FRANCHISE DISCLOSURE DOCUMENT

Miracle Method, LLC
a Texas limited liability company
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Colorado Springs, CO, 80907
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www.miraclemethod.com

Miracle Method businesses restore bathtubs, sinks, showers, tile, countertops, and similar surfaces in homes and businesses ("Miracle Method Business(es)").

The total investment necessary to begin operation of a Miracle Method franchised business is between $101,950 and $147,050. This includes $66,000 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kelli Schroeder at 77 North Washington Street, Boston, Massachusetts 02114, Telephone (617) 997-4729.

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

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

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

ISSUANCE DATE: April 29, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Miracle Method business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Miracle Method franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation in the state where the franchisor's principal office is located. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in this state than in your own state.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.

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

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

(i) The failure of the proposed transferee to meet the franchisor's then-

current reasonable qualifications or standards.

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

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

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

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

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

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

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

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

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

To simplify the language in this Franchise Disclosure Document, "MM," "we," "us," and "our" means Miracle Method, LLC, the franchisor. "You," "your," and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise from us.

The Franchisor and its Affiliates

We were originally formed as a Texas corporation on December 6, 1989 under the name Pistor & Associates, Inc. We converted to a Texas limited liability company on November 21, 2023 and changed our name to Miracle Method, LLC. We only do business under our corporate name and the Miracle Method name. Our principal business address is 215 Sutton Lane Colorado Springs, CO, 80907. We began offering franchises for Miracle Method Businesses in September 1996. As of December 31, 2024 there were 202 total unit franchises or subfranchises and 2 master franchises operating in the United States.

We are a wholly owned subsidiary of Threshold Brands, LLC, which acquired us on or about November 22, 2023 and maintains its principal place of business at 77 North Washington Street, Boston, MA, 02114. Threshold Brands is a wholly owned subsidiary of HS Group Holding Company, LLC ("HSGH"), which maintains its principal place of business at Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, New York 10111.

HSGH is majority owned through various holding companies by Riverside Micro Cap Fund V-A, L.P., and RMCF V AIV I, L.P., each of which maintain their principal place of business at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111. Each of Riverside Micro-Cap Fund V-A, L.P. and RMCF V AIV I, L.P. are managed by The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses. It maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111. Through various private equity funds managed by The Riverside Company the following portfolio companies of Riverside Company offer franchises in the U.S.:

EverSmith Brands

U.S. Lawns, Inc. ("U.S. Lawns") has offered franchises under the mark "U.S. Lawns" since August 1986. U.S. Lawns' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A U.S. Lawn franchise offers outdoor commercial property and landscaping services. As of December 31, 2024, U.S. Lawns had 210 franchises operating in the United States.

milliCare Franchising, LLC ("milliCare") and its predecessors have offered franchises since January 2011. milliCare's principal business address is 1515 Mockingbird Lane, Suite 410, Charlotte, NC 28209. A milliCare franchise offers cleaning and maintenance of floor coverings and interior finishes and related services under the mark "milliCare Floor & Textile Care." As of December 31, 2024, milliCare had 59 franchises operating in the United States.

Kitchen Guard Franchising, Inc. ("Kitchen Guard") has offered franchises since August 2023. Kitchen Guard's principal business address is 1515 Mockingbird Lane, Suite 410, Charlotte, NC 28209. A Kitchen Guard franchise offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services. As of December 31, 2024, Kitchen Guard had 5 franchises operating in the United States.

Restoration Specialties Franchise Group, LLC ("Prism Specialties") has offered franchises since April 2012

and in September 2021 the franchises have operated under the mark "Prism Specialties." Prism Specialties' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A Prism Specialties franchise offers electronic, art, textile, and document recovery, repair, and restoration services. As of December 31, 2024, Prism Specialties had 93 franchisees operating in the United States.

The Seals Franchising, LLC ("The Seals") has offered franchises since August 2019. The Seals' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A The Seals franchise offers the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting board. As of December 31, 2024, The Seals had 4 franchises operating in the United States.

Evive Brands

Executive Home Care Franchising, LLC ("Executive Care") has offered franchises under the mark "Executive Home Care" since June 2013. Executive Care's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Executive Home Care franchise offers in-home comprehensive care and medical services to home care clients, and supplemental healthcare staffing services to institutional clients. As of December 31, 2024, Executive Care had 22 franchises operating in the United States.

B & P Burke, LLC ("B&P") has offered franchises under the mark "Grasons" since May 2014. B&P's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. A Grasons franchise offers estate sale and business liquidation services. As of December 31, 2024, B&P had 61 franchises operating in the United States.

ALL Franchising, LLC ("ALL") and its predecessors have offered franchises under the mark "Assisted Living Locators" since May 2006. ALL's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Assisted Living Locators franchise assists seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities. As of December 31, 2024, ALL had 162 franchises operating in the United States.

Brothers Parsons Franchising LLC ("Brothers") and its predecessor have offered franchises under the mark "The Brothers that just do Gutters" since July 2015. Brothers' principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. A "The Brothers that just do Gutters" franchise provides gutter installation, maintenance, cleaning, repair, and related services and products. As of December 31, 2024, Brothers had 355 franchises operating in the United States.

Head-to-Toe Brands

BCC Franchising, LLC ("BCC") and its predecessor have offered franchises since March 2007 under the mark "Bishops". BCC's principal business address is Terminal Tower 50 Public Square, 29th Floor Cleveland, OH 44113. A Bishops franchise offers haircuts, coloring, and barber services. As of December 31, 2024, BCC had 40 franchises operating in the United States.

Frenchies, LLC ("Frenchies") has offered franchises under the mark "Frenchies Modern Nail Care" since April 2015. Frenchies' principal business address is 2679 West Main, #363, Littleton, CO 80120. A Frenchies Modern Nail Care franchise offers hand and foot care. As of December 31, 2024, Frenchies had 23 franchisees operating in the United States.

The Lash Franchise Holdings, LLC ("Lash") and its predecessor has offered franchises under the mark "Lash Lounge" since March 2010. Lash's principal business address is 4370 Varsity Drive, Suite G, Ann

Arbor, MI 48108. A Lash Lounge franchise offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services. As of December 31, 2024, Lash had 140 Lash Lounge franchises in the United States.

Best Life Brands

Blue Moon Franchise Systems, LLC ("Blue Moon") has offered franchises under the mark "Blue Moon Estate Sales" since August 2013. Blue Moon's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Blue Moon franchise sells personal property and provides consignment sales for those who are downsizing, relocating, or are deceased. As of December 31, 2024, Blue Moon had 124 franchises in operation in the United States.

Boost Franchise Systems, LLC ("Boost") has offered franchises under the mark "Boost Home Healthcare" since July 2021. Boost's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Boost franchise offers intermittent care ordered by a doctor and performed by a home health aide and other licensed healthcare providers to patients of all ages with acute and chronic long term complex health conditions within the patient's residence or within health care facilities. As of December 31, 2024, Boost had 6 franchises in operation in the United States.

CarePatrol Franchise Systems, LLC ("CarePatrol") whose principal place of business is 900 Wilshire Dr., Suite 102, Troy, MI 48084-1600. Since April 2009, CarePatrol has offered franchises that provide referral and senior placement services under the CarePatrol name. At various times since 2012, CarePatrol has also sold four area representative franchisees in selected areas. As of December 31, 2024, CarePatrol had 201 franchises in operation in the U.S. and 2 in Canada. CarePatrol has never offered any services similar to those offered by Next Day nor has it offered franchises in other lines of business.

ComForCare Franchise Systems, LLC whose principal place of business is 900 Wilshire Drive, Suite 102, Troy, MI 48084. Since April 2001, ComForCare has offered franchises which provide (i) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (ii) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (iii) private duty nursing services (extended hourly nursing care for the treatment of medical ailments, Non-Medicare). As of December 31, 2024, ComForCare has 248 franchises in the U.S. and 16 franchises in Canada. ComForCare has never offered any services similar to those offered by Next Day nor has it offered franchises in other lines of business.

Next Day Access, LLC ("Next Day") whose principal place of business is 900 Wilshire Dr., Suite 102, Troy, MI 48084-1600. Since March 2012, Next Day has offered franchises that engage in the sale and rental of ramps, additional related products, and accessories that enhance the quality of life of physically disabled or challenged persons. As of December 31, 2024, Next Day had 49 franchises operating in the U.S. and 2 franchises in Canada. Next Day has never offered services similar to those offered by Blue Moon nor has it offered franchises in other lines of business.

Affiliates

Our affiliate, Maid Pro Franchise, LLC ("MaidPro"), is a franchisor of home cleaning services businesses for residential and commercial customers. MaidPro's principal place of business is 77 North Washington Street, Boston, Massachusetts 02114. MaidPro began offering franchises on February 1, 1997 and as of December 31, 2024 had 237 franchises in the US and 14 franchises in Canada.

Our affiliate, Men In Kilts US, LLC ("MIK"), is a franchisor of businesses providing window cleaning,

gutter cleaning, pressure washing, siding cleaning, snow removal and other related services. MIK's principal business address is 77 North Washington Street, Boston, Massachusetts 02114. MIK began offering franchises in March 2019 and as of December 31, 2024 had 23 franchises.

