitute Franchisee's voluntary abandonment of the Franchised Business, and Franchisor will have the right, in addition to other remedies provided for herein, to terminate this Agreement and the Franchisee's license to operate a Franchised Business. Acts of God, war, strikes, or riots preventing Franchisee temporarily from complying with the foregoing will suspend compliance therewith for the duration of the interference. Any closure of the Franchised Business, however, will not modify Franchisee's obligations as stated in this Agreement.

### **FRANCHISOR'S OBLIGATIONS**

7. Franchisor and/or its designated representative will provide the services described below:

**A. Territory and Site Determination.** Designate the boundaries of Franchisee's Territory, and set forth said boundaries in Attachment 3 attached hereto and incorporated herein.

**B. Pre-Opening Requirements.** Franchisor will provide Franchisee with the written list of equipment (including vehicle specifications), specific signage, supplies and products that will be required and/or recommended to open Franchisee's Franchised Business for business, as well as a copy of the Stain Erasers Operations Manual.

**C. List of Suppliers.** Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.

**D. Minimum and Maximum Prices.** Subject to applicable law, Franchisor will provide Franchisee with a list of all recommended minimum and maximum process for services and products offered by the Franchised Business.

**E. Training.** The Initial Training Program as defined herein.

**F. Brand Building Fund.** Administer a Brand Building Fund in accordance with Section A.

**G. Customer Service and Order Processing.** Franchisor shall provide customer service and order to remittance services in the form of addressing customer complaints brought to Franchisor by customer or Franchisee, answering customer and potential customer inquiries, booking of jobs, and collection of payments from customer.

**H. Equipment List.** Make available from time to time, any updated written specifications for required equipment, products, and services.

## **FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

**8.** Franchisee warrants, covenants, and represents the below:

**A. Best Efforts.** Franchisee, including each of Franchisee's Principals, shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales and customer satisfaction.

**B. Corporate Representations.** If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each of Franchisee's Principals represent, warrant and covenant that:

i. Franchisee is duly organized and validly existing under the state law of its formation;

ii. Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Territory;

iii. The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

iv. Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the

Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion; and

v. Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.

### C. Appointment of Franchise Manager.

i. Notwithstanding the foregoing, with the Franchisor's prior written consent, Franchisee may designate and retain a manager of the Franchise ("**Franchise Manager**") to direct the daily operation and management of the Franchised Business. The Franchise Manager may be the Franchisee if Franchisee is an individual or a Principal if Franchisee is an entity. In the event Franchisee elects to designate a Franchise Manager, Franchisee shall designate its Franchise Manager prior to attending the Initial Training Program. If the Franchisee elects and is approved to utilize a Franchise Manager after the Initial Training Program is conducted, but before the first anniversary of the conclusion of the Initial Training Program, then Franchisee shall incur at its sole expense the Franchise Manager's cost to attend the next or similar training program.

ii. The Franchise Manager shall, during the entire period he or she serves as Franchisee Manager, meet the following qualifications:

1. Franchisor's standards and criteria for such individual, as set forth in the Operations Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor in its sole discretion.

2. Devote his or her full time and best efforts to the supervision and management of the Franchised Business, and cannot have an interest or business relationship with any of Franchisor's competitors.

3. Satisfy the training requirements set forth in this Agreement herein.

4. Sign the Non-disclosure/Non-competition Agreement, which is attached to the Franchise Agreement as Attachment 8.

iii. If the Franchise Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement manager within thirty (30) days after the Franchise Manager ceases to serve, such replacement

being subject to the same qualifications required by this Agreement (including, but not limited to, completing all training and obtaining all certifications required by Franchisor). Until such replacement is designated, Franchisee shall serve as interim Franchise Manager. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee until a replacement Franchise Manager is properly trained or certified in accordance with Franchisor's requirements. Franchisee shall pay the interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, upon written demand by Franchisor, or Franchisor may withdraw such amounts from Franchisee's designated bank account.

**D. Claims and Potential Claims.** Franchisee shall notify Franchisor in writing within 3 days of any incident or injury that could lead to, or the actual commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf, may comment to any broadcast medium, except as directed by Franchisor.

**E. Legal Compliance.** Franchisee shall comply with all federal, state and local laws, rules, and regulations, and shall timely obtain, and throughout the Term of this Agreement maintain, any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, any permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

**F. Assignment of Numbers and Listings.** Franchisee shall execute the Internet Advertising, Social Media, Software, Email, and Telephone Listing Agreement attached to this Agreement as Attachment 7 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, to assign to Franchisor, Franchisee's telephone numbers, listings, and passwords and administrator rights for all email, software, Social Media, or other such accounts used or created by Franchisee relating to the Franchised Business or System.

**G. Access to Tax Filings.** Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

**H. Continuing Obligation.** Franchisee and each of Franchisee's Principals acknowledge and agree that the representations, warranties, and covenants set forth in this Section are continuing obligations, and that any failure to comply with such representations, warranties, and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties, and covenants.

**I. Personal Guarantee.** Franchisee, as well as each and every Principal of Franchisee, shall execute the Personal Guarantee attached to this Agreement as Attachment 10.

### **NON-DISCLOSURE; CONFIDENTIALITY**

**9.** Franchisee, and all of Franchisee's Principals, agrees to comply with the following:

**A. Confidentiality.** As part of this Agreement, Franchisee and each Principal will have access to and review certain confidential information, knowledge, trade secrets, valuable training, techniques, know-how, and access to the Stain Erasers Operations Manual and other materials related to the System and/or operation of the System (all of which is collectively referred to as "**Confidential Information**"). Franchisee shall not, during the term of this Agreement or thereafter so long as the Confidential Information remains confidential and not publicly known by no fault of the Franchisee, communicate, divulge or use any Confidential Information for the benefit of any other person or entity, except for employees who must have access to the Confidential Information to operate the Franchised Business. All Confidential Information, including, without limitation, methods, procedures, suggested pricing, specifications, processes, trade secrets, materials, techniques and other data, may only be used for operating the Business hereunder. Franchisor may require that Franchisee obtain nondisclosure and confidentiality agreements in a form satisfactory to Franchisor from the following: Franchisee's spouse, Franchisee's Principals, Franchisee's Franchise Manager, Franchisee's other key employees, and any other individual or entity Franchisor requests. Franchisee must provide executed copies of these agreements to Franchisor upon Franchisor's request. A copy of the current Confidentiality Agreement form is included as Attachment 8.

**B. New Concepts.** If Franchisee, Principal, or the Franchise Manager develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business ("**Improvements**"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

**C. Non-competition Covenants.** Franchisee and each Principal acknowledge they will receive Confidential Information of the System that are beyond the present knowledge, training, and experience of Franchisee, each Principal, and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets, and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. Franchisee agrees this Section shall apply to all guarantors, shareholders, members, partners, as the case may be, and other holders of any ownership interest in Franchisee, if Franchisee is an entity, and spouse, children, parents or siblings if Franchisee is an individual. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

i. Franchisee promises during the term of this Agreement, and for one year after termination or expiration of this Agreement, regardless of cause of termination, Franchisee will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below).

ii. Franchisee promises Franchisee will not, either directly or indirectly, own, manage, operate, maintain, engage in, advertise, promote in any media, including Social Media platforms, or consult with or have any interest in a Competitive Business (as defined below) that is located:

1. in the Territory;
2. within a 25-mile radius of the outer boundary of the Territory; or
3. inside the territory of another Stain Eraser business, whether franchised or owned by Franchisor or Franchisor's affiliates.

For purposes of this Agreement, a "**Competitive Business**" is any business that offers or sells commercial and/or residential cleaning service, or otherwise competes with Franchisor's System.

**D. Reasonableness of Restrictions.** Franchisee and each Principal acknowledge and agree the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Franchisee's Principal(s).

**E. Reduction of Time or Scope.** If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced

by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

**F. No Defense.** Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether arising from this Agreement or not, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

**G. Injunction.** Franchisee and each Principal acknowledge a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

**H. Covenants of Employees, Agents and Third Persons.** Franchisee shall require and obtain execution of confidentiality covenants similar to those set forth in this Section via execution of Attachment 8 from all employees, contractors, or third persons who will have access to Franchisor's confidential and proprietary information.

## **MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM**

**10. Maintenance of Franchised Business Assets.** Franchisee shall maintain the Franchised Business office location, all required Franchised Business equipment, Franchisee's vehicle, and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Operations Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment, vehicles and computer hardware, software and accessories, as Franchisor may direct.

**A. System Services.** From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the services options offered by Stain Erasers. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services; and (ii) attend any additional training, in accordance with Section 5.B hereof, as Franchisor may direct.

**B. Equipment and Technology Updates.** Franchisee shall make any and all upgrades to equipment, including, but not limited to, the Computer System, telecommunications hardware and software, payment processing systems, and any

technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion, including if Franchisor declares Franchisee needs faster internet speeds or response times.

**C. Trade Dress Modifications.** Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified tag lines, color schemes, marks or logos (collectively, “**Trade Dress Modifications**”). Franchisee shall modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications at Franchisee’s sole expense. Franchisee, upon notice by Franchisor, shall immediately discontinue the use of any Mark Franchisor informs Franchisee to cease use of, and will substitute a different Mark or Marks as Franchisor directs. Franchisee will accept, use, and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

**D. No Liability/Waiver of Claims.** Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Section.

## **MARKETING**

**11.** Franchisee agrees to comply with all the following to actively promote the Franchisee’s business:

**A. Brand Building Fund.** Franchisor may establish a national fund on behalf of the System for national advertising, marketing, and brand building (the “**Brand Fund**”). Franchisee is required to contribute 2% of monthly Gross Revenue to the Brand Building Fund (“**Brand Building Fee**”). Payments will be made in the same manner and time as the Royalty Fees. Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all franchised businesses operating under the System. Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, Social Media, newspaper and electronic advertising campaigns, direct mail and outdoor billboard advertising, public relations activities, conducting marketing research, employing advertising agencies to assist therein, developing, enhancing and maintaining the Website, and personnel and other departmental

costs for advertising that Franchisor internally administers or prepares). The Brand Fund and its earnings shall not otherwise go to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor. Franchisor has the right, but not the requirements, to cause the Brand Fund to be incorporated or operated through an entity separate from Franchisor at such time and as Franchisor deems appropriate.

**B. Advertising Programs.** Franchisee shall participate in all such advertising and sales promotion programs developed by Franchisor to promote and enlarge the success of all franchises, in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas, and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

**C. Approved Materials.** Franchisee shall only use such marketing materials (including any print, radio, television, electronic, on-line or other media forms that may become available in the future) as Franchisor furnishes, approves in writing, or makes available, and the materials must be used only in the manner Franchisor prescribed and in compliance with all trademark usage and branding standards. Furthermore, should Franchisee wish to run any promotional activities for Franchisee's Franchised Business alone, Franchisor's approval shall be required. Franchisee must submit all advertising and promotional materials to Franchisor for approval prior to use. If Franchisor does not respond within 10 days of submission, the materials will be deemed *not* approved. Notwithstanding Franchisor's approval, it is solely Franchisee's responsibility to enact the promotional activities given or approved by Franchisor in accordance with all applicable laws.

**D. Social Media.** Franchisee shall not maintain any profile on Facebook, Instagram, TikTok, LinkedIn, X, Snapchat, YouTube, personal blogs, virtual worlds, audio and video-sharing sites, or other similar social networking or media sites or tools in connection with Franchisee's Franchised Business or the System (collectively, "**Social Media**") without Franchisor's prior written approval. Franchisor may, but is not required to, create a business profile on any Social Media platform on behalf of Franchisee's Franchised Business. Franchisee shall execute the Internet Advertising, Social Media, Software, Email and Telephone Listing Agreement attached to this Agreement as Attachment 7. Franchisee shall prohibit its employees from posting, creating, sharing, or otherwise disseminating any information about the Franchised Business or the System on any Social Media Platform that is not created or approved by the Franchisor. Franchisor reserves the right to conduct collective/national or regional campaigns via Social Media on behalf of the Franchisee.

**E. Website.** Franchisor shall establish a website that provides information about the System and the services and products offered by the System (the "**Website**"). Franchisor has sole discretion and control over the Website, and Franchisee has no ownership or other proprietary rights to Franchisor's Website. Franchisee further acknowledges that certain information related to Franchisee's participation in the website,

extranet system, or intranet system may be considered Confidential Information, including access codes and identification codes. Franchisor alone may establish, maintain, modify or discontinue all intranet, internet, world wide web and electronic commerce activities pertaining to the System. Franchisee shall not establish website for the promotion of Franchisee's Franchised Business or the System without prior written consent of Franchisor.

## **INTELLECTUAL PROPERTY**

**12.** Franchisor grants Franchisee the right to use Franchisor's intellectual property of Stain Erasers, LLC, subject to the following terms and conditions:

**A. Ownership.** Franchisee expressly understands and acknowledges that Franchisor owns the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges Franchisor claims copyrights on certain material used in the System, including, but not limited to, its website, documents, advertisements, promotional materials and the Operations Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "**Intellectual Property**".

**B. Use of Marks.** With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee agrees that:

i. Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Stain Erasers" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "Stain Erasers";

ii. Franchisee shall identify itself as the owner of the Franchised Business and as an independent Stain Erasers franchisee in conjunction with any use of the Intellectual Property, and will follow the directions of Franchisor in where to display the Marks and Intellectual Property;

iii. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor; and

iv. Franchisee shall only further use the Marks as stated in the Operations Manual, or any written materials provided to Franchisee.

**C. Items.** Any item offered by Franchisee that contains the Marks must be approved by Franchisor in writing prior to being distributed or sold by Franchisee. Approval may be granted or denied in Franchisor's sole and absolute discretion.

**D. No Interference.** Neither Franchisee, nor any principal, shall take any action that would prejudice or interfere with the validity of Franchisor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office location or in approved advertising related to the Franchised Business.

**E. Goodwill.** Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

**F. Infringement.** Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor with all assignments, affidavits, documents, information and assistance Franchisor reasonably requests to fully vest in Franchisor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor to register, maintain and enforce such rights in the Intellectual Property.

**G. Validity.** Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property, or assist others to contest the validity of, or Franchisor's interest in, the Intellectual Property.

**H. Substitution.** Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, Franchisor determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

**I. Changes.** Franchisor reserves the right to change the Marks at any time and Franchisor must comply with any such changes within the time frames Franchisor specifies at Franchisee's sole expense. Unless Franchisor directs Franchisee to do so in writing, Franchisee may not make any changes or substitution to the Marks.

**J. Claims.** Franchisee shall notify Franchisor immediately via both email and telephone of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor, any designated affiliate thereof, their counsel, and Franchisee's counsel, in connection with any such infringement, challenge, or claim. Franchisor shall have complete discretion to take such action as it deems

appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee may participate in the defense and settlement at Franchisee's own expense, but Franchisor's decisions will be final and binding. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Except to the extent that such litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement

**K. Creative Works.** All ideas, business ventures, concepts, inventions, techniques, or materials concerning Franchisor's business, whether or not protectable intellectual property and whether created by or for Franchisee or one of Franchisee's agents or employees, must be promptly disclosed to Franchisor and will be deemed to be the absolute sole and exclusive property of Franchisor, and part of the System. Franchisee agrees to assign ownership of that item, and all related rights to that item, to Franchisor, royalty-free, and agree to take whatever action (including signing an assignment agreement or other documents) Franchisor requests to show Franchisor ownership or to help Franchisor obtain intellectual property rights in the item, and Franchisor is not required to pay Franchisee any consideration for such items.

## **INSURANCE**

**13. Obtaining Insurance.** Prior to commencement of operations and the opening of the Franchised Business, Franchisee shall procure, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor. All insurance policies must be provided by an approved vendor or an insurer with an A.M. Best rating of not less than an A-VIII ("excellent" and \$100,000,000 to \$250,000,000 in policy holder surplus) and are authorized to sell insurance in the state in which Franchisee's Franchised Business is located. These policies must name Franchisor, its officers, directors, partners, members, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Operations Manual or otherwise in writing):

**A. Employment.** Worker's compensation coverage in the limits required by state law, employment practices/abuse, and employee dishonesty insurance with third-party coverage in the amount of at least ONE MILLION AND XX/100 DOLLARS

(\$1,000,000), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated.

**B. Liability.** Comprehensive general liability insurance, including errors and omissions coverage, personal and advertising injury coverage, and in the form of a general liability rider or as a separate policy, in the amount of at least ONE-MILLION AND XX/100 DOLLARS (\$1,000,000) per occurrence and TWO-MILLION AND XX/100 DOLLARS (\$2,000,000) in the aggregate.

**C. Automobile.** Commercial automobile insurance in the amount of at least a combined single **limit** for bodily and property damage of at least a ONE-MILLION AND XX/100 DOLLARS (\$1,000,000), or greater if required by state law. Coverage shall include all owned, non-owned, and hired autos. If allowable by law, waiver of subrogation in favor of all parties required in insurance documents.

**D. Umbrella Insurance.** Umbrella Insurance in the amount of TWO MILLION AND XX/100 DOLLARS (\$2,000,000) per occurrence and TWO MILLION AND XX/100 DOLLARS (\$2,000,000) in the aggregate.

**E. Evidence of Insurance.** Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. Franchisee must deliver Certificates of Insurance at least 10 days prior to the commencement of the opening of the Franchised Business, and at least 30 days prior to any renewal. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

**F. Modification.** Franchisor may modify the required minimum limits and types of coverage, by written notice to Franchisee. Upon such notification, Franchisee must immediately implement the modification of the policy, and provide proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements within thirty (30) days of any such required new limits or types of coverage.

**G. Failure to Procure.** If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement (as may be modified from time to time), Operations Manual, or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance. Franchisee is solely responsible for the cost and premiums thereof together with an administrative fee of 2% for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

**H. Additional Insured.** All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's principals, agents, or employees.

## INDEMNIFICATION

**14. Indemnification.** TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS STAIN ERASERS, LLC, AND ANY PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES, (COLLECTIVELY REFERRED TO AS THE “STAIN ERASERS INDEMNITEES”), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE’S FRANCHISED BUSINESS, THE SERVICES OR PRODUCTS, THE FRANCHISED BUSINESS OFFICE LOCATION, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE’S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE’S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE’S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE STAIN ERASERS INDEMNITEES’ LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS’ FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE STAIN ERASERS INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE STAIN ERASERS INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE WILL REIMBURSE THE STAIN ERASERS INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE STAIN ERASERS INDEMNITEES.

## TRANSFER OF FRANCHISE

**15.** Franchisee agrees the following provisions govern any Transfer or proposed Transfer:

**A. Transfers by Franchisee.** Franchisor entered into this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. As such, Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a “**Transfer**”), the right to Franchise, Franchisee’s Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the Franchisor’s written consent.