Our affiliate, Men In Kilts Canada Inc. ("MIK Canada"), is the franchisor of the Men In Kilts brand in Canada. Its principal business address is 77 North Washington Street, Boston, Massachusetts 02114. MIK Canada through its predecessor has been offering Men In Kilts franchises since 2011 and as of December 31, 2024 had 20 Men In Kilts franchises in Canada.

Our affiliate, Pestmaster Franchise Network, LLC ("Pestmaster"), is a franchisor of businesses providing structural and agricultural pest control and related services. Pestmaster's principal business address is 9716 South Virginia Street, Suite E, Reno, Nevada 89511. Pestmaster has been offering franchises since June 1991 and as of December 31, 2024 had 57 franchises.

Our affiliate, USA Insulation Franchise, LLC ("USA Insulation"), is a franchisor of businesses providing residential insulation services. Its principal business address is 17700 Saint Clair Avenue, Cleveland, Ohio 44110. USA Insulation has been offering franchises since March 2006 and as of December 31, 2024 had 109 franchises.

Our affiliate, Sir Grout Franchising, LLC ("Sir Grout"), is a franchisor of businesses providing grout and tile cleaning, sealing, caulking and restoration services as well as other services. Its principal business address is 17700 Saint Clair Avenue, Cleveland, Ohio 44110. Sir Grout has been offering franchises since August 2007 and as of December 31, 2024 had 71 franchises.

Our affiliate, Granite Garage Floors Franchising, LLC is a franchisor of businesses that market, sell and install residential garage floor coating systems. Its principal business address is 17700 Saint Clair Avenue, Cleveland, Ohio 44110. It has been offering franchises since June 2013 and as of December 31, 2024 had 55 franchises.

Our affiliate, Mold Medics Franchising LLC is a franchisor of businesses providing mold remediation, air duct cleaning, radon testing and mitigation services, and other services and products. Its principal business address is 17700 Saint Clair Avenue, Cleveland, Ohio 44110. It has been offering franchises since December 2020 and as of December 31, 2024 had 6 franchises.

Our affiliate PHP Franchise, LLC ("PHP"), is a franchisor of businesses providing residential plumbing and related services under the Plumbing Paramedics mark and businesses providing residential heating and air conditioning services under the Heating & Air Paramedics mark. Its principal business address is 17700 Saint Clair Avenue, Cleveland, Ohio 44110. Beginning in November 2021, PHP began offering Plumbing Paramedics and Heating & Air Paramedics franchises. As of December 31, 2024 it had 15 Plumbing Paramedics franchises and 14 Heating & Air Paramedics franchises.

Our affiliate Surface Doctor, LLC, d/b/a MM Commercial Services ("MM Commercial") administers our "National Customer Accounts Program" (which is discussed in Item 12). MM Commercial's principal business address is 215 Sutton Lane, Colorado Springs, CO, 80907.

Threshold Brands, our immediate parent company, is also the parent company of our affiliates disclosed above.

Except as disclosed above, we do not have any other affiliates required to be disclosed in this Item 1. We have no predecessors required to be disclosed in this Franchise Disclosure Document. As of the Issuance Date of this Franchise Disclosure Document, we do not operate a business of the type being offered. Except

as described above, neither we nor our affiliates have engaged in any other line of business or offered franchises in any other line of business.

Our agents for service of process are disclosed on Exhibit E to this Franchise Disclosure Document.

The Franchise

We offer franchises ("Miracle Method Franchise(s)" or "Franchise(s)") for the right to use our "MIRACLE METHOD" trademarks, trade names, service marks, and logos ("Marks") in the operation of Miracle Method Businesses in a protected territory. Miracle Method Businesses are operated under our Miracle Method system ("System"). The System may be changed or modified by us throughout your ownership of the Franchise. Each Miracle Method Business provides refinishing of all types of countertops, bathtubs, sinks, showers, tile, and similar surfaces as a less expensive and faster alternative to the replacement of tubs, tile, and countertops in homes and commercial properties, including apartments and hotels, and related service facilities. Miracle Method Businesses provide most services at customer houses or at business locations. Franchisees are required to lease or buy an office, showroom and workshop to operate their Miracle Method Business and showcase Miracle Method products and services ("Premises").

You must operate your Miracle Method Franchise in accordance with our standards, specifications and requirements and sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit A ("Franchise Agreement"). You may operate only one Miracle Method Business for each Franchise Agreement you sign. Your Miracle Method Business must offer only services and products we have authorized. We may add, modify, or delete any services or products you must offer or sell at your Miracle Method Franchise. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your location, that you are an independently-owned and operated Miracle Method licensed franchisee.

Market and Competition

Miracle Method Businesses service the needs of residential and business customers. Our services are not seasonal in nature. The market for the goods and services offered by Miracle Method Businesses is well developed and highly competitive. You will face competition from other independent businesses, franchises, and national companies offering similar services as your Miracle Method Business. You may also compete with local service providers acting as individuals, and sole proprietors offering similar products and services. Technology and changes in legislation may directly affect the market.

Industry-Specific Laws

You may be required to obtain a contractor's license in certain states (including California). You must check the laws of the state in which your Miracle Method Business is located to see if you need to be licensed.

You must obtain all necessary permits, licenses, and approvals to operate your Miracle Method Business. You must also comply with all laws, rules, and regulations governing the operation of the Miracle Method Business and obtain all permits and licenses necessary to operate it. Federal, state, and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your Miracle Method Business, including those that: (a) require a permit, certificate, or other license; (b) establish general standards, specifications, and requirements for the construction, design, and maintenance of your business site and Premises; (c) regulate the proper use, storage, and disposal of waste or other hazardous materials; and (d) regulate the facility where hazardous materials or chemicals are stored.

You are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Miracle Method Franchise. You should consult with a legal advisor about whether these and/or other requirements apply to your Miracle Method Business.

ITEM 2
BUSINESS EXPERIENCE

Chairman of the Board of Managers – Jordan Lajoie

Mr. Lajoie joined us as the Chairman of our Board of Managers in February 2025. At that time, Mr. Lajoie also became the Chairman of the Board of Managers of our parent company Threshold Brands, LLC and its parent company, HS Group Holding Company, LLC. Mr. Lajoie is also the Chairman of the Board of Managers for all of our affiliates offering franchises disclosed in Item 1. Since February 2025, Mr. Lajoie has also served as the Chairman of the Board of Managers of Head-to-Toe Brands, another portfolio company owned by The Riverside Company. From July 2020 to the present Mr. Lajoie has served as the President of Pinecrest Holdings, Inc. in Portland, ME. From July 2014 to June 2020, Mr. Lajoie was a Management Consultant for Accenture in Boston, MA.

Vice President and Manager – Caroline Quoyeser

Since November 2023 Ms. Quoyeser has served as our Vice President and Manager. Since August 2021, Ms. Quoyeser has been the Vice President and a Manager of our parent, Threshold Brands, LLC, and since August 2020 Ms. Quoyeser has been the Vice President and a Manager of Threshold Brands' parent, HS Group Holding Company, LLC. Ms. Quoyeser is also a Vice President and Manager for Surface Doctor, LLC and for all of our affiliates offering franchises disclosed in Item 1. Since November 2021, Ms. Quoyeser has served as a Manager for Evive Brands, another portfolio Company owned by The Riverside Company. Since January 2023, Ms. Quoyeser has been an Assistant Vice President with The Riverside Company in Santa Monica, CA. From July 2021 to December 2022, Ms. Quoyeser was a Senior Associate with The Riverside Company in Santa Monica, CA. From July 2019 to June 2021, Ms. Quoyeser was an Associate with The Riverside Company in Santa Monica, CA.

Vice President, Secretary and Manager – Stephen Rice

Since November 2023, Mr. Rice has served as our Vice President and Secretary and a member of our Board of Managers. Since August 2021 Mr. Rice has been the Vice President, Secretary and a Manager of our parent, Threshold Brands, LLC and since August 2020, Mr. Rice has been the Vice President, Secretary and a Manager of Threshold Brands' parent, HS Group Holding Company, LLC. Mr. Rice is also the Vice President, Secretary and Manager of Surface Doctor, LLC and for all of our affiliates offering franchises disclosed in Item 1. Since October 2010, Mr. Rice has been a Principal of The Riverside Company, located in Cleveland, Ohio.

Manager – Steven Siegel

Mr. Siegel has been a member of our Board of Managers since November 2023. Since August 2021, Mr. Siegel has served as a Manager of our parent, Threshold Brands, LLC and since August 2020, Mr. Siegel has served as a Manager of Threshold Brands' parent, HS Group Holding Company, LLC. Mr. Siegel is also a Manager of Surface Doctor, LLC and for all of our affiliates offering franchises disclosed in Item 1. From January 2005 to present, Mr. Siegel has been serving as a Managing Partner at Brookside Consulting Company, located in Thornton, New Hampshire.