**B. Conditions and Consent of Transfer.** Subject to Franchisor’s Right of First Refusal set forth in Section F, Franchisor will not unreasonably withhold its consent to a Transfer that meets the following conditions:

i. the proposed transferee and all of its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees;

ii. The proposed transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

iii. The proposed transferee agreed to be bound by all of Franchisee's customer obligations, including all warranty work and service plans obligations;

iv. The Franchisee paid all amounts owed to Franchisor and third-party creditors, including any outstanding amounts due and owing from financing provided to Franchisee;

v. The proposed transferee executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

vi. The transferee agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

vii. Franchisee and the transferee and each of Franchisee's and the transferee's principals executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of four (4) years following the transfer;

viii. In the case of an installment sale, Franchisee, the Principals, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale (Franchisor has no duty or obligation to allow an installment sale);

ix. Franchisee or transferee agreed to modernize, remodel, refurbish, and upgrade the Franchise Site and any equipment (including the vehicle) used in

connection with the Franchised Business so that it complies with Franchisor's then-current standards for new franchisees; and

x. Franchisor granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer.

**C. Confidentiality.** Franchisee may not place in any communication media or any form of advertising where any information relating to the sale of the Franchised Business or the rights under this Agreement without Franchisor prior written consent.

**D. Transfer Fee.** Franchisee must pay the Transfer Fee as stated in Section 4.L.

**E. Involuntary Transfers.**

i. **Death, Disability, or Incapacity.** Franchisee, or the Franchisee's legal representative, will promptly notify Franchisor in the event of death, disability, or incapacity of Franchisee (or, if Franchisee is a legal entity, of Franchisee's principal). In such an event, if the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as the Franchisee, such person or entity must tender the right of first refusal provided for in Section F, meet the conditions necessary for transfer under Section B, and pay the applicable Transfer fee under Section D, all within 120 days of the death or event of disability or incapacity. During this 120-day period of time, business operations must continue uninterrupted.

ii. **Insolvency or Bankruptcy.** In the event of Franchisee's insolvency or the filing of any petition by or against Franchisee under any provisions of any bankruptcy or insolvency law, if Franchisee's legal representative, successor, receiver or trustee desires to succeed to Franchisee's interest in this Agreement or the business conducted hereunder, such person first must notify Franchisor, tender the right of first refusal provided for in Section F, and if Franchisor does not exercise such right, apply for Franchisor's consent, and satisfy the conditions necessary for transfer under Section B and pay the applicable Transfer fee under Section D. In addition, Franchisee or the assignee must pay the attorneys' fees and costs that Franchisor incurs in any bankruptcy or insolvency proceeding pertaining to Franchisee.

iii. **Divorce.** Franchisee will promptly notify Franchisor of any divorce proceedings that may result in a Transfer, and tender the right of first refusal provided for in Section F, and, if Franchisor does not exercise such right, apply for

Franchisor's consent and satisfy the conditions necessary for transfer under Section B and pay the applicable Transfer fee under Section D.

**F. Right of First Refusal.** If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement, or if a principal of Franchisee wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in the Franchised Business for the price and on the terms and conditions contained in the offer. Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that:

- i. Franchisor may substitute cash for any other form of consideration contained in the offer;
- ii. Franchisor's credit will be deemed equal to the credit of any proposed transferee;
- iii. At Franchisor's option, Franchisor may pay the entire purchase price at closing;
- iv. Franchisor will have at least thirty (30) days to close the purchase; and
- v. Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

If Franchisor does not exercise its right to buy within 30 days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section A hereof. However, if the sale to the transferee is not completed within 45 days after the offer is given to Franchisor, or there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

**G. Transfer by Franchisor.** Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform

Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may:

- i. sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party;
- ii. merge, acquire other corporations, or be acquired by another corporation, including competitors;
- iii. engage in a public or private placement of some or all of Franchisor's securities;
- iv. undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and
- v. with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

Franchisee agrees Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations).

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the residential or commercial cleaning or servicing business or to offer or sell any products or services to Franchisee.

#### **DEFAULT AND TERMINATION**

**16.** The following provisions apply with respect to default and termination:

**A. Default and Termination.** Franchisee shall be deemed to be in material default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee:

- i. if Franchisee or Principal become insolvent or make a general assignment for the benefit of creditors;

ii. if Franchisee or Principal file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof,

iii. if Franchisee or Principal admit in writing an inability to pay debts when due;

iv. if Franchisee or Principal is adjudicated bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state;

v. a bill in equity or other proceeding for the appointment of a receiver of Franchisee or principal or other custodian for Franchisee's Franchised Business or assets is filed and consented to by Franchisee or Principal;

vi. a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

vii. proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal;

viii. a final judgment is entered against Franchisee or Principal and said judgment remains unsatisfied for of record for 45 days or longer (unless supersedeas bond is filed);

ix. the Franchise is dissolved;

x. a levy is executed against Franchisee or Principal's business or property;

xi. a suit to foreclose any lien or mortgage against the Franchised Business premises or equipment instituted against the Franchisee and said suit is not dismissed within 45 days.

xii. if Franchisee fails to obtain all required licenses and permits before opening or to open the Franchised Business within the time and in the manner specified in Section 6.C;

xiii. If Franchisee or Principal fails to maintain all required licenses and permits necessary to the continued operation of the Franchised Business;

xiv. if Franchisee or Principal falsifies any report required to be furnished to Franchisor hereunder;

xv. if Franchisee or Principal ceases to operate the Franchised Business for a period of 15 days or more;

xvi. if Franchisee or Principal fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

xvii. if Franchisee or Principal understates Gross Revenue, on two or more occasions, whether or not cured on any or all of those occasions;

xviii. if Franchisee or Principal permits a Transfer in violation of the provisions of Section 15 of this Agreement;

xix. if Franchisee or Principal fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section i.

xx. if Franchisee or Principal has misrepresented or omitted material facts in applying for the Franchised Business;

xxi. if Franchisee or Principal is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System in the Franchisor's sole opinion;

xxii. if Franchisee or Principal receives an adverse judgment or a consent decree in any case or proceeding involving fraud, racketeering, unfair or improper trade practices or similar claim;

xxiii. if Franchisee or Principal refuses to permit Franchisor to inspect or audit Franchisee's books or records;

xxiv. if Franchisee or Principal conceals revenue, knowingly maintains false books or records, or knowingly submits any false report;

xxv. if Franchisee or Principal creates a threat or danger to public health or safety from operation of the Franchised Business;

xxvi. if Franchisee or Principal makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information;

xxvii. if Franchisee or Principal fail to comply with the non-competition covenants in Section C;

xxviii. if Franchisee or Principal defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or any renewals or has been given at least two notices of default in any consecutive twelve (12) month period, whether or not the defaults have been corrected;

xxix. if Franchisee or Principal has insufficient funds to honor a check or electronic funds transfer two or more times within any consecutive 12-month period;

xxx. if Franchisee or Principal defaults, or an affiliate of Franchisee defaults, under any other agreement, including any financing related agreement or other franchise agreement with Franchisor or any of its affiliates or suppliers, and does not cure such default within the time period provided in such other agreement; or

xxxi. if Franchisee or Principal terminates this Agreement when no breach has been committed by Franchisor or Franchisor has not yet been given the opportunity to cure said breach according to the applicable time limits set forth in the Franchise Agreement.

**B. Termination After Opportunity to Cure.** Except as provided in Section A, Franchisee or Principle will have 30 days from the date of Franchisor's issuance of a written notice of default to cure any default under this Agreement, other than (i) those listed in Section A, and (ii) a failure to pay amounts due or submit required reports, in which case Franchisee will have 10 days to cure those defaults. Franchisee or Principal's failure to cure a default within the 30-day or 10-day period will provide Franchisor with good cause to terminate this Agreement. The termination will be accomplished by mailing or delivering to Franchisee or Principal written notice of termination that will identify the grounds for the termination. The termination will be effective immediately upon Franchisor's issuance of the written notice of termination.

**C. Notice to Suppliers.** In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with three (3) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to, products and services sold under Franchisor's discounted pricing schedules (if Franchisor has one), until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions or the supplier's actions.

**D. Franchisee's Termination Rights.** Franchisee has the right to terminate this Agreement, as provided for herein, if Franchisor violates any material provisions, term or condition of this Agreement, so long as:

i. Franchisee provided written notice setting forth the alleged breach in detail to Franchisor; and

ii. Franchisor fails to correct the alleged breach within thirty (30) days after having been given such written notice

**E. Franchisee's Waiver.** The Franchisee must give Franchisor immediate written notice of an alleged breach or violation of this Agreement after the Franchisee has knowledge of, determines, or is of the opinion, that there has been an alleged breach or violation of this Agreement by Franchisor. If the Franchisee fails to give written notice to Franchisor of an alleged breach or violation of this Agreement within one (1) year from the date that the Franchisee has knowledge of, determines, is of the opinion that, or becomes aware of facts and circumstances reasonably indicating that the Franchisee may have a claim under any state law, federal law or common law, then the alleged breach or violation will be deemed to be condoned, approved and waived by the Franchisee, and the Franchisee will be barred from commencing any legal or other action against Franchisor for that alleged breach or violation.

**F. Effect of Other Laws.** The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights, or minimum periods of notice for termination of this Agreement shall supersede any provision in this Agreement that is less favorable to Franchisee.

### **POST-TERMINATION OBLIGATIONS**

**17.** Upon the termination or expiration of this Agreement:

**A. Cease Operations.** Franchisee shall cease to operate the Franchised Business immediately after the termination or expiration of the Agreement, and shall not identify itself, herself, or himself, as a Franchised Business owner, licensee, franchisee, or claim any affiliation with Stain Erasers, LLC.

**B. Discontinuation of Marks Use.** Franchisee and each principal shall immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material, or indicia of the Franchised Business, or use of any trade name, trade or service mark, or other commercial symbol that suggests a current or past association with Franchisor or the System. All of Franchisee's rights, title, and interest in, to, and under this Agreement becomes Franchisor's property. Upon demand, Franchisee shall assign to Franchisor, or Franchisor's assignee, Franchisee's remaining interest in any lease currently entered for Franchised Business (Franchisor will not accept any past due obligations). Franchisor shall also take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within 10 days after termination or expiration of this Agreement.

**C. Payment of Sums and Fees.** Franchisee shall pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor because of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default. Further, Franchisee shall also pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination.

**D. Return of Materials.** Franchisee, at Franchisee's sole cost and expense, shall immediately deliver to Franchisor the Operations Manual and all records, files, instructions, correspondence, invoices, agreements, and all confidential, proprietary and copyrighted material, as well as all other materials related to operation of the Franchised Business, including, but not limited to, customer lists and records, (all of which are acknowledged to be Franchisor's property). Franchisee shall delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law.

**E. Non-compete and Confidentiality.** Franchisee will comply fully with Section 9.

**F. Assignment of Communications.** Franchisee, at the Franchisor's sole option and pursuant to Attachment 7, shall assign to Franchisor all the Franchised Business's rights to the telephone numbers and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

**G. Right to Purchase.** Within 10 days following the termination or expiration of this Agreement, Franchisor shall have the option, but not the obligation, to purchase (or designate a third party that will purchase) from Franchisee any or all of the equipment (including any computer systems and vehicles), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at

Franchisee's cost or fair market value, whichever is less. Franchisee's assets will be purchased free and clear of any liens, charges, encumbrances or security interests and Franchisor or its designated third party shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties.

If the parties cannot agree on the fair market value within 10 days of Franchisor's exercise of its option, fair market value shall be determined by an appraiser selected by parties, and the price will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a Stain Erasers business, and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Marks and the System. If the parties cannot agree on an appraiser, the Franchisor or the Franchisee will each hire their own appraiser, and the fair market value of the Property will be the average between the two appraisals.

Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments, and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

Franchisor shall be entitled to assign any and all of its option to any other party, without the consent of Franchisee.

**H. Survival.** The rights and obligations of the parties contained in this Section 17 shall survive the expiration or sooner termination of this Agreement.

### **DISPUTE RESOLUTION**

**18.** Franchisor and Franchisee agree the following shall apply with respect to dispute resolution:

**A. Internal Dispute Resolution.** Any claim, controversy or dispute arising out of or relating to this Agreement, and the Attachments hereto, or the relationship created by this Agreement, shall first be brought to Franchisor's President and/or Chief Executive Officer for resolution. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

**B. Mediation.** If a dispute, controversy, or claim is not resolved pursuant to Section A hereof, the parties must submit this dispute or claim to non-binding mediation. The mediation will be held in Collier County, Florida. Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association (the "AAA") in accordance with its then-current rules for mediation of commercial disputes unless the parties agree otherwise. The mediator will be appointed in accordance with the rules and

regulations of the AAA unless the parties agree on a mediator in writing within 10 days after either party gives written notice of mediation. The mediation hearing will be held within 20 days after the mediator has been appointed. Each party will bear its own costs and expenses for the mediation and will be responsible to pay 50% of the mediator's costs and expenses.

**C. Arbitration.** Except disputes not subject to alternative dispute resolution as set forth in Section 18.0, any dispute between Franchisor and Franchisee and/or any principal arising out of or relating to this Agreement, or the Attachments hereto, or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections A and B, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Collier County, Florida, or the nearest office of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located. This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final, and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived. The provisions of this Section are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request, or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

Except as expressly required by law, Franchisor, Franchisee, and any principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

**D. Exceptions to Arbitration and Mediation.** Notwithstanding the requirements of Sections 18.A, 18.B, and 18.C, the following claims shall not be subject to mediation or arbitration:

Franchisor's claims for injunctive or other extraordinary relief;

- i. disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;
- ii. disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;
- iii. disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and
- iv. enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

**E. Governing Law and Venue.** This Agreement is made in, and shall be substantially performed, in the State of Florida. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Florida. Franchisee and its principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Florida. Franchisee and its principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

**F. Mutual Benefit.** Franchisee, each principal, if any, and Franchisor acknowledge the parties' agreement regarding applicable state law and forum provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

**G. Waiver of Jury Trial and Certain Damages.** Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each Franchisee and Principal agree that in the event of a dispute, Franchisee and each principal shall be limited to the recovery of any actual damages sustained.

**H. Injunctive Relief.** Nothing herein contained (including, without limitation, Sections 18.A, 18.B, and 18.C above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity

rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

**I. Limitations of Claims.** Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

**J. Attorneys' Fees.** In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction, or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

**K. Survival.** The provisions of this Section shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any principal of their respective interests in this Agreement.

### **GENERAL PROVISIONS**

**19.** The parties agree as follows:

**A. Independent Licensee.** Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever. Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

**B. No Relationship.** Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, directly or indirectly constitutes, suggests, infers or implies that Franchisor controls any aspect or element of the day-to-day operations of Franchisee's Franchised Business, which Franchisee alone controls, but only constitute standards

Franchisee must adhere to when exercising control of the day-to-day operations of Franchisee's Franchised Business.

**C. Franchisee's Employees.** Franchisee acknowledges and agrees any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a franchise and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer, or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration, or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer, or co-employer of any of Franchisee's employees.

**D. Severability.** Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each party that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each party agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

**E. Captions.** Captions and section headings are used herein for convenience only. They are not part of this Agreement.

**F. Construction.** All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed, and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements, and obligations assumed herein by Franchisee and any principal shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

**G. Entire Agreement.** This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

**H. Successors.** This Agreement shall bind and inure to the benefit of the Franchisor's successors and assigns and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators, and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Section 15 hereof.

**I. Notices.** Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, in electronic form via email to an authorized email address or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by a reputable overnight service, and addressed as follows:

If intended for Franchisor, addressed to:

Stain Erasers, LLC  
3450 N. 127<sup>th</sup> Street  
Suite A  
Brookfield, WI 53005  
Attn: Ryan Sellars  
Email: ryan@stainerasers.com

If intended for Franchisee, addressed to Franchisee at the address set forth on the Attachment 1.

In either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

**J. Effect of Waivers.** No waiver by Franchisor of any breach by Franchisee, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights with respect to that or any other or subsequent breach. Subject to Franchisor's rights to modify the Operations Manual and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by Franchisee and Franchisor. This Agreement together with the addenda and appendices hereto and any application form or similar document executed by you requesting us to enter into this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Disclosure Document Franchisor furnished to Franchisee. Franchisee acknowledges that Franchisee is entering into this Agreement as a result of Franchisee's own independent investigation of our franchised business and not as a result of any representations about us made by Franchisor's shareholders, officers, members,

managers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document given to you pursuant to applicable law.

**DO NOT SIGN THIS AGREEMENT IF THERE IS A BELIEF FRANCHISOR OR ANY OF FRANCHISOR'S REPRESENTATIVES HAVE PROMISED SOMETHING THAT IS NOT PART OF THIS AGREEMENT, ANY ATTACHED EXHIBIT, SCHEDULE OR ADDENDUM OR THE FRANCHISE DISCLOSURE DOCUMENT.**

**K. Cumulative Remedies.** All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision, or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights within this Agreement shall not discharge or release Franchisee or any principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

**L. Consent to Do Business Electronically.** The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Florida, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

**M. Counterparts.** This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

**N. Survival.** Any obligation of Franchisee or any principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any principal therein shall be deemed to survive such termination, expiration or transfer.

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

**FRANCHISOR**  
**STAIN ERASERS, LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: Ryan Sellars  
Its: Manager

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

**ATTACHMENT 1**

**INFORMATION SHEET**

**FRANCHISEE NOTICE INFORMATION**

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

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

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

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

Franchisee Cell Phone: \_\_\_\_\_

**MAKE UP OF FRANCHISEE**

<b>Member/Shareholder/Principal</b>	<b>Address</b>	<b>Ownership Percentage</b>

**APPLICABLE MINIMUM STANDARDS**

The following shall be the “Applicable Minimum Standards” for each year:

<b>Term</b>	<b>Standards</b>
Year One	\$60,000
Year Two	\$120,000
Year Three	\$199,992
Year Four	\$238,800
Year Five	\$307,200
Year Six	\$330,000
Year Seven	\$358,800
Year Eight	\$402,000
Year Nine	\$439,200
Year Ten	\$474,000

**FRANCHISOR**  
**STAIN ERASERS, LLC**

**FRANCHISEE**

\_\_\_\_\_  
By:  
Its: Manager

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

**ATTACHMENT 2**

**MARKS**

**Trade Names:** Stain Erasers

**Service Marks:**



**ATTACHMENT 3**

**TERRITORY DESCRIPTION**

The Territory is described as follows:

The following are all zip codes listed in the applicable Territory:

Below is a map of the Territory:

Notwithstanding any change in population during the Term, the Territory shall not extend beyond the boundaries set forth above.