Manager – Ryan Farris

Mr. Farris joined us as a member of our Board of Managers in November 2023. Mr. Farris is also a Manager of our parent, Threshold Brands, LLC, and its parent, HS Group Holding Company, LLC and all of our affiliate companies offering franchises disclosed in Item 1. Mr. Farris has been with AlphaGraphics since September 2015, and has been the President and COO of AlphaGraphics since October 2017 and, since August 2020, he has also served as the President and COO of PostNet International Franchise Corp., both located in Lakewood, Colorado.

Manager – Mark Kushinsky

Mr. Kushinsky has served as a member of our Board of Managers since November 2023. Since August 2021, Mr. Kushinsky has served as a Manager of our parent, Threshold Brands, LLC and since August 2020, Mr. Kushinsky has served as a Manager of Threshold Brands' parent, HS Group Holding Company, LLC. Mr. Kushinsky is also a Manager of Surface Doctor, LLC and all of our affiliate companies offering franchises disclosed in Item 1. From April 2008 to July 2020, Mr. Kushinsky was Chief Executive Officer of MaidPro Franchise Corporation, located in Boston, MA.

Chief Executive Officer and Manager – Theodore Demarino

Since November 2023, Mr. Demarino has been our Chief Executive Officer ("CEO") and a member of our Board of Managers. Mr. Demarino has been the CEO and a Manager of our parent, Threshold Brands, LLC and of its parent, HS Group Holding Company, LLC since June 2023. He has also served as the CEO and a Manager of our affiliates listed in Item 1 since June 2023. From October 2019 to May 2023, Mr. Demarino was the President of Liberty Tax in Hurst, TX.

Chief Financial Officer – William A. Newby III

Since November 2024, Mr. Newby has been our Chief Financial Officer ("CFO"). Mr. Newby is also the CFO of our parent company, Threshold Brands, LLC and its parent company, HS Group Holding Company, LLC. He also serves as the CFO of all of our affiliates disclosed in Item 1. From April 2023 to November 2024, Mr. Newby was the CFO of Building Plastics, Inc. in Memphis, TN. From August 2018 to March 2023, Mr. Newby was the Corporate Controller for Ring Container Technologies in Oakland, TN.

Chief Legal Officer – Robert G. Huelin

Since November 2023 Mr. Huelin has served as our Chief Legal Officer ("CLO"). Since August 2021 Mr. Huelin has served as CLO of our parent, Threshold Brands, LLC. Since May 2021 he has also served as CLO of our affiliate companies listed in Item 1. From December 2014 to May 2021 Mr. Huelin was the Vice President, Legal and Compliance for Wireless Zone, LLC and its predecessor in Rocky Hill, CT.

Chief Revenue Officer – Juliet Diiorio

Ms. Diiorio has served as our Chief Revenue Officer ("CRO") since November 2023. Since August 2023 Ms. Diiorio has been the CRO of our parent company, Threshold Brands, and all of our affiliate companies disclosed in Item 1. From January 2023 to August 2023 Ms. Diiorio was the Chief Marketing Officer of Silvercrest Advertising in Palm Springs, CA. From April 2022 to December 2022 Ms. Diiorio was the Chief Marketing Officer of James Ryder Interactive in Delray Beach, FL. From July 2019 to September 2021 Ms. Diiorio was the Chief Marketing Officer of Liberty Tax in Hurst, TX.

Chief Operating Officer – Cory Hughes

Mr. Hughes has served as our Chief Operating Officer ("COO") since November 2023. Since August 2023 Mr. Hughes has also been the COO of our parent company, Threshold Brands, LLC, and is the COO of all of our affiliate companies disclosed in Item 1. From March 2018 to August 2023 Mr. Hughes was the Executive Vice President - Operations of Liberty Tax Service in Leawood, KS.

Brand Leader – Rob Reckinger

Mr. Reckinger has been our Brand Leader since September 2024. From April 2023 to September 2024 Mr. Reckinger was the General Manager of the National Indoor R.V. Center in Las Vegas, NV. From October 2022 to April 2023 Mr. Reckinger was the Vice President of Sales for Kafene in New York, NY. From September 1992 to April 2022 Mr. Reckinger was the Vice President of National Sales for Upbound Corporation in Plano, TX.

Vice President, Franchise Development – Kelli Schroeder

Ms. Schroeder joined us as Vice President, Franchise Development, in October 2024. Ms. Schroeder is also the Vice President, Franchise Development for all of our affiliates offering franchises disclosed in Item 1. From June 2023 to October 2024 Ms. Schroeder was the Vice President of Franchise Development at WellBiz Brands in Island Park, NY. From August 2021 to June 2023 Ms. Schroeder was the Vice President of Franchise Development for SUCCESS Space in Island Park, NY. From July 2019 to August 2021 Ms. Schroeder was the principal of Schroeder Consulting, LLC in Long Beach, NY.

Franchise Development Manager – Erin Iglehart

Erin Iglehart joined us as a Franchise Development Manager in January 2025. From January 2024 to January 2025 Ms. Iglehart was Director of Franchise Development for WellBiz Brands in Denver, CO. From January 2022 to January 2024 Ms. Iglehart was Director of Franchise Development for Home Helpers Home Care in Blue Ash, OH. From July 2019 to January 2022 Ms. Iglehart was a Franchise Business Consultant for Best Life Brands in Troy, MI.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee for a Miracle Method Franchise is $50,000. Our standard Miracle Method Franchise includes a protected territory ("Territory") that contains approximately 150,000 households. The Initial Franchise Fee is non-refundable, except as discussed below.

We may offer financing to prospects who meet our qualifications, including creditworthiness financing of up to the full amount of the Initial Franchise Fee. The Initial Franchise Fee will be deemed fully earned and nonrefundable upon signing the Franchise Agreement.

During 2024 our franchise offering included waivers, discounts and refunds such that our Initial Franchise Fee ranged from $0 to $50,000.

We may reduce or waive the Initial Franchise Fee as discussed in the programs below:

Franchise Option Program

For new Franchisees we may offer to refund your Initial Franchise Fee within 10 days of the opening of your Franchised Business, so long as it opens within the time required under the Franchise Agreement, in exchange for an increase to the Royalty rate by an additional 4% of Gross Consumer Sales (example the 5.5% royalty will increase to 9.5%) for 10 years (the initial 5-year term and the first 5 years of any renewal term, if the franchise is renewed). We refer to this program as our "Franchise Option Program". You will enter into the Franchise Option Amendment attached to the Franchise Agreement as Attachment F. See Franchise Agreement, and Item 6 for more information related to this program.

Military/First Responder Program

If you are a current member of the United States Armed Forces or you received an honorable discharge from the United States Armed Forces you may be eligible for a 20% reduction of the Initial Franchise Fee on your first Franchised Business. We also offer a "First Responders" discount. If you are a police officer, firefighter, or paramedic/emergency medical technician (EMT) you may be eligible for a 20% reduction of the Initial Franchise Fee on your first Franchised Business.

Hard to Serve/Underserved Markets

We may offer a discount of up to 10% off the Initial Franchise Fee to prospects who will be operating their franchise in a hard-to-serve or underserved market, whether geographic or demographic.

Multi-Unit Program

We currently offer a multi-unit discount. If you purchase 3 or more Miracle Method Franchises, you may be eligible to receive a 25% reduction of the Initial Franchise Fee off the second and any additional franchises you purchase at the time you purchase the initial Miracle Method Franchise. You must sign a Franchise Agreement for each territory, and you must sign all of the Franchise Agreements as part of a single transaction to qualify for this discount. You must also sign the Multi-Territory Development Addendum attached to the Franchise Agreement as Attachment H.

Any waiver, reduction, or refund of the Initial Franchise Fee as discussed above or as we otherwise determine, will be granted in our sole discretion. We evaluate each situation on an individual basis. We reserve the right to change, modify or discontinue any of these programs at any time.

Supplemental Training Fee

To facilitate training of new personnel after you complete the "Initial Training Program" (described in Item 11), you must pay us a fee of $6,000 ("Supplemental Training Fee") when you sign your Franchise Agreement. When one of your technicians or staff members successfully completes the supplemental

training program, we will apply a credit equal to the greater of $200 per trainer per day or $600 per trainer towards other fees due by you to us under the Franchise Agreement. Any portion of the Supplemental Training Fee that has not been used for the training of your staff during the two year period following the opening of your Miracle Method Business will be forfeited and retained by us. The Supplemental Training Fee is non-refundable.

Initial Marketing Program Fee

You must pay us an "Initial Marketing Program Fee" for advertising and marketing your Miracle Method Business during the first 60 days of operation. The Initial Marketing Program Fee is $10,000. The fee is due within 60 days of signing the Franchise Agreement and is not refundable.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty[2]	5.5% of Gross Revenues or the Minimum Royalty, whichever is greater.	Due monthly on the last business day of the month or the 15th day of the month [1]	The "Royalty" is based on "Gross Revenues" during the previous month. The "Minimum Royalty" is calculated based on the length of time you have been operating your Miracle Method Business. No Minimum Royalty is due during the first six months of operation of your Miracle Method Business.
Brand Fund Fee	2% of Gross Revenues, per month ("Brand Fund Fee")	Due monthly on the last business day of the month or the 15th day of the month	Payable in the month you commence operation of the Franchised Business in the Territory.
Coop Advertising[3]	As agreed by the Coop (as defined in Note 3)	Monthly as agreed by the Coop	Only applicable if you are required to join a Coop and you and the other members of the Coop cannot agree on a calculation method for contributions, or if the Coop members cannot agree on contribution amounts exceeding those listed below, then you must pay us a monthly minimum Coop advertising fee ("Minimum Coop Advertising Fee").
National Accounts Program Administrator Fee	Our then-current fee (currently between 1% and 5% of invoiced amount)	As incurred	If you elect to participate in the National Accounts Program ("NAP") you will be required to pay an administrator fee. This fee is paid to us or our affiliate for administering the NAP, servicing customers, and collecting from customers.

Type of Fee[1]	Amount	Due Date	Remarks
National Accounts Program Training or Technical Certification	Cost of certified staff plus your travel and living expenses	As incurred	Under the NAP, you may be required to become trained and certified to do commercial work for projects that: (1) require specific training or technical certification; or (2) require customer-specific certification; or (3) exceed $5,000. Certification is provided by us. Costs include travel and coverage of certified staff in completion of projects toward certification.
Territory Infringement Fee	$1,000, plus invoice amount for first violation; $5,000, plus invoice amount for second and subsequent violations	As incurred	Payable to us if you solicit or accept orders from customers located in another franchisee's territory or perform services or sell products to a customer located in another franchisee's territory, without our approval or the approval of the affected franchisee. without that franchisee's and/or our permission. This fee is in addition to any other right that we may have under the Franchise Agreement (including the termination of your Franchise Agreement).
Insurance	You must reimburse our costs plus a 10% administrative fee	On demand	We may obtain insurance for you if you fail to obtain or maintain insurance, and you must reimburse us for the cost of insurance obtained plus 10% of the premium for an administrative cost.
Additional Training	Our then-current fee (currently $300-$800) per attendee per day, plus expenses	As incurred	We provide initial training for you (or your managing owner if you are an entity) and at least four members of your staff, which must include your Designated Manager, if you have one, at no additional charge providing that all of your staff attend the initial training at the same time. We may charge you for any additional training for courses, certifications, supplemental training, corrective training, or any other requested training. You may be required to complete specified training before you are authorized to provide certain refinishing services not covered during initial training or to service certain national customers or if your Business fails an inspection. You are responsible for all travel expenses.
Workshop Fee	$300-$800 per attendee	Prior to workshop	You, or your Designated Manager must attend at least one workshop every calendar year. The fee varies based upon the number of days of the event, materials covered and location.
Telephone Fee	Approximately $35 per month	Due by the 10th day of each month	You must use our phone provider and pay this monthly fee to the approved supplier. See Note 10.

Type of Fee[1]	Amount	Due Date	Remarks
Technology Fee[4][9]	Our then-current fee, up to $1,000 per month (currently approximately $600 per month)	Due by the 10th day of the month.	You will be responsible for any increase in fees that result from any upgrades, modifications or additional software or from increases from third-party vendors. See Note 10.
Chemicals and Products[5]	Variable.	Due weekly as incurred.	See Note 10.
Payment Processing Services[6]	$35/month per account plus transaction fees	Due by the 10th day of the month and as incurred.	We are the sole supplier of payment processing services. See Note 10.
Email License Fee	$12-$16.50 per license per month, depending on type of license.	Due by the 10th day of the month.	See Note 7.
Accounting Software License Fee	$51.75 per license per month.	Due by the 10th day of the month.	See Note 7.
Customer Management Software license	$70 per license per month.	Due by the 10th day of the month.	See Note 7. Must purchase 2 licenses.
Website Fee	$150 per website per month.	Due by the 10th day of the month.	See Note 7.
Convention Fee[8]	Up to $1,500 per attendee depending upon costs	As incurred	You, your Managing Owner if you are an entity, or your Designate Manager, if any, must attend each Convention.
Absentee Fee	Then-current fee (currently ranges from $1,000 to $1,500 per person)	As invoiced	Only payable if you do not meet the attendance requirements of the continuing education programs as specified in the Manual.
Excess Usage of Bonding Agent	Then-current fee (currently $300 per bonding agent kit)	As incurred	Franchisees receive our proprietary MM4 bonding agent ("MM4") at no additional charge. We will charge this fee for any excessive use of the MM4. Excess usage is defined as the use of kits exceeding a ratio of one MM4 kit per $4,000 in sales.
Supplier and Product Evaluation Fee	Cost of inspection and test of sample (approximately $100 to $500 per test)	As incurred	Payable if we inspect a new product, service, or proposed suppliers nominated by you.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which varies	On invoice	We reserve the right to remedy any issues with customers of your Miracle Method Business, including full reimbursement of any fees paid to you or contracting with another Miracle Method franchisee to repair or redo services performed by you. You must reimburse us for any such costs.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliates by a credit card for any fee required, we may charge a service charge of up to 4% of the total charge.

Type of Fee[1]	Amount	Due Date	Remarks
Late Fees	12% interest and $100 per occurrence	On demand	Payable to us only if you do not pay us or our affiliate on time and in the proper amount. This amount will continue to be due until the late fees and the overdue amounts are both paid.
Failure to Submit Required Financial Report Fee	$100 per occurrence, and $100 per week until the report is submitted	Your bank account will be debited for failure to submit any requested report within five days of request	Payable if you fail to submit any required report or financial statement when due. You will continue to incur this fee until you submit the required report prepared in the manner we specify.
Audit	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between $1,000 and $15,000)	On demand	Payable if an audit reveals that you understated monthly Gross Revenues by more than 2%, or you fail to submit required reports that are prepared in the manner we specify.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses we or our representatives incur related in any way to your Miracle Method Franchise or Miracle Method Business.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. If there is a dispute between us, the prevailing party is entitled to legal fees and costs. If you request changes to your agreement or any renewal, you will pay us all expenses we incur in making such changes.
Renewal Fee	$5,000	At the time you sign the renewal franchise agreement	Payable if you execute a renewal franchise agreement. You will not be required to pay an Initial Franchise Fee when you sign a renewal franchise agreement.
Transfer Inspection Fee	$2,500	As incurred	If we choose to do an inspection of your Miracle Method Business as a condition to the transfer. The Transfer Inspection Fee is in addition to the transfer fee.
Transfer Fee	The greater of $15,000 or 4% of the sale price of the Miracle Method Business, plus any broker fees	$2,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time you sign the transfer documents	Payable in connection with the transfer of your Miracle Method Franchise. You must also reimburse us for any broker fees or other commissions, finder's fees, placement fees or similar charges we incur as a result of the transfer.

Type of Fee[1]	Amount	Due Date	Remarks
Liquidated Damages[9]	Amount equal to average monthly Royalty fees or Minimum Royalty, whichever is greater, and Brand Fund contributions owed to us, from beginning of Franchise through termination date multiplied by lesser of 36 or number of months remaining in the Agreement had it not been terminated, subject to $30,000 maximum amount	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement other than in accordance with the Franchise Agreement.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer or sell your Miracle Method Business to a third party or purchaser, you must reimburse all of our costs for commissions, finder's fees and similar charges.
Territorial Modification Fee	Our actual costs associated with the modification of your Territory	On demand	Only payable if we agree to a modification of your Territory.
MM System Fee	Will vary based upon services	On demand	We may provide maintenance and support services for the MM System. If we do, we may charge a fee for these services.
Marketing Services	Then-current fee charged for our marketing services.	Due by the 10th day of the month.	See Note 10 and Note 11.

Notes:

1. Fees. Unless otherwise disclosed in this Item, all fees paid to us or our affiliates are uniformly applied and not refundable under any circumstances once paid, other than the Initial Franchise Fee as discussed in Item 5 for new franchisees in our Franchise Option Program. All amounts due under the Franchise Agreement are collected by us through our Electronic Funds Transfer ("EFT") Program under which we directly debit your bank account for amounts you owe us. You must complete the EFT authorization (in the form attached to the Franchise Agreement as Attachment E). This Authorization gives us the right to debit your account for amounts you owe us. You must pay us on demand for all taxes we incur on goods or services we provide to you or on payments you make to us. We may terminate your Franchise Agreement if you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debit authorization, or initiate any stop payments against us, as discussed in Item 17. We may change your payment schedule with respect to any fees or other amounts due to us or our affiliates under your Franchise Agreement (i.e., modifying monthly payment to weekly), or require you to use any other method of payment, upon 30 days' notice to you. If the date due is not a business day, the due date will be the next immediate business day.

If the Franchise Agreement is subject to a Multi-Territory Development Addendum we will provide in the

Addendum the deadline by which you must commence operation of each Franchised Business in the territory.

We collect the Royalty and the Brand Fund Fee on the last business day of the month. We may offer a discount program for franchisees who agree to pay the Royalty on the 15th day of the month. You may elect your Royalty payment cycle each month, in accordance with our payment policy. We collect other service fees on the 10th day of each month. We collect payment for product purchases on a weekly basis. We may accept credit cards for certain payments. Our payment policy is provided in our Manual. We reserve the right to change the payment policy at any time, including the timing of monthly payments, and to increase or eliminate the discount for early payment, in our sole discretion.