**ATTACHMENT 4**

**GENERAL RELEASE**

\_\_\_\_\_ (“**Franchisee**”) and, should Franchisee be an entity, its principal(s): (collectively, “**Franchisee’s Principal(s)**”), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the “**Franchisee Releasors**”), hereby release, discharge and hold harmless Stain Erasers, LLC (“**Franchisor**”), Franchisor’s affiliates, and each of their respective officers, directors, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the “**Franchisor Releasees**”) from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated \_\_\_\_\_, 20\_\_ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the “**Franchisee Released Claims**”).

FRANCHISEE AND, IF FRANCHISEE IS AN ENTITY, FRANCHISEE’S PRINCIPAL(S), ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS, WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT.

The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Franchisee’s Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

*[Signatures Appear on Following Page]*

Executed as of \_\_\_\_\_, 20\_\_

**FRANCHISEE:**

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

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

**FRANCHISEE'S PRINCIPAL(S):**

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

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

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

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

**ATTACHMENT 5**

**LEASE ADDENDUM**

This Addendum to the Lease, dated \_\_\_\_\_ 20\_\_\_\_, is entered into by and between \_\_\_\_\_ (“**Landlord**”), and \_\_\_\_\_ (“**Tenant**”).

A. The parties hereto have entered into a certain Lease Agreement (“**Lease**”), dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ (“**Premises**”).

B. Landlord acknowledges that Tenant intends to operate a Stain Erasers franchise from the leased premises pursuant to a Franchise Agreement (“**Franchise Agreement**”) with Stain Erasers, LLC. (“**Franchisor**”) under the name “Stain Erasers” or other name designated by Franchisor (herein referred to as “**Franchised Business**”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

**NOW, THEREFORE**, it is hereby mutually covenanted and agreed between Landlord and Tenant as follows:

1. **Remodeling and Decor.** Landlord agrees Tenant shall have the right to remodel, equip, paint and decorate the interior of the Premises and display the proprietary marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a Franchised Business on the Premises.

2. **Assignment.** Tenant shall have the right to assign all of its right, title and interest in the Lease to Franchisor or Franchisor’s parent, subsidiary, or affiliate, (including another franchisee) at any time during the term of the Lease. However, no assignment shall be effective until such time as Franchisor or its designated affiliate gives Landlord written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or Franchisor’s parent unless and until the Lease is assigned to, and accepted in writing by, Franchisor or Franchisor’s parent, subsidiary or affiliate. In the event of any assignment, Tenant shall remain liable under the terms of the Lease. Franchisor shall have the right to reassign the Lease to another franchisee without the Landlord’s consent in accordance with Section 4(a).

3. **Default and Notice.**

a. In the event of a default or violation by Tenant under the terms of the Lease, Landlord shall give Tenant and Franchisor written notice of the default or violation within a reasonable time after Landlord receives knowledge of its occurrence. If Landlord gives Tenant a default notice, Landlord shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to cure the default. Franchisor will notify Landlord whether it intends to cure the default and take an automatic assignment of Tenant’s interest as provided in

Paragraph 4(a). Franchisor will have an additional fifteen (15) days from the expiration of Tenant's cure period in which it may exercise the option, but it is not obligated to cure the default or violation.

b. All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, or by a recognized overnight courier or delivery services to the following address:

Stain Erasers, LLC  
3450 N. 127<sup>th</sup> Street  
Suite A  
Brookfield, WI 53005  
Attn: Ryan Sellars  
Email: ryan@stainerasers.com

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Tenant agrees not to terminate, or in any way alter or amend the same during the Term of the Franchise Agreement or any Interim Period thereof without Franchisor's prior written consent, which shall be granted or denied in Franchisor's sole discretion, and any attempted termination, alteration or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

#### **4. Termination or Expiration.**

a. Upon Tenant's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Tenant's interest and at any time thereafter to re-assign the Lease to a new franchisee without Landlord's consent and to be fully released from any and all liability to Landlord upon the reassignment, provided the new franchisee agrees to assume Tenant's obligations and the Lease.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist Franchisor in securing possession of the Premises, and if Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Stain Erasers marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord shall permit Franchisor to remove all the assets being purchased by Franchisor.

#### **5. Consideration; No Liability.**

a. Landlord hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and Tenant would not lease the Premises without this Addendum.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

6. **Amendments.** No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto.

7. **Reaffirmation of Lease.** Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

8. **Beneficiary.** Landlord and Tenant expressly agree that Franchisor is a third party beneficiary of this Addendum.

**IN TESTIMONY WHEREOF**, witness the signatures of the parties hereto as of the day, month and year first written above.

**LANDLORD:**

**TENANT:**

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

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

**ATTACHMENT 6**

**COLLATERAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (**“Effective Date”**), the undersigned, \_\_\_\_\_ (**“Assignor”**), hereby assigns, transfers and sets over unto **Stain Erasers, LLC** (**“Assignee”**) all of Assignor’s right, title and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** (**“Lease”**) with respect to the premises located at \_\_\_\_\_. This **Collateral Assignment of Lease** (**“Assignment”**) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a Stain Erasers Franchised Business between Assignee and Assignor (**“Franchise Agreement”**), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in the event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the Term of the Franchise Agreement, Assignor agrees it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

**IN WITNESS WHEREOF**, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

**ASSIGNOR**

**ASSIGNEE  
STAIN ERASERS, LLC**

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

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

ATTACHMENT 7

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, EMAIL, AND  
TELEPHONE LISTING AGREEMENT

**THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT** (the “**Agreement**”) is made and entered into this day of (the “**Effective Date**”), by and between Stain Erasers LLC, a Florida limited liability company with its principal place of business at 3000 Gulf Shore Boulevard North, Naples, Florida 34103 (the “**Franchisor**”), and \_\_\_\_\_, (an individual residing at \_\_\_\_\_). (a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_, and Franchisee’s principal(s), residing at \_\_\_\_\_, (“**Principal(s)**”). The entity and Principal(s) shall be collectively referred to in this Agreement as the “**Franchisee**”.

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for a Stain Erasers business (“**Franchise Agreement**”) which will allow Franchisee to use telephone listings in connection with the Stain Erasers brand.

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1. Definitions.** All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

**2. Internet Advertising and Telephone Listings.**

A. Interest in Web Sites, Social Media Accounts, Other Electronic Listings and Software. Franchisee is not permitted to acquire, create, or use any domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, hyperlinks to certain web sites and listings on various internet search engines, or use certain software (collectively, “**Prohibited Electronic Advertising and Software**”) related to Franchisee’s Franchised Business or the Marks. If the Franchisee acquires, creates, uses, or obtains any right in any Prohibited Electronic Advertising and Software, the Franchisor has the right and option to terminate the Franchise Agreement.

B. Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “**Telephone Listings**”) related to Franchisee’s Franchised Business or the Marks.

C. Email Accounts. Franchisee must only use the email account created by the Franchisor for all communication regarding the Franchised Business and Franchised Business-related communications and accounts. Use of a private email account related to Franchisee's Franchised Business is prohibited.

D. Transfer. On Termination of the Franchise Agreement, or at the Franchisor's request, Franchisee will immediately:

i. direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the "**Internet and Software Companies**") with which Franchisee has Prohibited Electronic Advertising and Software: (i) to transfer all of Franchisee's interest in such Prohibited Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Prohibited Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Prohibited Electronic Advertising and Software or will take such other actions with respect to the Prohibited Electronic Advertising and Software as Franchisor directs; and

ii. direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "**Telephone Companies**") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

iii. provide all email accounts, whether approved, unapproved, personal, used relating to the Franchised Business (collectively, the "**Email Accounts**") along with user names, passwords, and any other information required to access and use the Email Accounts.

E. Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including this Agreement without limitation. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

i. Direct the Internet and Software Companies to transfer all Franchisee's interests and rights in and to the Prohibited Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Prohibited Electronic Advertising and Software;

ii. Direct the Telephone Companies to transfer all Franchisee's interests and rights in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

iii. Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interests and rights.

F. Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

G. Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee's interests and rights as described in Section 2.D above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further right or interest in, or obligations with respect to, the particular Prohibited Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

### **3. Miscellaneous**

A. Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

B. No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

C. Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

D. Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

E. Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

F. Survival. This Agreement shall survive the Termination of the Franchise Agreement.

G. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida, without regard to the application of Florida conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

**FRANCHISEE:**

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

**FRANCHISEE'S PRINCIPAL(S):**

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

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

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

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

## ATTACHMENT 8

### CONFIDENTIALITY AND NON-COMPETE AGREEMENT

**THIS NON-COMPETITION AND CONFIDENTIALITY AGREEMENT** (the “**Agreement**”), executed as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), is by and between \_\_\_\_\_, a \_\_\_\_\_ (“**Franchisee**”) and \_\_\_\_\_ (“**Individual**”).

### RECITALS

**WHEREAS**, Franchisor and Franchisee entered into a franchise agreement dated \_\_\_\_\_, 20\_\_, wherein Franchisee was granted the right to use certain trademarks, designs, services, promotions, and products associated with Franchisor (the “**System**”) in order to establish a Stain Erasers franchise (the “**Franchised Business**”); and

**WHEREAS**, Franchisee desires Individual to have access to and review certain confidential information, knowledge, trade secrets, techniques, know-how, and access to the Stain Erasers Operations Manual and other materials related to the System and/or operation of the System (all of which is collectively referred to as “**Confidential Information**”);

**WHEREAS**, Franchisee, as part of the Franchise Agreement, is required by the Franchise Agreement to have the Individual execute this Agreement prior to providing the Individual access to said Confidential Information; and

**WHEREAS**, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Franchisor, Franchisee or any other franchisee of Franchisor in any business that sells or offers commercial or residential cleaning services, and therefore shall execute this Agreement to protect the Confidential Information and the System of Franchisor from unfair competition.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

### AGREEMENT

1. Recitals. The Recitals set forth above are true, accurate and incorporated herein by reference.
2. Non-Competition. During the Term of the Franchise Agreement, as well as after the term of one (1) year after the expiration of the Term of the Franchise Agreement, Individual will not do any of the following:
  - a. Deter, or attempt to deter, any customer, business, or referral source of the Franchised Business or of other Stain Erasers franchisees in the System to any competitor of Franchisor, whether by direct or indirect means; or

- b. Own, operate, manage, control or participate in ownership, management, operation or control of any entity that provides services or products which are substantially similar to the System within a twenty-five (25) mile radius of the outer boundary of the Territory or inside the territory of another Stain Eraser business.

Franchisee and Individual both agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the interest and goodwill of Franchisor.

If the period of time or the geographic scope specified in this Section 2 should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisee shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Individual's consent, effective immediately upon receipt by Individual of written notice thereof, and Individual agrees to forthwith comply with any covenant as so modified.

3. Confidentiality. Individual agrees that Individual will not, directly or indirectly: (a) disclose, reveal, publish or transfer to any individual or entity any Confidential Information, or (b) use any Confidential Information for any purpose or for the benefit of any person or entity, except as may be necessary in the performance of Individual's obligations as established with Franchisee. Individual acknowledges that: (i) from the date of this Agreement until otherwise terminated, Individual will have access to Confidential Information, and (ii) any disclosure, revelation, publication or transfer of such Confidential Information would have an adverse effect on Franchisee or Franchisee's business.

Individual's obligations under Section 3 of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venture, broker, or aligned with the Stain Erasers System.

Further, upon termination, Individual agrees to immediately deliver to the Franchisee, the originals and all copies of all documents (electronic or paper), records and property of any nature whatsoever which are the property of Franchisor or which relate to Confidential Information which are in Franchisor's possession or control at the time of the termination of Franchise Agreement.

4. Remedies. Individual acknowledges it may be impossible to accurately measure monetary damages to Franchisee arising from Individual's breach of any provisions in Sections 2 or 3 of this Agreement; therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of

this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Individual agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by the Franchisee in enforcing this Agreement.

5. No Rights Granted. Franchisee acknowledges and agrees that nothing in this Agreement shall be deemed to constitute, by implication or otherwise, the grant by Franchisee to Individual of any license or other right under any patent, patent application or other intellectual property right or interest belonging to Franchisor.

6. Governing Law. This Agreement is made pursuant to and shall be construed in accordance with the laws of the State of Florida.

7. Entire Agreement. This Agreement contains the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein as to the matters addressed herein. This Agreement shall supersede all previous communications, representations or agreements, between the parties regarding the matters addressed herein.

8. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, assigns, heirs, legal representatives, executors and administrators. This Agreement may not be assigned by Franchisee without the permission of the Franchisor, and also may not be assigned by Individual without written consent of the Franchisee, which shall be at Franchisee's sole discretion. If any provision, paragraph or subparagraph of this Agreement is adjudged by any court of law to be void or unenforceable in whole or in part, such adjudication shall not be deemed to affect the validity of the remainder of this Agreement. Each provision of this Agreement, is declared to be divisible and separable from every other provision and constitutes a separate and distinct covenant. The parties agree that Franchisee's breach or failure to perform any obligation owed to Individual is not a defense to the enforcement of any provision in this Agreement and this Agreement will be fully-enforceable regardless of any breach or failure to perform any obligation by Franchisee.

9. Acknowledgment. Each of the parties hereby irrevocably acknowledges that he, she or it: (a) has read and fully understands the terms and conditions of this Agreement, (b) has had the ability to review such documents with his, her or its own legal counsel, (c) has freely and voluntarily entered into the same without any duress, fraud, influence or coercion of any kind or nature, and (d) understands that the obligations created under this Agreement survive the termination of the Franchise Agreement entered into by Franchisee with Franchisor.

**THE PARTIES ACKNOWLEDGE THAT THE FRANCHISOR IS A THIRD PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE FRANCHISOR SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE FRANCHISOR**

*[Signatures Appear on Following Page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**FRANCHISEE**

**INDIVIDUAL**

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

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

**ATTACHMENT 9**

**ACH FORM**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION TO HONOR CHARGES**  
**DRAWN BY AND PAYABLE TO STAIN ERASERS, LLC ("PAYEE")**

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "**Debits**") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

A. To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

B. To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

C. To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository (Bank Name): \_\_\_\_\_

Bank Account Name: \_\_\_\_\_

Bank Acct #: \_\_\_\_\_ Routing #: \_\_\_\_\_  
(Please attach one voided check for the above account)

Franchise Location Name: \_\_\_\_\_

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

Title of Authorized Representative (Depositor): \_\_\_\_\_

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

## ATTACHMENT 10

### PERSONAL GUARANTEE

In consideration of the execution of the Franchise Agreement by Stain Erasers, LLC (“**Franchisor**”), and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Franchise Agreement (“**Personal Guarantee**”).

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Franchise Agreement.

Each of the undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

This Personal Guarantee will be governed by the laws of the state of Florida. The provisions of this Personal Guarantee which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Each undersigned waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation. All other provisions of this Personal Guarantee will be enforceable as originally made and entered into upon the execution of this Personal Guarantee by the undersigned.

In addition, each of the undersigned consents and agrees that: (1) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or any amendment or extension of the Franchise Agreement, with or without notice to the undersigned. It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guarantee will inure to the benefit of Franchisor’s successors and assigns.

*[Signatures Appear on Following Page]*

**FRANCHISEE:** \_\_\_\_\_

**PERSONAL GUARANTORS:**

\_\_\_\_\_  
An Individual

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

\_\_\_\_\_  
Address

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
An Individual

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

\_\_\_\_\_  
Address

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
An Individual

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

\_\_\_\_\_  
Address

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
An Individual

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

\_\_\_\_\_  
Address

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Telephone

**ATTACHMENT 11: SUB-SUPPLY AGREEMENT**

**FRANCHISEE SUB-SUPPLY AGREEMENT**

This Franchise Sub-Supply Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “**Agreement**”), is made and entered into by and between \_\_\_\_\_, a [ENTITY TYPE] duly organized, validly existing, and in good standing in the State of \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ (“**Buyer**”), and Stain Erasers, LLC, a Florida limited liability company having its principal place of business at 3000 Gulf Shore Blvd. N. #107, Naples, FL 34103 (“**Supplier**”), (Supplier together with Buyer, are referred to as the “**Parties**”, and each, a “**Party**”).

**RECITALS**

**WHEREAS**, Buyer operates a Stain Erasers franchise through Stain Erasers, LLC a Florida limited liability company that uses Citra-Shield® branded products including Citra-Shield Cleaning Systems® outdoor cleaner, concentrate, ready to use, and UV shield (the “**Product**”);

**WHEREAS**, Supplier and Citra-Shield Cleaning Systems, LLC (“**Manufacturer**”) entered into a Supply Agreement (“**Master Supply Agreement**”);

**WHEREAS**, Buyer wishes to purchase the Product exclusively from Supplier; and

**WHEREAS**, Supplier desires to sell the Product directly to Buyer.

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms shall have the meanings set out or referred to in this Section

“**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory, or other, whether at law, in equity or otherwise.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person.

“**Agreement**” has the meaning set forth in the preamble to this Agreement.

“**Basic Purchase Order Terms**” means, collectively, any one or more of the following terms specified by Buyer in a Purchase Order pursuant to Section 3.2: (a) the quantity of each Product to be purchased and ordered; (b) Product minimums; (c) the Requested Delivery Date; (d) the unit Price for each type of Product to be purchased; (e) packaging instructions; (f) the billing address; and (f) the Delivery Location. For the avoidance of doubt, the term “Basic Purchase Order Terms” does not include any general terms or conditions of any Purchase Order.

“**Business Day**” means any day except Saturday, Sunday, or any other day on which commercial banks are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble to this Agreement.

“**Buyer Contracts**” means all contracts or agreements to which Buyer is a party or to which any of its material assets are bound.

“**Buyer/Supplier Indemnified Party**” has the meaning set forth in Section 10.1.

“**Buyer/Supplier Indemnifying Party**” has the meaning set forth in Section 10.1.

“**Claim**” means any Action brought against a Person entitled to indemnification under Section 10.

“**Confidential Information**” has the meaning set forth in Section 13.1.

“**Control**” (and with correlative meanings, the terms “Controlled by” and “under common Control with”) means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of another Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Defective Product**” means Product shipped by Manufacturer to Buyer pursuant to this Agreement that is deemed defective by the Manufacturer as outside of the Product Warranty under Section 9.39.3.

“**Delivery Location**” means the street address within the Territory for delivery of the Product specified in the applicable Purchase Order.

“**Disclosing Party**” has the meaning set forth in Section 13.1.

“**Dispute**” has the meaning set forth in Section 17.14.

“**Dispute Notice**” has the meaning set forth in Section 17.14.

“**Effective Date**” means the date first set forth above.

“**Force Majeure Event**” has the meaning set forth in Section 17.19.

“**Forecast**” means a good faith projection or estimate of Buyer’s requirements for the Product which approximates, as nearly as possible, based on information available at the time to Buyer, the quantity of the Product that Buyer may order for a given period.

“**Franchisee**” means any individual or company that has entered into a franchise agreement with the Supplier.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or

quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, award, or determination entered by or with any Governmental Authority.

“**Initial Term**” has the meaning set forth in Section 6.1.

“**Inspection Period**” has the meaning set forth in Section 4.8.

“**Intellectual Property Rights**” means all industrial and other intellectual property rights comprising or relating to: (a) Patents; (b) Trademarks; (c) internet domain names, whether or not Trademarks, registered by any authorized private registrar or Governmental Authority, web addresses, web pages, website, and URLs; (d) works of authorship, expressions, designs, and design registrations, whether or not copyrightable, including copyrights and copyrightable works, software and firmware, data, data files, and databases and other specifications and documentation; (e) Trade Secrets; and (f) all industrial and other intellectual property rights, and all rights, interests, and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extensions of, such rights or forms of protection pursuant to the Laws of any jurisdiction throughout and in any part of the world.

“**Law**” means any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, Governmental Order, or other requirement or rule of law of any Governmental Authority.

“**Nonconforming Product**” means any Product received by Buyer from Manufacturer pursuant to a Purchase Order that: (a) does not conform to the applicable Purchase Order; or (b) materially exceeds the quantity of Product ordered by Buyer pursuant to this Agreement or any Purchase Order. Where the context requires, Nonconforming Product is deemed to be Product for purposes of this Agreement.

“**Notice**” has the meaning set forth in Section 17.5.

“**Party**” has the meaning set forth in the preamble to this Agreement.

“**Patents**” means all patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Authority-issued indicia of invention ownership (including inventor’s certificates, petty patents, and patent utility models).

“**Payment Failure**” has the meaning set forth in Section 6.3(a).

“**Person**” means any individual, partnership, corporation, trust, limited liability entity, unincorporated organization, association, Governmental Authority, or any other entity.

“**Personnel**” of a Party means any agents, employees, contractors, or subcontractors engaged or appointed by such Party.

“**Price**” has the meaning set forth in Section 5.

“**Price Adjustment**” has the meaning set forth in Section 5.3

“**Product Formula**” means the chemical recipe or, more specifically, the specific chemical percentages and specifications for the mixing and preparation of the ingredients used in the manufacture and production of Citra-Shield®.

“**Product Warranty**” has the meaning set forth in Section 9.3.

“**Purchase Order**” means Buyer’s purchase order issued to Supplier hereunder, including all terms and conditions attached to, or incorporated into, such purchase order, and any Release issued by Buyer to Supplier under the Purchase Order. For the avoidance of doubt, any references to Purchase Orders hereunder also include any applicable Releases.

“**Receiving Party**” has the meaning set forth in Section 13.1.

“**Reimbursement Payment**” has the meaning set forth in Section 6.4.

“**Release**” means a document issued by Buyer to Supplier pursuant to a Purchase Order that identifies the quantity of Product constituting Buyer’s requirements (if such quantity is not specified in the original Purchase Order) and the Delivery Locations and Requested Delivery Dates for such Product.

“**Renewal Term**” has the meaning set forth in Section 6.2.

“**Representatives**” means a Party’s Affiliates and each of their respective Personnel, officers, directors, partners, shareholders, attorneys, third-party advisors, successors, and permitted assigns.

“**Requested Delivery Date**” means the requested delivery date for Product ordered hereunder that is set forth in a Purchase Order, which must be a Business Day no less than seven (7) days following delivery of the applicable Purchase Order to Supplier.

“**Manufacturer**” has the meaning set forth in the Recitals to this Agreement.

“**Supplier Contracts**” means all contracts or agreements to which Supplier is a party or to which any of its material assets are bound.

“**Manufacturer’s Intellectual Property Rights**” means all Intellectual Property Rights owned by or licensed to Manufacturer.

“**Manufacturer’s Trademarks**” means all Trademarks owned by or licensed to Manufacturer.

“**Taxes**” means any and all present and future sales, income, stamp, and other taxes, levies, imposts, duties, deductions, charges, fees or withholdings imposed, levied, withheld, or assessed by any Governmental Authority, together with any interest or penalties imposed thereon.

“**Term**” has the meaning set forth in Section 6.2.

“**Territory**” means the Territory as defined in the Franchise Agreement between the Supplier and the Buyer as the Franchisor and Franchisee, respectively, in the Franchise Agreement.

“**Third-Party Product**” has the meaning set forth in Section 9.7.

“**Trademarks**” means all rights in and to US and foreign trademarks, service marks, trade dress, trade names, brand names, logos, corporate names and domain names, and other similar designations of source, sponsorship, association, or origin, together with the goodwill symbolized by any of the foregoing, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection in any part of the world.

“**Trade Secrets**” means all inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections, patent disclosures, and other confidential and proprietary information and all rights therein.

“**US**” means the United States of America.

“**Warranty Period**” has the meaning set forth in Section 9.3.

## 2. **Purchase and Sale of Product.**

2.1 **Purchase and Sale.** Subject to the terms and conditions of this Agreement, during the Term, Buyer shall purchase exclusively from Supplier, and Supplier shall sell to Buyer, the Product, and subject to the terms and conditions of this Agreement and, in particular, Section 3.3, Buyer shall purchase from Supplier, and Supplier shall sell to Buyer, 100% of Buyer’s requirements of the Product.

2.2 **Terms of Agreement Prevail Over Buyer’s Purchase Order.** The Parties intend that the express terms and conditions contained in this Agreement (including any schedules and exhibits hereto) and the Basic Purchase Order Terms contained in the applicable Purchase Order to exclusively govern and control each of the Parties’ respective rights and obligations regarding the subject matter of this Agreement, and this Agreement is expressly limited to such terms and conditions. Without limitation of the foregoing, any additional, contrary, or different terms contained in any Purchase Order or other request or communication by Buyer pertaining to the sale of the Product by Supplier, and any attempt to modify, supersede, supplement or otherwise alter this Agreement, will not modify this Agreement or be binding on the Parties unless such terms have been fully approved in a signed writing by authorized Representatives of both Parties.

2.3 **Right to Sell Competitive Product.** Supplier makes no warranties that this Agreement limits the Supplier’s rights to sell or license, or precludes Supplier from selling, or

licensing to any Person, or entering into any agreement with any other Person related to the sale or licensing of, the Product and other goods or products that are similar to or competitive with the Product.

### 3. **Ordering Procedure.**

3.1 **Non-binding Forecasts of Buyer's Requirements.** From time to time, Buyer shall provide Supplier with Forecasts. Forecasts are for informational purposes only and do not create any binding obligations on behalf of either Party; provided, however, that Supplier shall not be required to sell to Buyer any quantity of Product that is unreasonably disproportionate to any Forecast for the period covered by such Forecast, as determined by either Supplier or Manufacturer.

3.2 **Purchase Orders.** Buyer shall issue to Supplier Purchase Orders (containing applicable Basic Purchase Order Terms that are consistent with the terms of this Agreement), in written form via EDI/facsimile, e-mail, or US mail. By issuing a Purchase Order to Supplier, Buyer makes an offer to purchase Product pursuant to the terms and conditions of this Agreement and the Basic Purchase Order Terms contained in such Purchase Order, and on no other terms. For the avoidance of doubt, any variations made to the terms and conditions of this Agreement by Buyer in any Purchase Order are void and have no effect. From time-to-time, Buyer may also issue Releases to Supplier. Buyer shall be obligated to purchase from Supplier quantities of Product specified in a Purchase Order (including any related Release).

3.3 **Accepting, Rejecting, and Canceling Purchase Orders.** Supplier accepts a Purchase Order by confirming the order in writing or by delivering the applicable Product to Buyer, whichever occurs first. Supplier may reject a Purchase Order or cancel a previously accepted Purchase Order, which it may do without liability or penalty, and without constituting a waiver of any of Supplier's rights or remedies under this Agreement or any Purchase Order, by providing written notice to Buyer specifying the applicable date of rejection or cancellation:

- (a) if any one or more of the events described under Sections 6.4(a)-(b) has occurred;
- (b) pursuant to Supplier's rights under the last sentence of Section 5.6; or
- (c) if the raw materials are unavailable or delayed.

### 4. **Shipment, Delivery, Acceptance, and Inspection.**

4.1 **Shipment.** Unless otherwise expressly agreed to by the Parties in writing, Supplier shall select the method of shipment of and the carrier for the Product. Supplier may, in its sole discretion, without liability or penalty, make partial shipments of Product to Buyer. Each shipment will constitute a separate sale and Buyer shall pay for the Product shipped, in accordance with the payment terms specified in Section 5.4, whether such shipment is in whole or partial fulfillment of a Purchase Order.

4.2 **Packaging and Labeling.** The Product shall be properly packed, marked, and shipped, and Buyer will be provided with shipment documentation showing the Purchase Order

number, either Supplier's or Manufacturer's identification number for the subject Product, the number of cartons or containers in shipment, and the bill of lading number and the country of origin.

4.3 Delivery. Unless otherwise expressly agreed to by the Parties in writing, Supplier shall have the Product delivered to the Delivery Location in accordance with Section 4.1. All Prices are F.O.B. shipping point (Manufacturer's facility).

4.4 Product Availability. Supplier shall use commercially reasonable efforts to make Product available for delivery to the Buyer. If Supplier becomes aware of any potential restrictions or limitations on availability of the Product, Supplier shall promptly notify Buyer of said potential restrictions or limitations and Supplier, to the extent it is able to, shall work diligently to resolve such issues in a timely manner.

4.5 Late Delivery. Any time quoted for delivery is an estimate only; provided, however, that Supplier, to the extent it has the power to, shall use commercially reasonable efforts to deliver all Product on or before the Requested Delivery Date. If Supplier has delayed shipment of all or any Product for more than seven (7) days after the Requested Delivery Date, and if such delay is not due to any action or inaction of Buyer or otherwise excused in accordance with the terms and conditions of this Agreement, Buyer may, as its sole remedy therefor, cancel the portion of the related Purchase Order covering the delayed Purchase by giving Supplier written Notice within ten (10) days of the Requested Delivery Date. Subject to Buyer's rights under this Section 4.5, no delay in the shipment or delivery of any Product relieves Buyer of its obligations under this Agreement, including accepting delivery of any remaining installment or other orders of Product.

4.6 Transfer of Title and Risk of Loss. The risk of loss and title to Product shipped under any Purchase Order passes to Buyer when Manufacturer tenders the Product to the carrier at Manufacturer's facility.

4.7 Inspection. Buyer shall inspect Product received under this Agreement within five (5) days of receipt of such Product ("**Inspection Period**") and either accept or, only if any such Product is Nonconforming Product, reject such Product. Buyer will be deemed to have accepted Product unless it provides Supplier with written Notice of any Nonconforming Product within five (5) days following the Inspection Period, stating with specificity all defects and nonconformities, and furnishing such other written evidence or other documentation as may be reasonably required by Supplier (including the subject Product, or a representative sample thereof, which Buyer contends is Nonconforming Product). All defects and nonconformities that are not so specified will be deemed waived by Buyer, such Product shall be deemed to have been accepted by Buyer, and no attempted revocation of acceptance will be effective. If Buyer timely notifies Supplier of any Nonconforming Product, Supplier shall determine, in its reasonable discretion, whether the Product is Nonconforming Product. If Supplier determines that such Product is Nonconforming Product, Supplier shall, in its sole discretion, either:

- (a) replace such Nonconforming Product with conforming Product; or
- (b) refund to Buyer such amount paid by Buyer to Supplier for such Nonconforming Product returned by Buyer to Supplier.

Buyer shall ship, at Buyer's expense and risk of loss, all Nonconforming Product to Manufacturer's facility of record where the Purchase Order was fulfilled or to such other location as Supplier may instruct Buyer in writing. If Supplier exercises its option to replace Nonconforming Product, Supplier shall ship the replacement Product to the Delivery Location at Supplier's expense and risk of loss.

THE REMEDIES SET FORTH IN THIS SECTION 4.7 ARE BUYER'S EXCLUSIVE REMEDY FOR THE DELIVERY OF NONCONFORMING PRODUCT, SUBJECT TO BUYER'S RIGHTS UNDER SECTION 9.4 WITH RESPECT TO ANY SUCH PRODUCT FOR WHICH BUYER HAS ACCEPTED DELIVERY UNDER THIS SECTION 4.7.

4.8 Limited Right of Return. Except as provided under Section 4.7, Section 9.5, and Section 9.8, Buyer has no right to return Product shipped to Buyer pursuant to this Agreement.

## 5. Price and Payment.

5.1 Price. Buyer shall purchase the Product from Supplier at the prices set forth on Schedule 1. ("**Price**").

5.2 Price Adjustment. The Price of the Product will be, increased by three percent (3%) at the end of each year.

5.3 Shipping Charges, Insurance, and Taxes. All Prices include shipping charges, insurance, and Taxes related to the Product, and any duties and charges of any kind imposed by any Governmental Authority with respect to, or measured by, the manufacture, sale, shipment, use, or Price of the Product (including interest and penalties thereon).

5.4 Payment Terms. Supplier shall issue periodic invoices to Buyer for all Product ordered in the previous 30 days, setting forth in reasonable detail the amounts payable by Buyer under this Agreement. All payments shall be due within ten (10) days of the date of the invoice(s), and shall be paid via cash, check, wire transfer, or other payment methods accepted by Supplier. It is Supplier's duty to inform Buyer of any other method of payment, as well as Supplier's account details that are needed for payment.

5.5 Invoice Disputes. Buyer shall notify Supplier in writing of any dispute with any invoice (along with substantiating documentation and a reasonably detailed description of the dispute) within five (5) days from Buyer's receipt of such invoice. Buyer will be deemed to have accepted all invoices for which Supplier does not receive timely notification of dispute and shall pay all undisputed amounts due under such invoices within the period set forth in Section 5.5. The Parties shall seek to resolve any such disputes expeditiously and in good faith in accordance with the dispute resolution provisions set forth in Section 17.14. Notwithstanding anything to the contrary, Buyer shall continue performing its obligations under this Agreement during any such dispute, including Buyer's obligation to pay all due and undisputed invoice amounts in accordance with the terms of this Agreement.

5.6 Late Payments. Except for invoiced payments that Buyer has successfully disputed, Buyer shall pay interest on all late payments (whether during the Term or after the expiration or earlier termination of the Term), calculated daily and compounded monthly, at the lesser of the

rate of one percent (1%) per month. In addition to all other remedies available under this Agreement or at Law (which Supplier does not waive by the exercise of any rights under this Agreement), if Buyer fails to pay any amounts when due under this Agreement, Supplier may (a) suspend the delivery of any Product, (b) reject Buyer's Purchase Orders or cancel accepted Purchase Orders pursuant to the terms of Section 3.3 or (c) terminate this Agreement pursuant to the terms of Section 6.3(a).

5.7 No Set-off Right. Buyer shall not (and acknowledges that it will have no right under this Agreement, any Purchase Order, or any other agreement, document, or Law, withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Supplier or any of its Affiliates, whether under this Agreement or otherwise, against any other amount owed (or to become due and owing) to it by Supplier or Supplier's Affiliates, whether relating to Supplier's or its Affiliates' breach or non-performance of this Agreement, any Purchase Order, any other agreement between (a) Buyer or any of its Affiliates and (b) Supplier or any of its Affiliates, or otherwise.

## 6. Term; Termination.

6.1 Initial Term. The term of this Agreement commences on the Effective Date and continues for a period of ten (10) years unless it is otherwise terminated pursuant to the terms of this Agreement or applicable Law (the "**Initial Term**").

6.2 Renewal Term. Upon expiration of the Initial Term, Buyer will have the option to renew this Agreement for an additional ten-year term (a "**Renewal Term**" and together with the Initial Term, the "**Term**"), unless it is otherwise terminated as set forth in this Agreement, so long as:

- (a) Buyer is, at all times during the Term, a Franchisee and in good standing with the Supplier pursuant to the terms of the franchise agreement between Buyer and Supplier;
- (b) the master Supply Agreement between the Supplier and Manufacturer remains in effect; and
- (c) upon the expiration of the Initial Term, Buyer has no outstanding invoices due to Supplier.

Supplier may terminate this Agreement with thirty (30) days' written notice if Supplier dissolves, or Manufacturer ceases operations.

If the Initial Term or any Renewal Term is renewed for any Renewal Term(s) pursuant to this Section 6.2, the terms and conditions of this Agreement during each such Renewal Term will be the same as the terms in effect immediately prior to such renewal.

6.3 Supplier's Right to Terminate for Cause. Supplier may terminate this Agreement, by providing written Notice to Buyer:

(a) if Buyer fails to pay any amount when due under this Agreement (“**Payment Failure**”) and does not make such payment within ten days written notice of said Payment Failure from Supplier;

(b) if Buyer is in breach of any representation, warranty or covenant that Buyer made under this Agreement (other than committing a Payment Failure), and either the breach cannot be cured or, if the breach can be cured, it is not cured by Buyer within ten (10) days after Buyer’s receipt of written Notice of such breach;

(c) if Buyer (i) becomes insolvent or ceases to do business or is generally unable to pay, or fails to pay, its debts as they become due, (ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy, insolvency or otherwise becomes subject, voluntarily or involuntarily, to any proceeding for settlement of Buyer’s debts, (iii) makes or seeks to make a general assignment for the benefit of its creditors, or (iv) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business;

(d) if without obtaining Supplier’s prior written consent, (i) Buyer sells, leases, or exchanges a material portion of Buyer’s assets, (ii) Buyer merges or consolidates with or into another Person, or (iii) a change in Control of Buyer occurs;

(e) if Supplier discovers Buyer has diluted, is diluting, or otherwise improperly used the product as described in Section 15.2, or

(f) if Buyer fails the Certification Process as described in Section 15.2(a).

(g) If Buyer is no longer a Franchisee.

Any termination under Section 6.3 will be effective on Buyer’s receipt of Supplier’s written Notice of termination or such later date (if any) set forth in such Notice.