2. Royalty. Following the first 6 months after you sign the Franchise Agreement the Royalty is the greater of 5.5% of the previous month's Gross Revenues or the Minimum Royalty. If you have accepted our offer to waive the Initial Franchise Fee under our Franchise Option Program your Royalty will be 9.5% of Gross Revenues for the initial 5 year term and the first renewal term, if renewed. "Gross Revenues" means the revenues you earn or generate from the sale of all goods, products and services sold at, from or through your Miracle Method Business and all other income, revenue and consideration of every kind and nature related to the Miracle Method Business, whether for cash or credit, and regardless of collection in the case of credit, and all proceeds from any business interruption insurance, but not including: (i) any sales taxes or other taxes you collect from customers for, and thereafter paid directly to, the appropriate taxing authority; and (ii) any bona fide refunds you make to customers. You must comply with our "Royalty Fee Calculation Policy," contained in the Manual. The chart below shows your Minimum Royalty.

Date Range Start and End	Minimum Royalty per Month
July 2025 – December 2025	$550
January 2026 – December 2026	$825
January 2027– December 2027	$1,100
January 2028 – December 2028	$1,375
January 2029– December 2029	$1,650

We reserve the right to negotiate Minimum Royalties that are less than this amount for certain franchisees.

If you own more than one Territory the Minimum Royalty will be capped at $1,375 for as long as you operate multiple territories.

If you signed the Franchise Agreement as the result of an approved transfer or renewal, or if the Miracle Method Business operated under the Franchise Agreement was otherwise in existence prior to signing the Franchise Agreement, the Minimum Royalty calculation will be based on the date that the original franchise agreement for the Miracle Method Business was signed.

3. Coop Advertising. When two or more Miracle Method Businesses operate in a metropolitan statistical area ("MSA"), you must participate in a cooperative advertising council ("Coop") to advertise within the MSA. We have the sole authority to establish and define a Coop policy. All franchisees in the MSA must participate and contribute to the advertising program to support the promotion of the Miracle Method Businesses within the MSA. If a company or affiliate-owned Miracle Method Business is in an area with a Coop, that Miracle Method Business will have the same voting rights as a franchisee. The Coop will operate according to our policy in the Manual (as defined in Item 8). Coop advertising programs must be related to the general promotion of Miracle Method within the MSA. If Coop members cannot agree upon a calculation method for contributions, or if the Coop members cannot agree on contribution amounts exceeding those listed below, then you must pay us a monthly Minimum Coop Advertising Fee in

accordance with our Manual, which will be spent on advertising in your MSA.

4. Technology Fee. We will provide you with certain technologies in exchange for payment of your monthly Technology Fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. We can enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. We also can create proprietary software or technology that must be used by Miracle Method franchisees, in which case we may require that you enter into a license agreement with us and pay us initial and ongoing licensing, support and maintenance fees. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the Technology Fee.

5. Product Purchases. You must purchase certain supplies from us. You must purchase MM-4 Bonding Agent from us. We do not charge for this product, but we do charge for shipping. You must purchase "Step 1" and "Step 2" cleaning solution from us at a rate of $85 per case. You must purchase Mira Clean Cleaner from us at a rate of between $44 / $55 / $56 per case, depending on the volume of cleaner you purchase. We charge for shipping on all purchases, which will vary based on your location.

6. Payment Processing. We are the sole supplier of integrated payment processing services under the name "MiraPay". Each franchise must have at least one account for processing credit card and other forms of electronic payment. The monthly account fee is $35. You will need one payment processing account for each bank account that you use to pay or receive payment for transactions. The per transaction fee will vary based on the type and amount of the transaction. The fee for credit card payments is 2.99% of the total transaction amount plus 29 cents per transaction. The fee for e-check payments is 1% of the total transaction amount.

7. Licenses. You must purchase at least one branded email from us at a rate of $12 per license per month. You have the option to purchase additional email licenses from us at the rate of $7 / $12 / $16.50 per month, depending on the type of license you select. You must purchase at least one user license for our preferred accounting software at a rate of $51.75 per license per month. We will collect the fee for the accounting software on behalf of the vendor. You have the option to purchase additional services from the accounting software vendor and have such fees billed to you through us. You must purchase at least two licenses for our required customer management software from us at a rate of $70 per license per month. You have the option to purchase additional licenses at the standard rate, or a reduced access "tech license" at a rate of $44 per user per month. You must purchase at least one website from us at a rate of $150 per website per month. You have the option, if we approve, to purchase additional websites at the standard rate. You have the option to purchase certain email marketing services from us at a rate of $120 per month.

8. Convention Fee. We may from time-to-time conduct conventions or host meetings of some or all of our franchisees. ("Conventions"). You, your Managing Owner if you are an entity or your Designated Manager must attend one or more of our Conventions and pay all of your expenses incurred in connection with attending the Conventions, including registration, transportation, meals, lodging and living expenses. We determine the duration, curriculum and location of the Conventions. You must pay the applicable registration fee for each Convention at the time of registration. This fee is not refundable and will be collected even if you do not attend the Convention.

9. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalty fees or Minimum Royalty (whichever is greater) and Brand Fund Fees (not including any fee waivers or other reductions) that you owe beginning with date you opened your Miracle Method Business through the date of the early termination, multiplied by the lesser of: (a) 36; or (b) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not,

under any circumstances, be less than $30,000.

10. Increases. We reserve the right to increase this fee or other amount periodically during the term of your Franchise Agreement. We will not increase this fee or other amount more than once per calendar year and we will not increase this fee or other amount by more than 10% of the then-current fee or other amount, except as discussed below. We may increase this fee or other amount for any reason, including increases in the costs we incur to provide these services, or cost increases imposed on us by suppliers or other third-parties. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than 10%, was implemented. We will provide 30 days' notice of any change.

The annual adjustment cap discussed above is not applicable to any fee that is "optional", meaning that it is charged by us or a third party for a service or product that you are not required to purchase under the terms of your Franchise Agreement. It also does not apply to fees or other charges where we or an affiliate are collecting fees or other amounts on behalf of third-party vendors. We or the third party may increase these fees or other amounts without restriction.

11. Marketing Services. We are the sole supplier of website development and maintenance services. We provide digital marketing services through our Threshold Marketing Services ("TMS"). You must pay our then-current charges for "TMS Connect", whereby we provide support and management services for websites, business profiles and review platforms, which is currently $155 per month, per territory. You may also purchase search engine optimization services from TMS as long as you pay the then-current rates for these services, which is currently $305 per month, per territory.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[1]	$50,000	$50,000	Lump Sum	Upon Signing Franchise Agreement	Us
3-Months' Lease Payments[2]	$6,000	$7,500	As Incurred	As Incurred	Third Parties
Computer Hardware and Software[3]	$2,000	$3,000	As Incurred	Before Opening	Third Parties
Vehicles[4]	$2,400	$7,200	As Incurred	As Incurred	Third Parties
Equipment and Materials	$6,000	$18,000	As Incurred	As Incurred	Third Parties
Office Equipment and Supplies	$1,500	$3,500	Lump Sum	As Incurred	Third Parties
Business Licenses and Permits	$2,500	$2,500	As Incurred	Before Opening	Third Parties
Professional Fees	$1,500	$2,000	Before Opening	Before Opening	Third Parties
Insurance – 3 Months[5]	$4,500	$7,500	As Incurred	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Supplemental Training Fee	$6,000	$6,000	Lump Sum	Upon Signing Franchise Agreement	Us
Training Expenses[(6)]	$4,500	$16,000	As Incurred	As Incurred	Third Parties
Initial Marketing Program[(7)]	$10,000	$10,000	As Incurred	As Incurred	Us
Additional Funds – 3 Months[(8)]	$5,050	$13,850	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	$101,950	$147,050			

Notes:

The estimated initial investment addresses the costs you may incur in establishing and in the initial operation of your Miracle Method Franchise. We may offer financing to qualified franchisees for all or a portion of the Initial Franchise Fee but offer no other financing directly or indirectly for any part of the initial investment. All amounts paid to us or our affiliates are non-refundable, except as provided in Item 5. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments. The table above does not include any optional territories that you may purchase.

1. Initial Franchise Fee. The low estimate represents a Territory of approximately 150,000 households. We may finance up to the full amount of the Initial Franchise Fee. See Items 5 and 10 for additional information.

2. 3-Months' Lease Payments. You must have secured a Premises before the Initial Training Program (as defined in Item 11). We will not unreasonably withhold approval of a Premises that meets our standards. The estimated initial investment totals do not reflect the potential cost of purchasing real estate due and assume you will be leasing the Premises.

3. Computer Hardware and Software. This estimate is the cost of obtaining the required computer hardware and our required computer software.