6.4 Buyer’s Right to Terminate. Buyer may terminate this Agreement, by providing written Notice to Supplier:

(a) if Supplier is in material breach of any representation, warranty or covenant of Supplier under this Agreement and either the breach cannot be cured or, if the breach can be cured, it is not cured by Supplier within fifteen (15) days after Supplier’s receipt of written Notice of such breach;

(b) if Supplier (i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due, (ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy, insolvency or otherwise becomes subject, voluntarily or involuntarily, to any proceeding for settlement of Supplier’s debts, (iii) makes or seeks to make a general assignment for the benefit of its creditors, or (iv) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business; or

As a condition precedent to Buyer's right to terminate this Agreement pursuant to this Section 6.4, within fifteen (15) days following the date of Buyer's termination Notice, Buyer shall (i) pay to Supplier all amounts due to Supplier for Product that Supplier had delivered to Buyer prior to Supplier's receipt of the termination Notice; and (ii) reimburse Supplier for all of Supplier's out-of-pocket costs and expenses that Supplier incurred prior to receipt of Buyer's termination Notice that arose from or related to this Agreement or any Purchase Order that Buyer issued to Supplier prior to Supplier's receipt of such notice (each, a "**Reimbursement Payment**"). Any termination under this Section 6.4 will be effective on the latest to occur of Supplier's receipt of Buyer's written Notice of termination, Supplier's receipt of the Reimbursement Payment, or such other later date (if any) set forth in such termination Notice (if and to the extent that such later date is approved by Supplier in writing).

6.5 Effect of Expiration or Termination.

(a) Upon the expiration or earlier termination of this Agreement, all indebtedness of Buyer to Supplier under this Agreement, any other agreement or otherwise, of any kind, shall become immediately due and payable to Supplier, without further notice to Buyer.

(b) Expiration or termination of the Term will not affect any rights or obligations of the Parties that:

(i) come into effect upon or after termination or expiration of this Agreement; or

(ii) otherwise survive the expiration or earlier termination of this Agreement pursuant to Section 17.4 and were incurred by the Parties prior to such expiration or earlier termination.

(c) Any Notice of termination under this Agreement automatically operates as a cancellation of any deliveries of Product to Buyer that are scheduled to be made subsequent to the effective date of termination, whether or not any orders for such Product were accepted by Supplier. With respect to any Product that is still in transit upon termination of this Agreement, Supplier may require, in its sole discretion, that all sales and deliveries of such Product be made on either a cash-only or certified-check basis.

(d) Upon the expiration or earlier termination of this Agreement, Buyer shall:

(i) destroy all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on Supplier's Confidential Information;

(ii) permanently erase all of Supplier's Confidential Information from its computer systems;

(iii) cease all use of the Trademarks of Manufacturer; and

(iv) certify in writing to Supplier that it has complied with the requirements of this clause.

(e) Subject to Section 6.5(b), the Party terminating this Agreement, or in the case of the expiration of this Agreement, each Party, shall not be liable to the other Party for any damage of any kind (whether direct or indirect) incurred by the other Party by reason of the expiration or earlier termination of this Agreement. Termination of this Agreement will not constitute a waiver of any of either Party's rights, remedies or defenses under this Agreement, at law, in equity or otherwise.

7. **Certain Obligations of Buyer.**

7.1 **Certain Prohibited Acts.** Notwithstanding anything to the contrary in this Agreement, neither Buyer nor any Buyer Personnel shall:

(a) make any representations, warranties, guarantees, indemnities, similar claims, or other commitments:

(i) actually, apparently or ostensibly on behalf of Supplier or Manufacturer, or

(ii) to any customer or other Person with respect to the Product, which are additional to or inconsistent with any then-existing representations, warranties, guarantees, indemnities, similar claims, or other commitments in this Agreement or any written documentation provided by Supplier or Manufacturer to Buyer.

(b) engage in any unfair, competitive, misleading, or deceptive practices respecting Supplier or the Manufacturer, Supplier's or Manufacturer's Trademarks, or the Product, including any product disparagement; or

(c) remove, translate or modify any customer warranty statements.

8. **Compliance with Laws.** Buyer shall at all times comply with all Laws applicable to this Agreement, Buyer's performance of its obligations hereunder, and Buyer's use or sale of the Product. Without limiting the generality of the foregoing, Buyer shall (a) at its own expense, maintain all certifications, credentials, licenses, and permits necessary to conduct its business relating to the purchase of the Product and (b) not engage in any activity or transaction involving the Product, by way of resale, lease, shipment, use or otherwise, that violates any Law.

9. **Representations and Warranties.**

9.1 **Buyer's Representations and Warranties.** Buyer represents and warrants to Supplier that:

(a) if an entity, it is the type of entity, duly organized, validly existing, and in good standing under the laws of the state specified in this Agreement's preamble;

(b) it is duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required;

(c) it has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder;

(d) the execution of this Agreement by its Representative whose signature is set forth at the end of this Agreement, and the delivery of this Agreement by Buyer, have been duly authorized by all necessary corporate action on the part of Buyer;

(e) the execution, delivery, and performance of this Agreement by Buyer will not violate, conflict with, require consent under or result in any breach or default under (i) any of Buyer's organizational documents, (ii) any applicable Law or (iii) with or without notice or lapse of time or both, the provisions of any Buyer Contract;

(f) this Agreement has been executed and delivered by Buyer and (assuming due authorization, execution, and delivery by Supplier) constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws and equitable principles related to or affecting creditors' rights generally or the effect of general principles of equity;

(g) it is in material compliance with all applicable Laws and Buyer Contracts relating to this Agreement, the Product and the operation of its business;

(h) it has obtained and validly maintains all material licenses, authorizations, approvals, consents, or permits required by applicable Laws to conduct its business generally and to perform its obligations under this Agreement;

(i) it is not insolvent and is paying all of its debts as they become due;

(j) all financial information that it has provided to Supplier is true and accurate and fairly represents Buyer's financial condition; and

(k) neither the Buyer nor any of its subsidiaries nor any director, officer, or employee of the Buyer or any of its subsidiaries, nor to the knowledge of the Buyer, any agent, affiliate or other person acting on behalf of the Buyer or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Buyer or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made or taken any act in furtherance of an offer, promise, or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or public international organization, or any political party, party official, or candidate for political office; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Buyer and its subsidiaries and, to the

knowledge of the Buyer, the Buyer's affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(l) Buyer is a Franchisee.

9.2 Supplier's Representations and Warranties. Supplier represents and warrants to Buyer that:

(a) it is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Florida;

(b) it is duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required;

(c) it has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder;

(d) the execution of this Agreement by its Representative whose signature is set forth at the end of this Agreement, and the delivery of this Agreement by Supplier, have been duly authorized by all necessary corporate action on the part of Supplier;

(e) the execution, delivery, and performance of this Agreement by Supplier will not violate, conflict with, require consent under or result in any breach or default under (i) any of Supplier's organizational documents, (ii) any applicable Law or (iii) with or without notice or lapse of time or both, the provisions of any material Supplier Contract;

(f) this Agreement has been executed and delivered by Supplier and (assuming due authorization, execution, and delivery by Buyer) constitutes the legal, valid, and binding obligation of Supplier, enforceable against Supplier in accordance with its terms, except as may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws and equitable principles related to or affecting creditors' rights generally or the effect of general principles of equity;

(g) it is in material compliance with all applicable Laws and Supplier Contracts relating to this Agreement, the Product and the operation of its business;

(h) it has obtained and validly maintains all material licenses, authorizations, approvals, consents, or permits required by applicable Laws to conduct its business generally and to perform its obligations under this Agreement; and

(i) neither the Supplier nor any of its subsidiaries nor any director, officer, or employee of the Supplier or any of its subsidiaries, nor to the knowledge of the Supplier, any agent, affiliate or other person acting on behalf of the Supplier or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Supplier or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made or taken any act in furtherance of

an offer, promise, or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or public international organization, or any political party, party official, or candidate for political office; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Supplier and its subsidiaries and, to the knowledge of the Supplier, the Supplier’s affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

9.3 Limited Product Warranty. Subject to the provisions of this Section (applicable to product warranty limitations) through Section 9.6, Supplier makes absolutely no warranties to Buyer, except the following (the **Product Warranty**):

(a) Buyer will receive good and valid title to all Product, free and clear of all encumbrances and liens of any kind;

(b) Supplier will use commercially reasonable efforts to obtain and flow through to Buyer third party warranties for any goods not manufactured by Supplier that are incorporated into the Product;

(c) Supplier shall use commercially reasonable efforts to flow through any warranty for the Product that Manufacturer provides; and

(d) The term of any such third party or Manufacturer warranty shall be 30 days unless the third party or Manufacturer offers a warranty for the Product in excess of 30 days (the “**Warranty Period.**”)

9.4 Product Warranty Limitations. The foregoing Product Warranty does not extend to Product that has been subjected to any of the following as the direct result of Buyer’s actions: misuse, abuse, negligence, neglect, accident, improper testing, abnormal environmental conditions, improper storage by Buyer, improper handling, abnormal physical stress, use contrary to any instructions issued by Supplier or Manufacturer, Product which has been altered, reconstructed or repaired by anyone other than Manufacturer, Supplier, or the or Manufacturer’s or Supplier’s authorized representative, Product that has been used with any third-party products or with any product that has not been previously approved in writing by Supplier.

**THE ABOVE EXPRESS WARRANTIES ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY SUPPLIER AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, SUCH OTHER WARRANTIES BEING DISCLAIMED.**

9.5 Buyer’s Exclusive Remedy for Defective Product. Notwithstanding any other provision of this Agreement (except for Section 9.8), this Section 9.5 contains Buyer’s exclusive remedy for Defective Product. Buyer’s remedy under this Section 9.5 is conditioned

upon Buyer's compliance with its obligations under Section 9.5(a) and Section 9.5(b) below. During the Warranty Period, with respect to any allegedly Defective Product:

(a) Buyer shall notify Supplier, in writing, of any alleged claim or defect within ten (10) Business Days from the date Buyer discovers, or upon reasonable inspection should have discovered, such alleged claim or defect (but in any event before the expiration of the applicable Warranty Period);

(b) Buyer shall ship, at Buyer's expense and risk of loss, such allegedly Defective Product to Manufacturer's facility of record where the Purchase Order was fulfilled for inspection and testing by Manufacturer;

(c) If Supplier's inspection and testing reveal, to Supplier's reasonable satisfaction, that such Product is Defective Product and any such defect has not been caused or contributed to by any of the factors described under 9.4 above, subject to Section 9.5(a) and Section 9.5(b), Supplier shall in its sole discretion and at its expense, repair or replace such Defective Product; and

(d) Supplier shall ship to Buyer, at Supplier's expense and risk of loss, the replaced Product to a location designated by Buyer.

Buyer has no right to return for replacement, credit, or refund any Product except as set forth in this Section 9.5 (or if otherwise applicable, Section 4.8 or Section 9.8). In no event shall Buyer reconstruct, repair, alter or replace any Product, in whole or in part, either itself or by or through any third party.

**SUBJECT TO SECTION 9.8, THIS SECTION 9.5 SETS FORTH BUYER'S SOLE REMEDY AND SUPPLIER'S AND MANUFACTURER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED PRODUCT WARRANTY SET FORTH IN SECTION 9.3.**

**9.6 DISCLAIMER OF OTHER REPRESENTATIONS AND WARRANTIES; NON-RELIANCE. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 9.2 AND THE PRODUCT WARRANTY SET FORTH IN SECTION 9.3, (A) NEITHER SUPPLIER, MANUFACTURER, NOR ANY PERSON ON SUPPLIER'S OR MANUFACTURER'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT OR PERFORMANCE OF PRODUCTS TO STANDARDS SPECIFIC TO THE COUNTRY OF IMPORT, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (B) BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SUPPLIER OR MANUFACTURER, OR ANY OTHER PERSON ON SUPPLIER'S OR MANUFACTURER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN SECTIONS 9.2 AND 9.3 OF THIS AGREEMENT.**

9.7 Third-Party Products. Buyer acknowledges that the Product purchased by Buyer under this Agreement may not contain, be contained in, incorporated into, attached to, or packaged together with products manufactured by a third party (“**Third-Party Products**”).

9.8 Withdrawal of Product. If Supplier determines that any Product sold to Buyer may be Defective Product, at Supplier’s request, Buyer shall withdraw all similar Product from sale and, at Supplier’s option, either return such Product to Manufacturer’s facility of record (pursuant to the terms of Section 9.5(b)) or destroy the Product and provide Supplier with written certification of such destruction. Notwithstanding the limitations of Section 9.5, if Buyer returns all withdrawn Product or destroys all withdrawn Product and provides Supplier with written certification of such destruction within ten (10) days following Supplier’s withdrawal request, in either case, consistent with Supplier’s instructions, unless any such defect has not been caused or contributed to by any of the factors described under Section 9.4, Supplier shall (a) repair or replace all such returned Product or (b) replace such destroyed Product, in either case, pursuant to the terms of Section 9.5(d). THIS SECTION 9.8 SETS FORTH BUYER’S SOLE REMEDY AND SUPPLIER’S ENTIRE LIABILITY FOR ANY PRODUCT THAT IS WITHDRAWN PURSUANT TO THIS SECTION 9.8.

9.9 Recall of Product. Supplier agrees to notify Buyer immediately in the event of Product safety or quality issues, including, but not limited to, recalls. Supplier will fully cooperate and provide reasonable assistance to Buyer in the event of a recall of any or all of the Product.

## 10. Indemnification.

### 10.1 Mutual Indemnification.

(a) Supplier (as “**Supplier Indemnifying Party**”) agrees to indemnify, defend, and hold Buyer, its subsidiaries and affiliated companies, and its and their successors, assigns, agents, employees, customers and users (collectively, “**Buyer Indemnified Parties**”) harmless from and against all losses, damages, deficiencies, judgements, settlements, awards, penalties, claims, suits and expenses, including reasonable legal expenses and all liabilities of whatsoever kind or nature relating to or arising out of a third-party claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory, or other, whether at law, in equity or otherwise (“**Claim**”) alleging: (i) personal injury or death or damage to property arising from or based on the negligent or willful acts or omissions of Supplier or its officers, employees, subcontractors or agents, or (ii) Supplier’s breach of any representation, warranty, or covenant set forth in this Agreement.

(b) Buyer (as “**Buyer Indemnifying Party**”) agrees to indemnify, defend, and hold Supplier, its subsidiaries and affiliated companies, and its and their agents, employees, successors, assigns, customers and users (collectively, “**Supplier Indemnified Parties**”) harmless from and against all losses, damages, claims, suits, deficiencies, settlements, awards, penalties, judgments and expenses, including reasonable legal expenses and all liabilities of whatsoever kind or nature relating to or arising out of a third-party claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation,

proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory, or other, whether at law, in equity or otherwise (“**Claim**”) alleging: (i) personal injury or death or damage to property arising from Buyer’s misuse of the Product or negligent or willful acts or omissions of Buyer; (ii) infringement of any Supplier patent, trade secret, trademark, copyright, or other intellectual property rights of a third party; (iii) Buyer’s breach of any representation, warranty, or covenant set forth in this Agreement; or (iv) any breach or violation of the Foreign Corrupt Practices Act..

(c) Exceptions and Limitations on Indemnification. Notwithstanding anything to the contrary in this Agreement, an Indemnifying Party is not obligated to indemnify or defend (if applicable) an Indemnified Party against any Claim if such Claim or corresponding Claims arise out of or result from, in whole or in part, the Indemnified Party’s or its Personnel’s:

(i) bad faith failure to materially comply with any of its obligations set forth in this Agreement; or

(ii) use of the Product in any manner not otherwise authorized under this Agreement or that does not materially conform with any usage instructions, guidelines, and/or specifications provided by Supplier.

10.2 EXCLUSIVE REMEDY. THIS SECTION 10 SETS FORTH THE ENTIRE LIABILITY AND OBLIGATION OF EACH INDEMNIFYING PARTY AND THE SOLE AND EXCLUSIVE REMEDY FOR EACH INDEMNIFIED PARTY FOR ANY DAMAGES COVERED BY THIS SECTION 10.

## 11. Limitation of Liability.

11.1 NO LIABILITY FOR CONSEQUENTIAL OR INDIRECT DAMAGES. EXCEPT FOR OBLIGATIONS TO MAKE PAYMENT UNDER THIS AGREEMENT, LIABILITY FOR INDEMNIFICATION, LIABILITY FOR BREACH OF CONFIDENTIALITY, OR LIABILITY FOR INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS, IN NO EVENT SHALL EITHER PARTY OR ITS REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT THE OTHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

11.2 ASSUMPTION OF RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ASSUMES ALL RISK AND LIABILITY FOR THE RESULTS OBTAINED BY THE USE OF ANY PRODUCT IN THE PRACTICE OF ANY PROCESS, WHETHER IN TERMS OF OPERATING COSTS, GENERAL EFFECTIVENESS, SUCCESS

OR FAILURE, AND REGARDLESS OF ANY ORAL OR WRITTEN STATEMENTS MADE BY SUPPLIER, BY WAY OF TECHNICAL ADVICE OR OTHERWISE, RELATED TO THE USE OF THE PRODUCT.

12. **Intellectual Property Rights.**

12.1 Buyer acknowledges and agrees that:

(a) as part of the Master Supply Agreement, Supplier has a license to utilize certain Intellectual Property Rights of Manufacturer, and Supplier does not own such Intellectual Property;

(b) except as provided in Section 12.1(c) or to the extent provided in a separate written agreement between Buyer and Manufacturer, Manufacturer will retain all Manufacturer's Intellectual Property Rights used to create, embodied in, used in, and otherwise relating to the Product and that Buyer will not challenge the rights of Manufacturer in the Manufacturer's Intellectual Property Rights or Manufacturer's right to enforce its Intellectual Property Rights;

(c) notwithstanding the provisions of Section 15, if the Product is altered in violation of this Agreement, ownership of any Intellectual Property improvements, inventions or innovations made by Buyer shall be irrevocably assigned exclusively to Manufacturer;

(d) any and all Manufacturer's Intellectual Property Rights are the sole and exclusive property of Manufacturer;

(e) Buyer shall indicate on any and all use of the Manufacturer's Trademarks, authorized under this Agreement, shall include appropriate trademark notices that the Manufacturer's Trademarks are the Manufacturer's property and Buyer shall not make any, or allude to any, ownership to the contrary;

(f) Buyer shall promptly notify Supplier of any actual, suspected, or threatened infringement, imitation, dilution, misappropriation or other unauthorized use or conduct in derogation of any Manufacturer's Intellectual Property;

(g) if Buyer acquires any Intellectual Property Rights in or relating to the Product purchased under this Agreement (including any rights in any Trademarks, derivative works or patent improvements relating thereto), by operation of law, or otherwise, such rights are deemed and are hereby irrevocably assigned exclusively to Manufacturer without further action by either Party; and

(h) Buyer is familiar with the high standards, quality, style, and image of Manufacturer. Buyer shall conduct its business and use any permitted Manufacturer Trademark and Manufacturer Intellectual Property (if any) in a manner consistent with these high standards, quality, style, and image.

12.2 **Grant of Limited License in Manufacturer's Trademarks.:**

(a) Manufacturer acknowledges and agrees that to the extent that Manufacturer's Trademarks are used in connection with, included, or contained in the Product, Manufacturer grants to Buyer a royalty-free right to use said Manufacturer's Trademarks during the Term of this Agreement, within the Buyer's Territory for the sole and exclusive purpose of fulfilling Buyer's duties under this Agreement solely in connection with the marketing, promotion, and use of the Product (the "**Limited License**").