4. Vehicles. You must have at least two vehicles to transport equipment, supplies, and materials ("Vehicle(s)") for the operation of the Miracle Method Business, but anticipate that most Miracle Method Businesses will need three or more Vehicles to increase production and efficiency once their Miracle Method Business is up and running. Your Vehicles must satisfy our specifications and requirements. For example, we require that the Vehicles are less than 10 years old. You may use a vehicle or vehicles that you currently own as your Vehicles provided they meet our specifications. Otherwise, you must lease or purchase the Vehicles. This estimate provides a down payment and up to three months of lease or purchase payments for up to two Vehicles.

5. Insurance. You must obtain and maintain, at your own expense, certain types and amounts of insurance from our approved supplier, and satisfy other insurance-related obligations (see Item 8). Your insurance rates will depend upon your claims history.

6. Training Expenses. Training is conducted at our corporate office in Colorado Springs, Colorado,

or other locations that we designate. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses for all training programs. Item 11 contains more information regarding the training program and on-the-job training. We provide the initial training program at no charge to you, your Managing Owner if you are an entity and up to three additional people, one of which must be your Designated Manager if you have one; provided all trainees attend initial training at the same time. If additional training is required, or more people must be trained, we will charge an additional fee. This estimate includes the travel and living expenses (including airfare) you will incur when you and up to three other persons attend the initial training program. It includes no wages or salary for you during this training.

7. Initial Marketing Program. The Franchise Agreement requires you to pay us $10,000 for advertising and marketing during the first 60 days of operation of your Miracle Method Business. This fee is due within 60 days of signing the Franchise Agreement.

8. Additional Funds. These estimated amounts represent funds that can be used to cover expenses during the initial three-month start-up phase of your Miracle Method Business. They include payroll costs during the Miracle Method Business' operation, but not any draw or salary for you and other items. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Miracle Method Business opens for business. We relied on our franchising experience, since September 1996 when we started offering franchises, to formulate these estimates. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Miracle Method Business. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your Miracle Method Business.

ITEM 8
RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

You must operate your Miracle Method Business according to our System Standards. This includes purchasing or leasing all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, accounting system, and real estate that meets our specifications, which may include purchasing these items from: (1) our designees; (2) approved suppliers; and/or (3) us or our affiliates. We, an affiliate or a third party may be the sole supplier of goods or services you must purchase for use or sale in your Miracle Method Business. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential franchise operations manual ("Manual") states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Miracle Method Franchise and approved vendors for these products and services. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

To maintain the quality of the products and services Miracle Method Businesses sell and offer, and to maintain our franchise system's reputation, we may condition your right to purchase or lease certain products and/or services (other than those that you must purchase only from us, our affiliates, and/or other specified sources) on those products and/or services meeting our minimum standards and specifications, and/or being acquired from suppliers we approve in writing. We may formulate and modify our standards and specifications. Our standards and specifications may impose requirements relating to certifications, product quality, prices, consistency, reliability, financial capability, labor relations, customer relations,

frequency of delivery, concentration of purchases, standards of service, production, performance, reputation, design, and appearance. Our Manual or other communications will identify our standards and specifications and provide the names of our approved suppliers. At times you may be permitted to obtain supplies for your Miracle Method Business from any supplier that satisfies our specifications, subject to our prior written consent.

We are the sole supplier of website development and maintenance services. We do not approve other vendors for these services. We are also the sole supplier of support and management services for any internet presence, including websites, business profiles and review platforms that we approve for your use. We are an approved vendor for digital marketing, business platform and review management services. We are the sole supplier of payment processing services. We do not intend to approve any other suppliers for this service.

You must purchase from us the customer management software that we require. You must buy from our preferred vendor the accounting software that we designate. You must purchase branded emails from us. We do not plan on approving other suppliers of this software.

You must purchase coatings, cleaning agents and bonding agents from us or our approved supplier. We may negotiate prices for these products. We provide an initial set of our proprietary MM4 and proprietary cleaners at no charge when you pay the Initial Franchise Fee. We intend to make a profit on any products or services we or our affiliates sell to you.

As discussed above, you must operate the Miracle Method Franchise according to our System Standards (as defined in Item 11). System Standards may regulate the types, models, and brands of fixtures, furniture, equipment (including the MM Systems (as defined in Item 11), furnishings, and signs (the "Operating Assets"); products, services, and supplies the Miracle Method Business must offer; unauthorized and prohibited products and services; inventory requirements; and designated and approved suppliers of these other items.

For any product or service, we may, at our option, limit suppliers to us, an affiliate of ours, and/or another specified exclusive supplier, in which case you would have to buy such item only from us, our affiliates, and/or the other specified exclusive supplier at the prices we or they charge. We and our affiliates intend to make a profit on any products or services we sell to you.

We estimate that approximately 40% of purchases required to open your Miracle Method Business and 65% of purchases required to operate your Miracle Method Business will be from us or from other approved suppliers or under our specifications. We and our affiliates may receive rebates from some suppliers based on your purchase of products and services, and we have no obligation to pass them on to our franchisees or use them in any particular manner.

During our last fiscal year, ended December 31, 2024, we received $2,683,348 from franchisees' required purchases and leases of products and services. This revenue represents approximately 33% of our total revenues of $8,240,690. This information is taken from our internal financial records.

If you want to use or sell a product or service we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider we have not yet approved (for products and services that require supplier approval), you must notify us and submit the information, specifications, and samples we request. We will review your request and respond in writing within 90 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. In some situations where products may require testing by an independent entity, the request may not be approved or rejected within 90 days. In those situations, we will advise you of any delay and

the approximate time for notification of authorization or rejection of the request. We may charge the cost of evaluating a proposed new vendor/supplier and/or its product to you or the vendor/supplier. We do not make these specifications and/or standards available to franchisees or vendors/suppliers. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, provider, product, or service that does not continue to meet our specifications.

We and our affiliates may receive rebates or other consideration from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases.

During our last fiscal year, ended December 31, 2024, neither we nor our affiliates received a rebate from an approved supplier.

You must use the computer hardware and software that we periodically designate to operate your Miracle Method Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

You must obtain and maintain, at your own expense, the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your Miracle Method Business is located, and must be approved by us. It must also be rated "A-VII" or better by Best's Insurance Reports. You must currently have the following insurance coverage:

(1) Public/General Liability Coverage. Comprehensive coverage (bodily injury, personal injury, and advertising injury), 1,000,000 per occurrence, $2,000,000 aggregate limit, and $10,000 per person medical expenses;

(2) Property Damage Coverage. All perils coverage to personal property in the location as well as outside (i.e., signs, landscaping, etc.). Management should consider additional coverages for forgery and alteration, money and securities (inside and outside), and tenant glass; and

(3) Automobile Coverage. Coverage for any Vehicles used in the Miracle Method Business, even if not required for the Business, $1,000,000 per occurrence. You are also required to follow state requirements for underinsured or uninsured coverage.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

Except for us, none of our officers has an ownership interest in any suppliers to our franchise system. We do not currently have purchasing and distribution cooperatives. We may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates or volume discounts from our purchase of products we may resell to you. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	FA: Sections 2A, 2B, and Attachment A, Attachment H;	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	FA: Sections 2C, 2D, 2E, 2H, 8, and 9C	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	FA: Sections 2C, 2D, 2E, 2G, and 2H	Items 7, 8, and 11
d. Initial and ongoing training	FA: Sections 4A and 4B	Items 6, 7, and 11
e. Opening	FA: Section 2G	Item 11
f. Fees	FA: Sections 3, 8, 9, 11, 12, 13, 15, and 16	Items 5, 6, and 7
g. Compliance with standards and policies/Manual	FA: Sections 2G, 4C, 4D, 6, and 8	Items 8 and 11
h. Trademarks and proprietary information	FA: Sections 1A, 2, 5, and 6	Items 13 and 14
i. Restrictions on products/services offered	FA: Section 8D	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	FA: Sections 8E, 8I, and 9F	Item 6
k. Territorial development and sales quotas	FA: Sections 1F and 1F	Item 12
l. Ongoing product/service purchases	FA: Sections 2D, 2E, and 8	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA; Sections 1H, 2H, and 8	Items 8, 11, 16, and 17
n. Insurance	FA: Section 8G	Items 7 and 8
o. Advertising	FA: Section 9	Items 6, 7, 8, and 11
p. Indemnification	FA: Section 15D	Item 6

Obligation	Section in Franchise Agreement	Item in Disclosure Document
q. Owner's participation/ management/staffing	FA: Sections 1C, 4F, 8E and 8F	Items 11 and 15
r. Records and reports	FA: Section 10	Items 6 and 11
s. Inspections and audits	FA: Section 11	Items 6 and 11
t. Transfer	FA: Section 3M, 12	Item 17
u. Renewal	FA: Section 1E	Item 17
v. Post-termination obligations	FA: Section 14	Item 17
w. Non-competition covenants	FA: Sections 7 and 14E	Items 15 and 17
x. Dispute resolution	FA: Section 16	Item 17

ITEM 10
FINANCING

Except as disclosed below, we offer no financing arrangements to Miracle Method franchisees. We do not receive payment or other consideration for the placing of financing. We do not guaranty any note, lease or obligation you enter into for your Miracle Method Business.

We may offer financing of up to the full amount of the Initial Franchise Fee as disclosed in Item 5 to prospects who meet our qualifications, including creditworthiness.