(b) This Limited License is non-exclusive, non-transferable, non-sublicensable and Manufacturer reserves all rights not expressly granted to Buyer under this Agreement, including the right to add, modify, change, or discontinue any Trademark. So long as Buyer is not in breach of this Agreement, Manufacturer shall provide Buyer with such modifications for use under this Agreement.

12.3 Prohibited Acts. Buyer shall not and Buyer shall not cause, directly or indirectly, any other party to:

(a) acquire any ownership interest in any of Manufacturer's Intellectual Property Rights under this Agreement;

(b) take any action that may interfere with or invalidate or jeopardize any of Manufacturer's rights in or to Manufacturer's Intellectual Property Rights, including Manufacturer's ownership or exercise thereof;

(c) challenge any right, title, or interest of Manufacturer in or to Manufacturer's Intellectual Property Rights;

(d) make any claim or take any action adverse to Manufacturer's ownership of Manufacturer's Intellectual Property Rights, or make any claim to take any action adverse to Manufacturer's Intellectual Property Rights;

(e) register or apply for registrations, anywhere in the world, for Manufacturer's Trademarks or any other Trademark that is similar to Manufacturer's Trademark, or that incorporates Manufacturer's Trademarks in whole or in part;

(f) use any mark, anywhere, that is confusingly similar to Manufacturer's Trademarks;

(g) engage in any action that tends to disparage, tarnish, degrade, disparage, dilute the value of, or reflect negatively on the products purchased under this Agreement (including Product) or any Manufacturer's Trademark;

(h) misappropriate any Manufacturer's Trademark for use as a domain name without prior written consent from Manufacturer;

(i) alter, obscure, or remove any Manufacturer's Trademark or copyright notices or any other proprietary rights notices placed on the products purchased under this

Agreement (including the Product), marketing materials, or other materials that Supplier may provide;

(j) affix, repurpose, transfer, or copy any Manufacturer's Trademark to or for use on any other product, service, promotion, or marketing materials that the Manufacturer's Trademark was not originally included on or that are outside of this agreement; or

(k) engage in any other agreement or activity that may grant or attempt to grant a security interest in, or otherwise encumber, any or all of the Manufacturer's Intellectual Property including Manufacturer's Trademarks.

### 13. **Confidentiality.**

13.1 **Scope of Confidential Information.** From time to time during the Term, either Party (as the "**Disclosing Party**") may disclose or make available to the other Party (as the "**Receiving Party**") information about its business affairs, goods and services, Forecasts, Confidential Information and materials comprising or relating to Intellectual Property Rights, trade secrets, third-party confidential information, and other sensitive or proprietary information. Such information, as well as the terms of this Agreement, whether orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," is collectively referred to as "**Confidential Information**" hereunder. Notwithstanding the foregoing, Confidential Information does not include information that at the time of disclosure and as established by documentary evidence:

(a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Section 13 by the Receiving Party or any of its Representatives;

(b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information;

(c) was known by or in the possession of the Receiving Party or its Representatives prior to being disclosed by or on behalf of the Disclosing Party;

(d) was or is independently developed by the Receiving Party without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information; or

(e) is required to be disclosed pursuant to applicable Law.

13.2 **Protection of Confidential Information.** The Receiving Party shall, for ten (10) years from receipt of such Confidential Information:

(a) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;

(b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and

(c) not disclose any such Confidential Information to any Person, except to the Receiving Party's Representatives who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

The Receiving Party shall be responsible for any breach of this Section 13 caused by any of its Representatives. At any time during or after the Term, at the Disclosing Party's written request, the Receiving Party and its Representatives shall, pursuant to Section 6.5(d), promptly return all Confidential Information and copies thereof that it has received under this Agreement.

14. **Access and Audit Rights.** Buyer hereby grants Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents access to Buyer's operations, facilities, books and records, correspondences, writings, drawings, and receipts related to the Product for the purpose of ensuring Buyer's compliance with the terms of this Agreement and any other agreements between Buyer and Supplier. Buyer shall maintain all pertinent books and records for a period of one (1) year after expiration of the Term. Buyer shall also cooperate fully with Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents with respect to all reasonable requests of Manufacturer and Supplier relating to the foregoing access rights.

15. **Product Integrity.**

15.1 **Product Testing.** Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents shall have the right to conduct unannounced testing of the Product provided to the Buyer to confirm compliance with agreed-upon quality standards, specifications, and regulatory requirements. Buyer agrees to fully cooperate with Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents during such testing, which includes providing Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents access to facilities and documentation. Supplier, Supplier's agents, Manufacturer, and Manufacturer's agents shall not be required to give any notice prior to conducting the testing, and the costs associated with the testing shall be borne by the Supplier.

15.2 **Product Dilution.** In the event it is determined by Supplier or Manufacturer that Buyer is found to be diluting or altering the Product in any manner that compromises its quality, efficacy, or safety standards, Supplier shall be obligated to do the following:

(a) within five (5) days after Supplier has provided either written or oral notice to Buyer that Supplier has discovered Buyer has diluted or altered the Product in any manner than comprises its quality, efficacy, or safety standard, Buyer shall hire, at Buyer's sole expense, a third party approved by Supplier or Manufacturer which will administer a certification process on the Product at random each month over a period of six (6) months (the "**Certification Process**"); and

(b) pay liquidated damages to the Supplier in the amount of \$100,000.

If at any point during the Certification Process should the Certification Process reveal the Product has been diluted or altered in a manner than comprises its quality, efficacy, or safety standard, Buyer will be deemed to have failed the Certification Process, and Supplier shall have the option to terminate this Agreement effective thirty (30) days from the date Supplier provides notice to the Buyer.

15.3 Orders Extending Past Force Majeure Deadline. Pursuant to the Master Supply Agreement, Manufacturer has arranged and established a neutral third-party that will be able to replicate the Product Formula in the event of Manufacturer's inability to fulfill the obligations of this Sub-Supply Agreement due to any Force Majeure Event extending past the Force Majeure Deadline or any event which results in Manufacturer's insolvency. Upon expiration of the Force Majeure Deadline, the neutral third party will perform the chemical mixing to fulfill orders for the Product. At no point in time shall Buyer have direct access to the Product Formula. Product Formula is subject to the confidentiality provisions of this Agreement.

15.4 Product Resales. Buyer shall not resell, distribute, trade, or otherwise convey the Product to any other Person.

16. **Insurance.** During the Term, each party shall maintain and furnish to the other party upon request evidence of commercially reasonable liability insurance coverage. The certificate of insurance shall name the other Party as an additional insured. Each Party shall provide the other Party with ten (10) days' advance written notice in the event of a cancellation or material change in such insurance policy.

17. **Miscellaneous.**

17.1 Further Assurances. Upon a Party's reasonable request, the other Party shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.

17.2 Relationship of the Parties. The relationship between Supplier and Buyer is solely that of vendor and vendee, and they are independent contracting parties. Nothing in this Agreement creates any agency, joint venture, partnership, or other form of joint enterprise, employment, or fiduciary relationship between the Parties. Neither Party has any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement, or undertaking with any third party.

17.3 Entire Agreement. This Agreement, including and together with the Basic Purchase Order Terms and any related exhibits and schedules, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

17.4 Survival; Statute of Limitations. Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the Parties contained herein will survive the expiration or earlier termination of this Agreement and (b) any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, will survive the

expiration or earlier termination of this Agreement. Notwithstanding any right under any applicable statute of limitations to bring a claim, no Action based upon or arising in any way out of this Agreement may be brought by either Party after the expiration of the applicable survival or other period set forth in this Section 17.4, and the Parties waive the right to file any such Action after the expiration of the applicable survival or other period; provided, however, that the foregoing waiver and limitation do not apply to the collection of any amounts due to Supplier under this Agreement.

17.5 Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a “**Notice**”) must be in writing and addressed to the other Party at its address set forth below (or to such other address that the receiving Party may designate from time to time in accordance with this section). All Notices must be delivered by personal delivery, nationally recognized overnight courier, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party, and (b) if the Party giving the Notice has complied with the requirements of this section.

Notice to Supplier:

Stain Erasers, LLC  
3000 Gulf Shore Blvd. N. #107  
Naples, FL 34103  
Attention: Ryan Sellars  
E-mail: [ryan@stainerasers.com](mailto:ryan@stainerasers.com)

Notice to Buyer:

[\_\_\_\_\_]  
[\_\_\_\_\_]   
Attention: [\_\_\_\_\_]   
E-mail: [\_\_\_\_\_]

Notice to Manufacturer:

Citra-Shield Cleaning Systems, LLC  
3000 Gulf Shore Blvd. N. #107  
Naples, FL 34103  
Attention: Joseph Macomber  
E-mail: [joe@citrashield.com](mailto:joe@citrashield.com)

17.6 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” are deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole; (d) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (e) words denoting any gender include all genders. Unless the context otherwise requires, references in this Agreement: (x) to sections, exhibits, schedules, attachments, and appendices mean the sections of, and exhibits, schedules, attachments and appendices attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The Parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any

instrument to be drafted. The exhibits, schedules, attachments, and appendices referred to herein are an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

17.7 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

17.8 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. In the event of such severance, the parties agree that the invalid, illegal, or unenforceable provisions shall be interpreted in a manner consistent with the original intent of the parties to the fullest extent permitted by law.

17.9 Amendment and Modification. No amendment to this Agreement is effective unless it is in writing, identified as an amendment to this Agreement and signed by an authorized Representative of each Party.

17.10 Waiver.

(a) No waiver under this Agreement is effective unless it is in writing and, identified as a waiver to this Agreement and signed by an authorized Representative of the Party waiving its right.

(b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.

(c) None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement:

(i) any failure or delay in exercising any right, remedy, power or privilege or in enforcing any condition under this Agreement; or

(ii) any act, omission, or course of dealing between the Parties.

17.11 Assignment. Supplier may assign any of its rights or delegate any of its obligations to any Person/any Affiliate or to any Person acquiring all or substantially all of Supplier's assets. The Buyer may not assign any of its rights or delegate any of its obligations to any Person/any Affiliate or to any Person acquiring all or substantially all of Buyer's assets without the consent of Supplier. Any purported assignment or delegation in violation of this section is null and void. No assignment or delegation relieves the assigning or delegating Party of any of its obligations under this Agreement.

17.12 Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties and their respective permitted successors and permitted assigns.

17.13 No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and permitted assigns, and nothing in this

Agreement, express or implied, confers on any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

17.14 Dispute Resolution. Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof (each, a “**Dispute**”), shall be resolved first through good faith negotiations between the parties after the party claiming the Dispute delivers written notice, in detail, of the Dispute (the “**Dispute Notice**”) to the other party. If the Parties are unable to resolve the Dispute through good faith negotiation within thirty (30) days following a Party’s receipt of a Dispute Notice, then the Parties agree to submit the Dispute to mediation. A “**Notice of Mediation**” shall be served, signifying that the negotiation was not successful and in order to initiate the mediation process. The Parties shall cooperate with one another in selecting a neutral mediator. The mediation session shall be held within forty-five (45) days of the retention of the mediator and last for at least one full mediation day before any party has the option to withdraw from the process. The parties may agree to continue the mediation process beyond one day, until there is a settlement agreement, or one party or the mediator states that there is no reason to continue because of an impasse that cannot be overcome and sends a “notice of termination of mediation.” All reasonable efforts will be made to complete the mediation within thirty (30) days of the first mediation session. The requirement of mediation and negotiation may be waived upon mutual agreement of Buyer and Supplier. In the event the Parties are unable to resolve any Dispute through mediation, either Party may file suit in a court of competent jurisdiction in accordance with the provisions of Section 17.16 and Section 17.17 hereunder.

17.15 Governing Law. Any legal suit, action, or proceeding and all matters arising out of or relating to this Agreement, are governed by and construed in accordance with, the Laws and judicial decisions of the State of Florida, United States of America, without regard to the conflict of laws provisions thereof. The Parties agree that the United Nations Convention on Contracts for the International Sale of Product does not apply to this Agreement.

17.16 Choice of Forum. Each Party irrevocably and unconditionally agrees that it shall commence any action, litigation or proceeding of any kind whatsoever against the other Party in any way arising from or relating to this Agreement, including all exhibits, schedules, attachments and appendices attached hereto and thereto, and all contemplated transactions, including contract, equity, tort, fraud, and statutory claims, in the courts of the State of Florida sitting in Collier County, and any appellate court from any thereof. Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation or proceeding in the courts of the State of Florida sitting in Collier County. Each Party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

17.17 Waiver of Jury Trial. Each Party acknowledges and agrees that any controversy that may arise under this Agreement, including any exhibits, schedules, attachments, and appendices attached to this Agreement, is likely to involve complicated and difficult issues and, therefore, each such Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement, including any exhibits, schedules, attachments, and appendices attached to this Agreement, or the transactions contemplated hereby. Each Party certifies and acknowledges that (a) no Representative of the other Party has represented, expressly or otherwise, that such other Party would not seek to enforce the

foregoing waiver in the event of a legal action, (b) such Party has considered the implications of this waiver, (c) such Party makes this waiver voluntarily, and (d) such Party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

17.18 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement if the party sending such facsimile, e-mail or other means of electronic transmission has received express confirmation that the recipient party received the Agreement (not merely an electronic facsimile confirmation or automatic e-mail reply).

17.19 Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Buyer to make payments to Supplier hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the affected party's ("**Affected Party**") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, pandemic, epidemic, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Affected Party. The Affected Party shall give written notice within five (5) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Affected Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Affected Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Affected Party's failure or delay remains uncured for a period of (30) consecutive days following written notice given by it under this Section 17.19 (the "**Force Majeure Deadline**"), the other Party may thereafter terminate this Agreement upon 5 days' written notice.

17.20 No Public Announcements or Trademark Use. Unless expressly permitted under this Agreement, neither Party shall:

- (a) make any statement (whether oral or in writing) in any press release, external advertising, marketing, or promotion materials regarding the subject matter of this Agreement, the other Party, or its business unless:
  - (i) it has received the express written consent of the other Party or
  - (ii) it is required to do so by Law or under the rules of any stock exchange to which it is subject.

(b) use the other Party's or Manufacturer's Trademarks (except as allowed under 12.2), service marks, trade names, logos, symbols or brand names, in each case, without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

*[Signatures Appear on Following Page]*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

**SUPPLIER**

STAIN ERASERS, LLC

By \_\_\_\_\_

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

Title: Manager

**BUYER**

[ ]

By \_\_\_\_\_

Name:

Title:

**MANUFACTURER**, as party to this Agreement subject to Sections 12.1 and 12.2.

CITRA SHIELD CLEANING SYSTEMS, LLC

By \_\_\_\_\_

Name:

Title:

**SCHEDULE 1**

**PRICE**

<b>Quantity</b>	<b>Price</b>
5 Gallon Pail	\$208.00
55 Gallon Drum	\$1,958.00
275 Gallon Tote	\$7,426.00
Ready to Use (RTU) Gallon Case	\$74.00

**ATTACHMENT 12**

**STATE SPECIFIC ADDENDUMS**

1. Tennessee
2. Washington
3. Wisconsin

## TENNESSEE ADDENDUM TO THE FRANCHISE AGREEMENT

The Tennessee Consumer Protection Act of 1977, which is codified at Tenn. Code §§ 47-18-101 *et seq.*, regulates limited aspects of the franchise relationship. This Addendum to the Franchise Agreement effective \_\_\_\_\_, 20\_\_, (“**Addendum**”), is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“**Franchise Agreement**”) between Stain Erasers, LLC (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”)

Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

### TERM AND RENEWAL

**3. Term.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is 10 years from the Effective Date (the “**Term**”).

**A. Nonrenewal by Franchisor.** If Franchisor wishes to not renew this Agreement with Franchisee, Franchisor will, at least 60 days prior to the expiration of this Agreement, provide written notice to Franchisee of Franchisor is intent to not renew this Agreement, and said written notice will contain all facts and circumstances which allege Good Cause (as defined herein) for Franchisor’s non-renewal (“**Notice of Nonrenewal**”).

**B. Mutual Non-Renewal.** Upon the written agreement of both Franchisee and Franchisor, at least 60 days prior to the expiration of the Term, this Agreement will be terminated at the end of the Term.

**C. Non-Renewal via Withdrawal of Products or Services.** Franchisor shall also have the right to not renew this Agreement if Franchisor withdraws the distribution of the Products or Services provided by Stain Eraser franchises within the State of Tennessee for a period of not less than 2 years.

**D. Renewal.** Franchisor shall grant Franchisee the right to renew its license for 1 renewal term of 10 years (“**Renewal Rights**”) if all of the following conditions are met:

- i. Franchisee is not in default under the Terms of this Agreement (or any other agreement that relates to Franchisee’s franchise), nor has Franchisee been in default more than 2 times throughout the Term of this Agreement;
- ii. Franchisee has provided written notice to Franchisor of Franchisee’s request to renew Franchisee’s license at least ninety 90 days prior to the end of the expiring Term;

iii. Franchisee has requested, in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement);

iv. executed and returned to Franchisor said Franchise Agreement and any auxiliary document within sixty (60) days after receipt by Franchisee;

v. all training requirements have been successfully completed by Franchisee;

vi. all monetary and other material obligations have been satisfied on a timely basis during the Term of this Agreement by Franchisee;

vii. Franchisee has performed such repairs, upgrades and replacements as Franchisor may require causing the Franchised Business equipment, computer system, vehicle(s) and other assets to conform to the then-current specifications for franchised businesses on the renewal date;

viii. Franchisee shall execute a general release of all claims Franchisee may have against Stain Erasers LLC, its parent, subsidiaries and affiliates, officers, directors, shareholders, agents, members, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4;

ix. Franchisee has paid the Renewal Fee (as defined herein); and

Franchisee has met the Applicable Minimum Standards during the last 3 years of the Term.

**E. Right of Franchisee Upon Non-Renewal.** Upon Franchisor providing to Franchisee the Notice of Nonrenewal, Franchisee shall have the option to sell the Franchised Business, or a portion of the Franchised Business relating to the Franchisee, so long as Buyer meets the Franchisor's current requirements to be a qualified Franchisee; or, if Franchisor is not granting a significant number of new franchises, the Franchisor's current requirement for granting renewal franchises, as stated in 3.D, which Franchisor shall provide to Franchisee upon written request.

**F. Acknowledgement of Franchisee Upon Renewal.** Upon Franchisee renewal of this Agreement, which shall be for a term of 10 years, Franchisee understands and acknowledges that:

i. Franchisee has executed and returned to Franchisor the then-current Franchise Agreement and any auxiliary document;

ii. Franchisee must satisfy all monetary and other material obligations stemming from the Term of this Agreement prior to continuation of the Franchised Business operations;

iii. the terms of the Franchisor's then current Franchise Agreement, may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees;

iv. Franchisee has performed such repairs, upgrades and replacements as Franchisor may require causing the Franchised Business equipment, computer system, vehicle(s) and other assets to conform to the then-current specifications for franchised businesses on the renewal date;

v. Franchisee must pay the Renewal Fee (as defined herein) prior to continuation of the Franchised Business operations;

vi. Franchisee must complete all training requirements of Franchisor prior to continuation of the Franchised Business operations; and the initial Term of this Agreement provides Franchisee more than sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

## TRAINING

**5. Initial Training Program. Initial Training Program.** Franchisee shall complete, to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("**Initial Training Program**") prior to the opening of the Franchised Business. The Initial Training Program consists of a 5-day course which shall be conducted at the J Racenstein Training Center in Rutherford, New Jersey or any other location Franchisor designates. Franchisor reserves the right to change any part of the Initial Training Program course from in-person to virtual, and also reserves the right to designate an alternate location for the Initial Training Program. Franchisee must, at all times during the term of this Agreement, have a Principal who has successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. The Initial Training Program shall be attended by Franchisee (if the franchisee is an individual) or all of Franchisee's Principals (if the franchisee is a business entity) ("**Initial Trainees**"). If the number of Initial Trainees would exceed four (4), or if Franchisee desires for additional employees or agents of Franchisee to attend the Initial Training Program, the cost to Franchisee shall be \$400.00 per person. Notwithstanding the foregoing, Franchisee shall be required to pay all the expenses of the Initial Trainees, including, without limitation, costs of travel, most meals, and wages.

**A. Satisfactory Completion.** Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed, Franchisor may terminate this Agreement.

**B. Additional Training.** Franchisor may offer mandatory and/or optional additional training programs from time to time. Franchisor may require Franchisee to travel

to a specific location for the additional training, or Franchisor may require Franchisor's Agents or training personnel to conduct said training in the Territory. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to fourteen (14) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal(s), and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee via ACH.

### **TRANSFER OF FRANCHISE**

**15.** All of Section 15 shall remain that same as listed in the Franchise Agreement, with the following addition to Section 15.A: Franchisee agrees the following provisions govern any Transfer or proposed Transfer:

Franchisee, or any individual owning or deceased individual who owed an interest in the Franchise, may Transfer the Franchise to the spouse, child, grandchild, parent, brother or sister of the Franchisee or such individual who owned an interest in the Franchise without the consent of Franchisor.

### **DEFAULT AND TERMINATION**

**16.** The following provisions apply with respect to default and termination:

**A. Default and Immediate Termination.** Franchisee shall be deemed to be in material default under this Agreement and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default effective immediately upon notice to Franchisee if any of the following occur:

- i. the Franchisee or the Franchised Business is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the Franchisee admits inability to pay debts as they come due;
- ii. the Franchisee willfully abandons the Business by failing to operate the Franchised Business for 5 consecutive days during which the Franchisee is required to operate the Franchised Business under the terms of the Agreement, or

any shorter period after which it is not unreasonable under the facts and circumstances for the Franchisor to conclude that the Franchisee does not intend to continue to operate Franchisee's Franchised Business, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond the Franchisee's control;

iii. Franchisee's Franchised Business or Franchise Site are seized, taken over or foreclosed by a government official in the exercise of that official's duties, or seized, taken over, or foreclosed by a creditor, lienholder, or Landlord; provided, that a final judgment against the Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the Agreement or upon any property used in the Franchised Business, and such levy is not discharged or suspended by accommodation agreement, partial payment agreement, compromise or similar agreement entered within 5 days of such levy;

iv. The Franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the Franchised Business; or;

v. Failure of the Franchisee, on 2 consecutive occasions, to pass minimum health inspections conducted by any state or federal governmental entity.

**B. Default and Termination After Opportunity to Cure.** Except as provided elsewhere in this Agreement, Franchisor may only terminate this Agreement 30 days following notice being given to Franchisor of good cause asserted in good faith. "Good Cause" means the following:

i. failure by a Franchisee to comply substantially with the requirements imposed under this Agreement;

ii. the failure by the Franchisee to act in good faith and in a commercially reasonable manner in carrying out the terms of the Agreement;

iii. voluntary abandonment of the Franchised Business;

iv. conviction of the Franchisee in a court of competent jurisdiction of an offense punishable by a term of imprisonment in excess of 1 year;

v. any act by a Franchisee which substantially impairs the Franchisor's trade name or trademark;

vi. the institution of insolvency or bankruptcy proceedings by or against the Franchisee, or any assignment or attempted assignment by a Franchisee of the Franchised Business or the assets of the Franchised Business for the benefit of creditors;

vii. failure of the Franchisee to pay to the Franchisor within 30 days after receipt of notice any uncontested sums past due the Franchisor and relating to the Business; or

viii. failure of the Franchisee to comply with federal, state or local law or regulations applicable and material to the operation of the Franchised Business which could reasonably impair the Franchisee's continued future performance.

**C. Effect of Other Laws.** The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights, or minimum periods of notice for termination of this Agreement shall supersede any provision in this Agreement that is less favorable to Franchisee.

### **DISPUTE RESOLUTION**

**18.** Franchisor and Franchisee agree the following shall apply with respect to dispute resolution:

**A. Internal Dispute Resolution.** Any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments or Schedules hereto, or the relationship created by this Agreement, shall first be brought to Franchisor's President and/or Chief Executive Officer for resolution. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

**B. Governing Law and Venue.** This Agreement is made in, and shall be substantially performed, in the State of Florida. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Florida. Franchisee and its principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Florida. Franchisee and its principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

**C. Mutual Benefit.** Franchisee, each principal, if any, and Franchisor acknowledge the parties' agreement regarding applicable state law and forum provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

**D. Waiver of Jury Trial and Certain Damages.** Franchisee and each principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their

respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each Franchisee and principal(s) agree that in the event of a dispute, Franchisee and each principal shall be limited to the recovery of any actual damages sustained.

**E. Injunctive Relief.** Nothing herein contained (including, without limitation, Sections A above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

**F. Limitations of Claims.** Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

**G. Attorneys' Fees.** In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

**H. Survival.** The provisions of this Section shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISOR**  
**STAIN ERASERS, LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: Ryan Sellars  
Its: Manager

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

## **WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT**

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

RCW 19.100.180 may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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 jury trial, may not be enforceable.

Transfer fees in Section 4.L are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a non-competition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a non-competition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

2. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Agreement.

4. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Agreement. In the event of any conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall apply.

**FRANCHISOR**  
**STAIN ERASERS, LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: Ryan Sellars  
Its: Manager

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

**WISCONSIN ADDENDUM TO THE FRANCHISE AGREEMENT**

This Addendum pertains to franchisees in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations, specifically the Wisconsin Franchise Investment Law Chapter 553. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, Section 16 of the Agreement pertaining to “Default and Termination” is extended as follows:

Franchisor will provide the Franchisee at least 90 days’ prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have no less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and the Franchisee inconsistent with the Law.

3. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISOR**  
**STAIN ERASERS, LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: Ryan Sellars  
Its: Manager

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

**EXHIBIT E**  
**PROMISSORY NOTE, PERSONAL GUARANTEE, AND SECURITY AGREEMENT**

**PROMISSORY NOTE**

\$ \_\_\_\_\_

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

**FOR VALUE RECEIVED**, the undersigned Borrowers (each a “**Borrower**”, and together, the “**Borrowers**”), jointly and severally, promise to pay to STAIN ERASERS, LLC, a Florida limited liability company (the “**Lender**”), at the address set forth in Section 1.1.E hereof, the principal amount of \_\_\_\_\_/100 Dollars (\$ \_\_\_\_\_).

**1. Payments.**

**A. Interest.** The outstanding balance of the indebtedness evidenced by this Note shall initially bear interest at an annual rate of (the “**Interest Rate**”) equal to \_\_\_\_\_ percent (\_\_\_%).

**B. Monthly Payments.** Borrower shall make fixed monthly payments of principal and interest in the amount of \$ \_\_\_\_\_ (“**Monthly Payment**”). Interest shall be payable in arrears. Borrowers shall begin to make monthly interest payments (check one)

*(a) [ ] on the date which Franchisee receives its first payment from a customer for services or products rendered, not to exceed 12 months following the execution date of the Promissory Note.*

*(b) [ ] on the first day of the month which immediately follows the date of this Note.*

**C. Fixed Payment Period and Maturity Date.** Borrower shall make Monthly Payments for a period of \_\_\_\_\_ consecutive months (the “**Fixed Payment Period**”). Following the conclusion of the Fixed Payment Period, beginning with the payment due on \_\_\_\_\_, and continuing on the same day of each month thereafter, the Borrower shall make monthly payments in an amount equal to five percent (5%) of its Gross Revenue (as that term is defined in the Franchise Agreement) for the preceding month. Such payments shall continue until the total outstanding balance of this Note, including all unpaid principal and accrued but unpaid interest, have been paid in full. The date of which all unpaid principal and accrued but unpaid interest has been paid in full shall be referred to as the “**Maturity Date**”.

**D. Prepayment.** Borrowers may prepay all or any portion of the principal of this Note at any time without penalty or premium. In the event of a partial prepayment, the prepaid amount will be applied first to accrued but unpaid interest and then to unpaid principal. Any such partial prepayment will not defer any succeeding installments of interest unless Lender agrees in writing.

**E. Where to Make Payment.** Payment shall be made to Lender at 3000 Gulf Shore Boulevard North, #107, Naples, Florida 32103. Lender may change the place of payment at any time by giving written notice to Borrowers of the new address. Such notice shall be effective as of the next payment due if given at least five (5) days prior to such payment date. Otherwise, it shall be effective as of the next successive payment.

**F. Security.** This Note shall be secured by all Collateral as that term is used in the Security Agreement.

**G. Form of Payment.** Payment may be made via Automated Clearing House (“ACH”), in which Lender shall debit the account of Borrower as listed in Attachment 9 of the Franchise Agreement.

**H. Timeliness of Payment.** A payment is timely made if it is actually received by Lender on or before the date on which it is due. If the date a payment is due falls on a Saturday, Sunday, or a day that is a legal holiday under the laws of the United States, that monthly payment shall be due on the next succeeding business day.

## **2. Default.**

The occurrence of any of the following shall be a default under this Note (each, an “**Event of Default**”):

**A.** Borrower fails to timely pay any installment of principal or interest that are due and payable to Lender under this Note when due and such failure is not cured within five (5) calendar days.

**B.** If it is discovered at any time prior to the Maturity Date that Borrowers (or any of them) have made a material misrepresentation to Lender during the financing application process.

**C.** Borrowers (or any of them) shall admit in writing its, his or her inability to, or shall fail generally or be generally unable to, pay its, his or her debts (including its, his or her payrolls) as such debts become due, or shall make a general assignment for the benefit of creditors, or shall otherwise be insolvent.

**D.** Borrowers (or any of them):

(a) become insolvent or takes or fails to take any action which constitutes an admission of Borrower’s inability to pay Borrower’s debts when due; or

(b) make an assignment for the benefit of Borrower’s creditors; or

(c) file a petition in bankruptcy, petitions or applies to any tribunal for the appointment of a custodian, receiver or a trustee for his/her or a substantial part of his/her assets or any such custodianship, receivership or trusteeship continues unstated or undischarged for a period of thirty (30) days or more;

(d) commence any proceeding (other than a proceeding against a third party) under any state or federal bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect or has commenced against Borrower any such proceeding which remains unstated or undischarged for a period of thirty (30) days or more; or

(e) dies (if an individual) or is dissolved (if an entity).

**E.** Borrowers (or any of them) shall:

- (a) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution);
  - (b) suspend its operations other than in the ordinary course of business;
- or
- (c) take any action to authorize any of the foregoing actions or events or, if Borrowers (or any of them) dies.

**F.** A levy of execution or attachment is made upon the franchise granted under the Franchise Agreement or upon any property used in the Franchised Business, and it is not discharged within five (5) days of such levy or attachment.

**G.** There shall be commenced against Borrowers (or any of them), any case, proceeding or other action seeking issuance of a warrant of attachment, execution, garnishment, or similar process against any receivables of Borrowers (or any of them), or against all or a material portion of its, his or her other property or assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within thirty (30) days from the entry thereof;

**H.** A judgment or order for the payment of money in excess of \$5,000, which is not discharged within thirty (30) days (unless a supersedes or appeal bond has been filed), is rendered against Borrowers (or any of them);

### **3. Remedies.**

Upon the occurrence of an Event of Default, the unpaid principal balance of this Note, together with all accrued but unpaid interest hereon and any other amounts payable hereunder, shall become immediately due and payable at the option of the Lender and Lender shall have the right to pursue any and all remedies available to Lender at law or in equity.

### **4. Waiver; Extensions.**

Borrower hereby waives presentment for payment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note. The Lender shall not be deemed to have waived any of the Lender's rights or remedies hereunder unless such waiver is express and in writing, and no delay or omission by the Lender in exercising, or failure by the Lender on any one or more occasions to exercise, any of the Lender's rights hereunder or at law or in equity (including, without limitation, the right of acceleration hereunder) shall operate as a waiver or prevent the subsequent exercise of any or all of such rights.

### **5. Collection Costs and Expenses.**

The Borrower shall pay all costs, fees and expenses (including court costs and reasonable attorneys' fees) incurred by the Lender in collecting or attempting to collect any amount that becomes due hereunder.

**6. Severability.**

In the event any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**7. Notices.**

All notices, requests, demands and other communications with respect hereto shall be in writing and shall be delivered by hand, sent prepaid by overnight courier or sent by U.S. Mail, certified, postage prepaid, return receipt requested, at the following addresses:

If to the Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the Lender: Stain Erasers, LLC  
3450 N. 127<sup>th</sup> Street  
Suite A  
Brookfield, WI 53005

Any notice, request, demand or other communication delivered or sent in such manner shall be deemed given or made (as the case may be) when actually delivered to the intended recipient.

**8. Amendments Only in Writing.**

This Note or any provision hereof may be waived, changed, modified or discharged only by an agreement in writing signed by the Borrower and the Lender.

**9. Headings.**

The headings in this Note are inserted for convenience only. They shall not be considered a part of this Note nor used in its interpretation.

**10. Governing Law and Venue.**

The parties hereby consent that venue and jurisdiction for all actions enforcing and/or arising out of this Note shall be litigated in the state or federal courts in the City of Naples, County of Collier, State of Florida, U.S.A. This Note shall be construed in accordance with the laws of the State of Florida.

*[SIGNATURES ON FOLLOWING PAGE]*

SIGNATURE PAGE IF FRANCHISEE IS AN INDIVIDUAL(S)

**LENDER**

**STAIN ERASERS, LLC**

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

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

**BORROWER[S]:**

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

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

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

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

SIGNATURE PAGE IF FRANCHISEE IS AN ENTITY

**LENDER**

**STAIN ERASERS, LLC**

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

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

**BORROWER**

\_\_\_\_\_

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

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

**PERSONAL GUARANTEE**

In consideration and to induce Stain Erasers, LLC to extend the principal amount of \_\_\_\_\_ DOLLARS AND XX/100 (\$\_\_\_\_\_) pursuant to the Promissory Note dated \_\_\_\_\_, 20\_\_, the undersigned guarantor(s) (the “**Guarantor(s)**”) personally, unconditionally, and irrevocably guarantee the payment and full performance of all obligations of \_\_\_\_\_ under the Promissory Note, including principal, interest, and any associated fees or costs. To the extent that there are multiple Guarantors, each Guarantor acknowledges and agrees that their liability under this Personal Guarantee is joint and several. The obligations of the Guarantor(s) under this Promissory Note are independent of the Borrower’s own obligations. The Lender is not required to first seek payment or performance from the Borrower or pursue any other remedy before enforcing this Personal Guarantee against the Guarantor(s). Guarantor(s) waive any defenses or rights of setoff that may be available to the Borrower and expressly consent to any and all modifications, extensions, or forbearances of the Promissory Note terms without affecting their obligations under this Personal Guarantee. This Personal Guarantee will remain in effect until the Borrower’s obligations under the Promissory Note have been fully satisfied and discharged.

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Email Address

## SECURITY AGREEMENT

\_\_\_\_\_, a \_\_\_\_\_ (“**Franchisee**”), and Stain Erasers, LLC, a Florida limited liability Company (the “**Franchisor**”), hereby agree to the following terms and conditions:

### **1. Creation and Attachment of Security Interest**

Franchisee and the undersigned individuals jointly and severally hereby grant and assign to Franchisor first, prior, and superior security interests in and to all the Collateral described in Paragraph 2 of this Security Agreement, to secure full and prompt payment of all brand building fees, customer service fees, technology fees, ongoing training development fees, and order processing fees (“**Fees**”) performance of all other covenants pursuant to any Individual or Area Franchise Agreements (“**Franchise Agreement**”) executed by Franchisee and Franchisor as Franchisor and any extensions and renewals thereof, equipment leases or sales, promissory notes, and all other obligations now due Franchisor or hereafter incurred (the “**Obligations**”).

The security interest hereby created shall attach immediately on execution of this Security Agreement by Franchisee and shall secure the payment of all Obligations now due to the Franchisor or hereafter incurred. Should the Franchisee or its successors in interest sell, contract to sell, or otherwise dispose of or transfer the Collateral described below, or any interest therein, except for the sale of inventory or stock in trade in the ordinary course of business, all outstanding sums due Franchisor under any agreement and hereby secured will be immediately due and payable. Franchisee further agrees to notify the Franchisor within the time period stated in the Franchise Agreement prior to any attempted transfer by Franchisee and to comply with the transfer provisions of the Franchise Agreement.

### **2. Description of Collateral**

The Collateral covered by this Security Agreement and in which a security interest is hereby granted and transferred to Franchisor is as follows: all interests in any Stain Erasers’ location or Territory either now owned or in which Franchisee gains rights in the future, all of Franchisee's tangible and intangible personal property comprising such Stain Erasers location including, without limitation, all accounts, accounts receivable, cash, cash deposits, amounts owed by other than customers, chattel paper, Collateral, deposit and checking accounts, all equipment in the equipment list provided by Franchisor, goods, instruments, inventory, note proceeds, sales proceeds owed to the Franchisee by Franchisor, stock in trade, trade receivables, contract rights, including, but not limited to, all interests in the Franchise Agreement, general intangibles including business trade name and goodwill, and all of the above, wherever located, whether now owned or hereafter acquired, including the products and proceeds thereof, all replacements and substitutions therefor, and all additions, replacements, attachments and accessions in which Franchisee now or hereafter has an interest (the “**Collateral**”).