If you qualify and accept financing from us, you must sign the Promissory Note attached to the Franchise Agreement. Your owners, and their spouses, if any, must guaranty the payment of all amounts you owe under the Promissory Note.

The Promissory Note will provide for payment by electronic funds transfer (EFT) in scheduled monthly installments of up to 24 months. We will charge interest at an annual rate of 12%. The Promissory Note may be prepaid at any time without penalty.

If you fail to make payment under the Promissory Note within 10 days after a payment date we may impose a late charge of 5% of the unpaid amount. If any payment is not made within 30 days after the due date we may impose an additional late charge of 5% of the unpaid amount plus a 5% late charge of the unpaid amount for each 30 day period that the amount remains unpaid. (Section 1).

Under the Promissory Note, you waive: (1) the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce your obligations under the Note (Section 6); (2) the right to demand, presentment for payment, notices of nonperformance or nonpayment, protest and notice of protest, notice of dishonor, diligence in bringing suit and notice of acceleration (Section 7); (3) questions of governing law, personal jurisdiction and convenience of forum and venue (Section 12 and 13); and (4) all claims that you may have against us and any persons and entities related to us, other than our obligations

under the Franchise Agreement, accruing on or before the date of the Promissory Note (Section 15). If any of the events of default described in Section 5 of the Note occur, the entire unpaid principal and accrued interest, if any, of the Note will become immediately due and payable without further notice. Under Section 8 of the Note, you must pay all of our expenses and costs of collection, including attorneys' fees and expenses, court costs, costs of sale and costs of maintenance and repair we incur in connection with the enforcement of the Note, collection of amounts due and sale or other disposition of any collateral.

A default under the Franchise Agreement or any other agreement with us constitutes a default under the Promissory Note (Section 5). A default under the Promissory Note constitutes a default under the Franchise Agreement, which gives us the right, among other remedies, to terminate the Franchise Agreement.

We may sell, assign or discount the Promissory Note. If we do assign the Promissory Note we will not remain primarily obligated under the Note. You will also lose all of your defenses against us as they relate to the Promissory Note as a result of the sale or assignment (Section 16).

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

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

Pre-opening Obligations

Before you open the Miracle Method Business, we (or our designee(s)) will:

1. Designate your Territory. We do not provide you with assistance in locating and securing the Premises. We generally do not own sites and lease them back to our franchisees (Franchise Agreement – Section 2).

2. Provide mandatory and discretionary specifications for the Miracle Method Business, including standards and criteria for design, image, and branding of Vehicles, locations, and other trade dress (Franchise Agreement – Section 2).

3. Identify Operating Assets, computer system, and other products and supplies you must use to develop and operate the Miracle Method Business; establish minimum standards and specifications you must satisfy while operating the Miracle Method Business; and identify the designated and approved suppliers from whom you may be required to purchase and/or lease items for your Miracle Method Business (Franchise Agreement – Sections 2D, 2E, and 8).

4. Provide you access to our electronic Manual and related online resources. The Manual contains approximately 233 pages. The table of contents for the Manual is attached to this Franchise Disclosure Document as Exhibit D (Franchise Agreement – Section 4D). The Manual contains mandatory and suggested standards, specifications, operating procedures, requirements and rules ("System Standards"). We may modify the Manual periodically to reflect changes in System Standards (Franchise Agreement – Sections 4D and 8).

5. Assist with your pre-opening marketing program (Franchise Agreement – Sections 9B and 9C).

6. Provide an initial training program in Colorado Springs, Colorado or another location designated by us ("Initial Training Program") for you or your Managing Owner if you are an entity and up to four members of your staff, including the Designated Manager, if applicable (Franchise Agreement – Sections

4A and 4F).

7. Loan to you a telephone number for use in your Miracle Method Business. We will own this number but you are responsible for the monthly fees (Franchise Agreement – Section 2D).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Miracle Method Businesses.

Continuing Obligations

During the operation of your Miracle Method Business, we (or our designee(s)) will provide the following assistance and services to you:

1. From time to time, we will provide guidance on standards, specifications, and operating procedures and methods that Miracle Method Franchises use; purchasing required and authorized Operating Assets and other items, and arranging for their distribution to you from us or the suppliers; advertising and marketing materials and programs; and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you through the Manual, in bulletins or other written materials, through electronic media, telephone conferences, and/or meetings at our offices or at your Miracle Method Franchise location (Franchise Agreement – Section 4C).

2. Continue to provide you with access to our Manual (Franchise Agreement – Section 4D).

3. Issue and modify System Standards for Miracle Method Franchises. We may periodically modify System Standards, and those modifications may require you to invest additional capital in the Miracle Method Franchise and/or incur higher operating expenses (Franchise Agreement – Section 1H and 8).

4. License to you for your use, confidential and proprietary information designed to assist you in the operation of the Miracle Method Business (Franchise Agreement – Section 6).

5. License to you for your use, our Marks, discussed in greater detail below in Item 13 (Franchise Agreement – Section 5).

6. Establish an Internet Present to promote your Miracle Method Business with your Territory.(Franchise Agreement – Section 9D).

7. Provide supplemental training for your technicians or other staff members during the first two years following the opening of your Miracle Method Business, up to 10 technicians may participate in any training session (Franchise Agreement – Section 3I).

8. Maintain and administer any required third party or proprietary software for use in the Miracle Method Franchise ("Software") (Franchise Agreement – Section 2E).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques.

2. Make periodic visits to the Miracle Method Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If visits are at your request, you must reimburse our expenses and pay our then-current training charges.

3. Maintain and administer the Brand Fund. We may dissolve the Brand Fund upon written notice (Franchise Agreement – Sections 9A).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting Miracle Method Franchisees.

5. Set minimum or maximum prices on products or services, as allowed by law.

6. Administer our National Accounts Program.

Construction and Opening

We must approve the site for your Premises. In evaluating a proposed site, we consider such factors as general location and neighborhood, population, size, layout, suitability and other physical characteristics. The Premises must include an office, showroom and a workshop that meet our System Standards. We do not have a specific time period to evaluate and approve the Premises. We may terminate the Franchise Agreement if you and we cannot agree on an acceptable location for your Miracle Method Business within 120 days after you sign your Franchise Agreement. If we terminate your Franchise Agreement we will retain all amounts you have paid us. (Franchise Agreement – Section 2).

You must execute a lease for the Premises before the Initial Training Program including execution of the Lease Rider attached as Exhibit F-5 to this Franchise Disclosure Document (see below) and be open no later than 120 days after the effective date of the Franchise Agreement. We must approve the opening of your Miracle Method Business. To obtain our approval your Business and its Operating Assets, including any vehicles of which you must have at least two we approve (Franchise Agreement – Section 2H), must meet our System Standards and: (i) you obtained an inventory of products, materials and supplies that meet our System Standards (Franchise Agreement – Section 2C); (ii) you obtained the MM System at least one week before the proposed opening date (Franchise Agreement – Section 2E); (iii) you and your required attendees have completed the Initial Training Program to our satisfaction; (iv) you provided us with certificates of insurance evidencing that your insurance meets our System Standards (Franchise Agreement – Section 2G).

We estimate that it will take 6-10 weeks after you sign the Franchise Agreement before you open your Miracle Method Business. This estimate assumes you will initially be working from your home or already have an approved site for the Premises, or that you will identify one shortly after signing the Franchise Agreement. You must open your Miracle Method Business within 120 days after you sign the Franchise Agreement. If you fail to open within this time period we may terminate your Franchise Agreement and retain all amounts paid to us. (Franchise Agreement – Section 2G). You are not required to grant us a security interest in your assets.

Advertising and Marketing

We have no obligation to conduct advertising on your behalf or for the Miracle Method franchise system.

Brand Fund

We have established a Brand Fund for the marketing and promotion of the Miracle Method brand. You must pay a Brand Fund Fee of 2% of your Gross Sales in the manner we prescribe. (Franchise Agreement Section 9.A.). We intend that all new franchisees will be required to contribute to the Brand Fund at this rate. However, neither we nor are affiliates will contribute to the Brand Fund. The Brand Fund Fee is due beginning the first month after operation of your Miracle Method Business.

We may use Brand Fund Fees as we see fit, to market and promote the Miracle Method brand or any other names or marks we use in the System, including to develop, produce, and/or distribute national, regional, or local advertising and public relations materials which promote the brand; to pay for agency costs and commissions; to pay the costs to create and produce video, audio and written advertisements; to pay for direct mail and other media advertising, including internet advertising, internet search engine campaigns, direct email marketing, and the cost to maintain and update our websites, web pages, social media and social networking sites, profiles and accounts; for the costs to create and maintain any applications, whether web-based or otherwise, and for the costs of search engine optimization; in-house staff assistance and related administrative costs, including salaries; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities. We may also use money in the Fund to pay for coaching and training for our franchisees in marketing, advertising, recruiting and sales. It is our responsibility to determine how monies in the Brand Fund are spent. We are not required to spend Brand Fund Fees in any specific media. We anticipate using our in-house marketing department to source and place marketing and advertising, but we may source some or all of our marketing in-house or by contracting with marketing consultants or firms. We do not use any portion of the Brand Fund Fees to solicit new franchise sales although we may use funds to improve our website which may contain franchise solicitation materials on it and we may include a notation in any marketing or advertising indicating "Franchises Available."