### **3. Security Interest in Proceeds**

Franchisee also hereby grants and transfers to Franchisor a security interest in any and all proceeds, as defined in Section 679.3011 of the Uniform Commercial Code of Florida, of the Collateral or any part of the Collateral. Provided, however, that nothing in this Paragraph shall constitute, or be deemed to constitute, a grant of authority to Franchisee to sell, lease, or otherwise

dispose of or encumber the Collateral, or any part of the Collateral, without the prior written consent of Franchisor, except for inventory or stock in trade sold in the ordinary course of business.

#### **4. Security Interest in Proceeds**

Franchisee also hereby grants and transfers to Franchisor a security interest in any and all proceeds, as defined in Section 679.3011 of the Uniform Commercial Code of Florida, of the Collateral or any part of the Collateral. Provided, however, that nothing in this Paragraph shall constitute, or be deemed to constitute, a grant of authority to Franchisee to sell, lease, or otherwise dispose of or encumber the Collateral, or any part of the Collateral, without the prior written consent of Franchisor, except for inventory or stock in trade sold in the ordinary course of business.

#### **5. Representations and Warranties by Franchisee**

Franchisee hereby represents and warrants and covenants to Franchisor that:

**a.** Except for the security interest created by this Security Agreement, Franchisee is the full legal and equitable owner of all the Collateral and no other person or entity has any right, title, interest or claim in or to the Collateral or any part of the Collateral, other than a purchase money security interest in which Franchisee shall notify Franchisor within five (5) days of any interest in any part of the Collateral.

**b.** The Collateral described in Paragraph 2 of this Security Agreement is presently located at Franchisee's franchise location(s) listed in **Exhibit A** except to the extent such Collateral is a general intangible or contract such as the Franchise Agreement and will not, during the continuance of this Security Agreement, be removed from those premises without the prior written consent of the Franchisor.

**c.** If an entity, Franchisee has been duly organized and is a validity existing corporation in good standing under the laws of its jurisdiction and has authority to enter into and perform this Security Agreement.

**d.** Franchisee utilizes no trade names in the conduct of its business, except as stated above and in its Franchise Agreement with Franchisor, and has not changed its name, been the surviving entity in a merger, or acquired any other business.

**e.** Franchisee will not change its corporate name, trade name, or transfer its interest in the same without notifying Franchisor five (5) business days prior to such event and shall not violate any obligations of its Franchise Agreement with respect thereto.

**f.** Franchisee is not in default under any agreement for the payment of money.

**g.** The execution and delivery of this Security Agreement will not violate or constitute a breach of Franchisee's Articles of Organization or Incorporation, Operating Agreement, Bylaws, other governing documents, or any restrictions to which Franchisee is a party or is subject to.

**h.** All information, certificates, or statements provided to the Franchisor pursuant to this Security Agreement are true and complete when given.

## **5. Repair of Collateral**

To the extent such Collateral is tangible, Franchisee shall maintain the Collateral, and each part of the Collateral, in good order and repair at Franchisee's own cost and expense and shall never use the Collateral, or any part of the Collateral, in a manner resulting, or likely to result, in waste or unreasonable deterioration of the Collateral.

## **6. Insurance**

To the extent such Collateral is tangible, and until final termination of this Security Agreement, Franchisee, at Franchisee's own cost and expense, shall keep the Collateral, and all parts of the Collateral, insured for its full value against damage or loss resulting from any and all risks to which it might foreseeably be exposed and risks designated by Franchisor. Each such policy of insurance shall be issued by an insurance company acceptable to Franchisor and shall provide for the loss payable under it being paid to both Franchisee and Franchisor as their interests may appear. A duplicate copy of each such policy shall be delivered by Franchisee to Franchisor.

## **7. Taxes and Assessments**

Franchisee shall pay from its own funds, as they become due, any and all taxes and assessments levied or assessed against the Collateral, or any part of the Collateral, prior to the final termination of this Security Agreement.

## **8. Disposition of Collateral**

Franchisee shall keep the Collateral separate and identifiable from other property owned by Franchisee or located on the same premises as Collateral, and Franchisee shall not, without the prior written consent of Franchisor, sell, encumber or otherwise dispose of any portion of the Collateral, except as authorized in this Security Agreement.

Franchisee shall take necessary steps to preserve the liability of account debtors, obligors and secondary parties whose obligations are part of the Collateral; transfer possession of all instruments, documents, and chattel paper that are part of the Collateral to Franchisor immediately, or as to those hereafter acquired, immediately following acquisition; notify Franchisor of any change occurring in or to the Collateral, or in any fact or circumstance warranted or represented by Franchisee in this Security Agreement or furnished to Franchisor or if any Event of Default occurs.

## **9. First and Prior Lien**

The Security Agreement grants to Franchisor a first and prior lien to secure the prompt payment of all Obligations. If Franchisor disposes of all or any part of the Collateral following default by the Franchisee, all proceeds from such disposition shall be applied first against all monetary obligations incurred under any promissory notes and equipment leases, in the order in which such indebtedness was incurred, and thereafter to the payment of monetary obligations due Franchisor pursuant to any Franchise Agreement, and any renewals, amendments, or extensions thereof. For the purpose of this Paragraph, an extended, amended, or renewed Franchise Agreement will be considered executed on the date of the original Franchise Agreement.

## **10. Inspection Rights**

To the extent the Collateral is tangible, Franchisor, either in person or by agent, shall have the right at any and all reasonable times and at reasonable intervals to enter the premises where the Collateral is located and inspect the Collateral.

## **11. Franchisee's Records**

Franchisee shall keep accurate and complete records respecting the Collateral in keeping with generally accepted standards in the industry. At such times as Franchisor may require, Franchisee shall furnish to Franchisor a statement certified as true, correct and complete, by an authorized officer of Franchisee and in such form and containing such information as may be reasonably prescribed by Franchisor, showing the current status and value of the Collateral. Franchisee shall promptly notify Franchisor of the material return to or repossession by Franchisee of goods underlying any Collateral, and Franchisee shall hold and dispose of them only as Franchisor directs.

## **12. Franchisee's Information**

Franchisee shall immediately notify Franchisor in writing of any change in its name, address, or state of organization or incorporation or the addresses of any of its business locations or operations.

## **13. Payment by Franchisor**

Franchisor may, at its option, but shall not be required to, pay on behalf of Franchisee and on the account of Franchisee any taxes, assessments, liens, insurance premiums, repair costs or maintenance costs that, pursuant to the terms of this Security Agreement, should have been but were not paid by Franchisee. Franchisor shall also have the right, at its option, to enter the premises where the Collateral or any part of the Collateral is located, and cause to be performed, as agent and on the account of Franchisee, any such acts as Franchisor may deem necessary for the proper repair or maintenance of the Collateral or any part of the Collateral if applicable. Any moneys expended or expenses incurred by Franchisor under this Paragraph shall also be secured by the security interest created by this Security Agreement and shall be due and payable by Franchisee to Franchisor, together with interest at the maximum rate allowed by law, on demand.

## **14. Assignment by Franchisor**

Franchisor may assign its rights under this Security Agreement and the security interest created by this Security Agreement. Should Franchisor assign its rights under this Security Agreement or the security interest created by this Security Agreement, Franchisor's assignee shall be entitled, on written notice of the assignment being given by Franchisor to Franchisee, to all performance required of Franchisee by this Security Agreement and all payments, moneys and other performance secured by this Security Agreement including compliance with the Franchise Agreement.

## **15. Default**

The following occurrences or any one or more of the following events shall constitute an Event of Default hereunder:

a. Failure to pay any of the Fees, or other charges in respect to any obligations under the Franchise Agreement or failure to pay any principal, interest, or other charges due under any promissory note or equipment lease now or hereafter made by Franchisee in favor of Franchisor.

b. Breach of any covenant or agreement herein set forth or set forth in any Franchise Agreement or any other agreement, heretofore, now, or hereafter executed by Franchisee in favor of Franchisor.

c. Breach of any of the Obligations, as defined herein.

d. Any representation, warranty, certificate, or other information made or furnished to Franchisor by or on behalf of Franchisee under this Agreement which is false or misleading in any material respect, either now or at any time made or furnished.

e. Loss, theft, damage, or destruction of any material portion of the Collateral for which there is either no insurance coverage or for which, in the opinion of Franchisor, there is insufficient insurance coverage.

f. The making of any levy, seizure, attachment or lien upon the Collateral.

g. The Franchisee or any of its subsidiaries or guarantors (1) terminate or suspend the operation of any portion of its business as presently conducted; (2) apply for or consent to the appointment of a receiver, trustee, or liquidator of itself or of all or a substantial part of its assets; (3) be unable, or admit in writing its inability to pay its debts as they fall due; (4) make a general assignment for the benefit of its creditors; (5) be adjudicated a bankrupt or insolvent; or (6) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, or insolvency proceeding, or any action shall be taken by it for the purpose of effecting any of the foregoing.

h. The Collateral materially declines in value or becomes unsatisfactory to the Franchisor in its reasonable judgment.

#### **14. Remedies**

Should Franchisee fail to perform any provision of this Security Agreement to be performed on its part, or should Franchisee fail to pay any obligation secured by this Security Agreement or the security interest created by this Security Agreement as it becomes due, or should there occur an Event of Default, then Franchisee shall be in default of this Security Agreement and Franchisor shall have all the rights and remedies afforded a secured party under the default provisions of the Uniform Commercial Code as adopted in the Franchisee's state of organization, formation, or incorporation on the date of this Security Agreement and, in addition, shall have the following rights and remedies:

a. accelerate the maturity of any or all promissory notes owing to Franchisor by Franchisee without notice;

b. enter on Franchisee's premises to take possession of the Collateral;

c. require Franchisee to make the Collateral available to Franchisor at a place designated by Franchisor that is reasonably convenient to both Franchisee and Franchisor;

d. enter Franchisee's premises, render the Collateral, if tangible, unusable and dispose of it in the manner provided by the Uniform Commercial Code of Florida on Franchisee's premises; sell any or all of the Collateral free and clear of all rights and claims of Franchisee therein and thereto at any public or private sale, first deducting from the proceeds all costs and expenses of such sale including, but not limited to, preparing the tangible Collateral for sale, storing and handling the Collateral, advertising the sale and then deducting the primary indebtedness secured by and through this Security Agreement;

e. sell, assign and deliver the whole, or any part of said Collateral security and the property which said security covers at public or private sale, without demand, advertisement or notice to the undersigned, which are hereby expressly waived and released. At any such sales, the Franchisor may purchase any or all of the property sold free from any claim or right of redemption of the undersigned, which are hereby waived and released except as provided by law; and

f. have the right to take over the franchised business designated above free and clear of all rights and claims of any other party. In order to facilitate the transfer of the franchised business, Franchisee shall fully and promptly cooperate with Franchisor to prepare and sign any and all documents which Franchisor might deem reasonably necessary to effect the transfer from Franchisee to Franchisor.

## **15. Financing Statement**

Concurrently with the execution of this Security Agreement, Franchisee agrees to execute any financing statements or other documents required to perfect the security interest created by this Security Agreement. Such financing statements or other documents shall be on forms approved by the State where the Franchise is located and shall be filed with the Secretary of State, County Recorder or other appropriate governmental authority, and Franchisee shall forthwith pay Franchisor all filing fees required to file such statements.

Franchisee hereby irrevocably agrees to fully and promptly cooperate with Franchisor to prepare and sign any and all documents which Franchisor might deem reasonably necessary to effectively and timely protect and effectuate this Security Agreement. The undersigned, both personally and on behalf of Franchisee if it is a business entity, hereby authorize Franchisor, any of Franchisor's assignees, and any of their authorized agents or employees, to act as special agent or attorney-in-fact for the undersigned and Franchisee if it is a business entity, and each of them, to execute and sign on behalf of the Franchisee such financing statements or other documents as Franchisor or its assignees, agents, or employees deems necessary or appropriate under the Uniform Commercial Code (or similar law). Franchisee hereby further agrees not to take any action which would delay, diminish, frustrate, or void this Security Agreement. Franchisee understands that time is of the essence regarding all actions to be taken under this Security Agreement.

## **16. Waiver**

Neither the acceptance of any partial or delinquent payment by Franchisor nor Franchisor's failure to exercise any of its rights or remedies on default by Franchisee shall be a waiver of the default, a modification of this Security Agreement or Franchisee's obligations under this Security Agreement, or a waiver of any subsequent default by Franchisee.

## **17. Notices**

Except as otherwise expressly provided in this Security Agreement or by law, any and all notices or other communications required or permitted by this Security Agreement or by law to be served on, given to, or delivered to either party to this Security Agreement shall be in writing and shall be deemed duly served, given, delivered and received when personally delivered to the party to whom it is directed, or in lieu of such personal delivery, when deposited in the United States mail, certified, postage prepaid, addressed to Franchisor at 3000 Gulf Shore Blv., N. 107, Naples, Florida 34013, or to Franchisee at the address listed in Franchisor's files as the location of the Franchisee. Either party, Franchisee or Franchisor, may change their address for the purpose of this Paragraph by giving written notice of such change to the other party in the manner provided in this Paragraph.

## **18. Binding on Heirs and Assigns**

This Security Agreement and each of its provisions shall be binding on and shall inure to the benefit of the respective parties hereto, their respective representatives and heirs, executors, administrators, successors and assigns of each of the parties hereto. Nothing contained in this Paragraph, however, shall be deemed a consent to the sale, assignment or transfer of the Collateral or its obligations under this Security Agreement by Franchisee.

## **19. Sole and Only Agreement**

This Security Agreement, and all other writings referred to herein, including any promissory notes or equipment leases as may be executed by Franchisee, constitute the sole and only agreements between the parties respecting the Collateral or the security interests granted in the Collateral. This Security Agreement correctly sets forth the rights, duties and obligations of each party to the other party with respect to the Collateral and the security interest hereby created in the Collateral as of this date. Any prior written or oral agreements, alleged promises, negotiations or representations concerning the subject matter of this Security Agreement not expressly set forth herein or in the writings referred to herein, including any promissory notes or equipment leases, are of no force or effect.

## **20. Venue and Governing Law**

The parties hereby consent that venue and jurisdiction for all actions enforcing and/or arising out of this Security Agreement shall be litigated in the state or federal courts in the City of Naples, County of Collier, State of Florida, U.S.A. This Security Agreement shall be construed in accordance with the laws of the State of Florida.

**22. Validity**

Should any part of this Security Agreement, for any reason, be declared invalid, then such portion shall be invalid only to the extent of the prohibition without invalidating or affecting the remaining provisions of the Security Agreement, or without invalidating or altering said provisions of this Security Agreement within states or localities where they are not prohibited by law or court decrees.

**23. Warranty**

The undersigned represents and warrants that Franchisee owns the Collateral and is fully authorized and empowered to execute this Security Agreement in favor of Franchisor and consents to the grant of the security interest created by this Security Agreement in favor of Franchisor, both personally and on behalf of Franchisee if it is a business entity.

*[SIGNATURES ON FOLLOWING PAGE]*

**FRANCHISEE'S PRINCIPALS:**

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

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

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

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

**EXHIBIT A**  
**Collateral Location**

[Address where Collateral is located when not in use]

**EXHIBIT F**

**RECEIPT**

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Please read this disclosure document and all agreements in their entirety carefully.

Stain Erasers, LLC must provide this disclosure document to Franchisee 14 calendar days before you sign a binding agreement with, or make a payment to, Stain Erasers, LLC or an affiliate in connection with the proposed franchise sale. Under Iowa or Michigan law, if applicable, Stain Erasers, LLC must provide this disclosure document to you 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. New York law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Stain Erasers does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

Representative for Franchisor: Ryan Sellars, 3450 N. 127<sup>th</sup> Street, Suite A, Brookfield, WI 53005  
See Exhibit A for Franchisor's registered agents authorized to receive service of process.

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

The Franchise Seller(s), as well as the address and telephone number for each Franchise Seller, for this offering are:

_____ Name	_____ Name	_____ Name
_____ Street	_____ Street	_____ Street
_____ City, State, Zip Code	_____ City, State, Zip Code	_____ City, State, Zip Code
_____ Phone Number	_____ Phone Number	_____ Phone Number

I received a disclosure document dated \_\_\_\_\_, that included the following Exhibits:

Exhibit A: List of State Administrators and Agents to Receive Service of Process

Exhibit B: Operations Manual Table of Contents

Exhibit C: Unaudited Balance Sheet

Exhibit D: Franchise Agreement, with:

- Attachment 1: Information Sheet
- Attachment 2: Marks
- Attachment 3: Territory Description
- Attachment 4: General Release
- Attachment 5: Lease Addendum
- Attachment 6: Collateral Assignment of Lease
- Attachment 7: Internet, Advertising, Social Media, Software, and Telephone Listing Agreement
- Attachment 8: Confidentiality and Non-Compete Agreement
- Attachment 9: ACH Form
- Attachment 10: Personal Guarantee
- Attachment 11: Sub-Supply Agreement
- Attachment 12: State Specific Addendums

Exhibit E: Promissory Note, Personal Guarantee, and Security Agreement

**RECEIPT**  
**(Your Copy)**

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Please read this disclosure document and all agreements in their entirety carefully.

Stain Erasers, LLC must provide this disclosure document to Franchisee 14 calendar days before you sign a binding agreement with, or make a payment to, Stain Erasers, LLC or an affiliate in connection with the proposed franchise sale. Under Iowa or Michigan law, if applicable, Stain Erasers, LLC must provide this disclosure document to you 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. New York law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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Representative for Franchisor: Ryan Sellars, 3450 N. 127<sup>th</sup> Street, Suite A, Brookfield, WI 53005

See Exhibit A for Franchisor's registered agents authorized to receive service of process.

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

The Franchise Seller(s), as well as the address and telephone number for each Franchise Seller, for this offering are:

_____	_____	_____
Name	Name	Name
_____	_____	_____
Street	Street	Street
_____	_____	_____
City, State, Zip Code	City, State, Zip Code	City, State, Zip Code
_____	_____	_____
Phone Number	Phone Number	Phone Number

I received a disclosure document dated \_\_\_\_\_, that included the following Exhibits:

Exhibit A: List of State Administrators and Agents to Receive Service of Process

Exhibit B: Operations Manual Table of Contents

Exhibit C: Unaudited Opening Balance Sheet

Exhibit D: Franchise Agreement, with:

- Attachment 1: Information Sheet
- Attachment 2: Marks
- Attachment 3: Territory Description
- Attachment 4: General Release
- Attachment 5: Lease Addendum
- Attachment 6: Collateral Assignment of Lease
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- Attachment 11: Sub-Supply Agreement
- Attachment 12: State Specific Addendums

Exhibit E: Promissory Note, Personal Guarantee, and Security Agreement