Any Brand Fund Fees not spent in the year collected will be carried over to the next fiscal year. We are not required under the Franchise Agreement to spend any amount of Brand Fund Fees in your market and System franchisees may not benefit directly or on a pro rata basis from our expenditures. We have the right to reimbursement from the Brand Fund for the costs and overhead we or our affiliates incur in activities related to administering the Brand Fund and directing and implementing advertising programs for franchisees and the System, including costs of personnel for creating and implementing advertising, promotional and marketing programs. We do not have an advertising council composed of franchisees. There is no requirement that the Brand Fund be audited. Upon your written request, we will provide you with an unaudited accounting of Brand Fund expenditures for the year immediately prior to the year in which your request was made.

We will direct the Brand Fund advertising, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We will account for the Brand Fund separately from our other funds.

During our last fiscal year, ended December 31, 2024, we spent the Brand Fund as follows: 1% on content creation, 22% on pay per click advertising, 34% on marketing/advertising, 8% on software subscriptions, 12% on trade show presentations, and 23% on administrative expenses.

Local Advertising

We recommend, but do not require, that you spend at least 10% of the Gross Revenues per month, or $1,500 per month per technician, whichever is greater, to advertise and promote your Miracle Method Business. Your advertising and promotion must comply with our standards. For example, all advertising and

promotional materials you develop for the Miracle Method Business must also refer to the System Website's domain name in the manner we designate. All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing, and the other advertising and marketing policies we require. Before you conduct any advertising or marketing, you must send us or our designated agency samples of your proposed materials for approval. You may not use any advertising, promotional, or marketing materials we have not approved.

We may impose prohibitions on your posting or blogging of comments about us, your Miracle Method Business, the System, or other franchisees. These prohibitions include personal blogs, common social networks like Facebook, Instagram, TikTok, X (formerly Twitter), Snapchat and Pinterest; professional networks, business profiles or online review or opinion sites like LinkedIn, Google Business Profile or Yelp; live-blogging tools like X and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools.

If you wish to advertise online, you must obtain our approval and you must follow our online policy, which is contained in our Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. Unless we otherwise approve, you may not maintain an Internet Presence and if we allow you to do so it must comply with all of our requirements. We intend that any franchisee website will be accessed only through our home page. Email marketing may only be done through our approved vendors.

Cooperative Advertising/Advisory Counsel

When two or more Miracle Method Businesses operate in an MSA, you must participate in a Coop to advertise within the MSA (Franchise Agreement – Section 9B). We have the sole authority to establish and define a Coop's operating policy. All franchisees in the MSA must participate and contribute to the advertising program to support the promotion of the Miracle Method Businesses within the MSA. The Coop will operate according to our policy in the Manual. Coop advertising programs must be related to the general promotion of the Miracle Method brand within the MSA. If a company or affiliate-owned Miracle Method Business is in an area with a Coop, that Miracle Method Business will have the same voting rights as a franchisee. We may require cooperatives to operate with governing documents.

We have formed an advisory council to advise us on advertising and other matters. Members of the council consist of both franchisees and corporate representatives. Franchisee representatives serve for a 2-3 year term based on annual sales and are selected by a majority vote of those members on the council whose terms are not then expiring. This council serves in an advisory capacity only and has no operational or decision-making power. We can change or dissolve the council, and form others, in our sole discretion.

Initial Marketing

You must spend at least $10,000 within 60 days after you sign the Franchise Agreement on an initial marketing and advertising program ("Initial Marketing Program"). The Initial Marketing Program must comply with our specifications and standards, discussed in greater detail in the Manual. You must use advertising, marketing, and public relations programs, firms, media, and materials we approve in writing.

System Website

We have established a System Website for Miracle Method Franchises. You will provide content for the website as we request, including contact and address information, hours of operation, fees, photos, video,

social media posts, and such other information about the products and services as we may require.

Your local website will also showcase Miracle Method products and services. We provide support and management services for any Internet Presence we approve for you to use, including any websites, business profiles or review platforms. An "Internet Presence" includes any domain name, URL, website, webpage, landing page, portal, HTML document, online directory, online business profile, review and opinion page or site, social media or social networking site, profile, avatar, account or username, control panel, administrative platform, intranet, JotForm or other form or method of digital or electronic medium or method of communication. (Franchise Agreement, Section 9D).You may not establish or maintain any Internet Presence, including any other website or engage in any other electronic marketing of products or services without our prior written approval. We may change the requirements relating to your local website. All such information is subject to our approval before posting. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We may approve any linking to, or other use of, the System Website. We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Manual. We may review all online content on social media sites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any usage or content involving our trademarks that could damage the goodwill of the trademarks or the Miracle Method system. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

We can discontinue operation of an Internet Presence at any time without notice to you. We can modify our policies regarding your use of social media and Internet websites in connection with your Miracle Method Franchise as we deem necessary or appropriate. We or our affiliate, as applicable, are the sole owners of any Internet Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the principal trademarks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile, or page reference.

As long as we have a System Website, we may use the Brand Fund assets to develop, maintain, and update the System Website. We may update and modify the System Website and may cease offering a System Website. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Miracle Method Business from the System Website and local website until you fully cure the default(s).

You may not sell products or services not approved by us in the Manual on your local website without our prior written approval (Franchise Agreement – Sections 8B and 9D).

Advisory Council

We currently have an advisory council ("Council") to advise us on advertising and general operating practices. The Council is governed by bylaws. Members of the Council consist of both franchisees and corporate representatives. Members of the Council are selected by way of a voting method specified in the Council's bylaws. The purpose of the Council is to provide input regarding the general operating practices to promote communications between us and all Franchisees. The Council serves in an advisory capacity only. We will have the power to form, change, or dissolve the Council, in our sole discretion.

Computer System

You must use the hardware and/or operating software, programs, and technology that we specify. You must subscribe to an Internet service provider or other electronic communication provider or service as we may require and otherwise meeting our standards and specifications. We will not integrate any third-party software or services to our systems.

You must have a computer capable of running our designated software, including reading and creating files from Microsoft's software programs (the "MM Systems"). You must use the approved Customer Relationship Management ("CRM") system. You must use the approved systems, which are currently specified in our Manual unless we approve otherwise in our sole discretion. We estimate the cost of purchasing the MM Systems to be approximately $3,000 to $5,000.

You must use the software and other technology we specify in the operation of your Miracle Method Business. You must purchase at least one branded email from us for use in your Miracle Method Business. You must also purchase at least one user license for our preferred accounting software and at least two licenses for our required customer management software. We estimate that the monthly cost for all of this software is currently $500 per month. You must also pay us a Technology Fee. This Fee is currently $600 per month.

Over the term of your Franchise Agreement, we may modify the specifications and components of the MM Systems. We may require you to own, lease, license, service, and support the MM Systems in the manner and on the terms we specify.

We may charge you a reasonable fee for MM Systems-related maintenance and support services we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology we develop or maintain, then you must sign any software license agreement or similar instrument we or our affiliates may require.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your MM Systems; (2) the manner in which your computers interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if the MM Systems are not properly operated, maintained, and upgraded. We may utilize third party and/or proprietary software for all Miracle Method Franchises.

Neither we, nor to our knowledge, any third party, have any obligation to upgrade or update any computer hardware or software during the term of the Franchise Agreement. We may require you to upgrade or update your computer hardware or software during the term of the Franchise Agreement. There are no contractual limitations on the frequency or cost of this obligation. The cost of maintaining, updating, or upgrading the computer system or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between $1,000 and $2,000, but this could vary.

Computer System Data

We own all data generated by the MM Systems, including data stored in the MM Systems and on any Internet or intranet website. We have the right to independently access your electronic information and data through our data management and intranet system and to collect and use your electronic information and data in any manner to promote the System and for the sale of Franchises. There is no contractual limitation on our right to receive or use information through our data management and intranet systems (Franchise Agreement – Sections 2F and 10). In addition, you must provide us with access to all records relating to

all customers and suppliers of your Miracle Method Business (Franchise Agreement – Section 8C).

Training

Initial Training

After you sign the Franchise Agreement and before you attend our initial training program, you or your Managing Owner if you are an entity, must successfully complete five days of on-the-job training at a Miracle Method Business located in Colorado Springs, or another location we designate. The on-the-job training will consist of working in the Business to gain a practical understanding of a functioning Miracle Method Business. We do not charge a fee to attend on-the-job training, but you are responsible for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses.

Before the Miracle Method Business opens, you (or your Managing Owner, if you are an entity) and at least four members of your staff, including your Designated Manager, if any, must complete our Initial Training Program to our satisfaction ("Initial Training"). The Initial Training Program is scheduled after you sign the Franchise Agreement. You must secure a location for the Premises, and we recommend hiring at least two technicians and one front office person, before you attend the Initial Training Program. Additional persons may attend Initial Training Program at our then-current training fees, which currently range from $300 to $800 per attendee, per day, plus travel, subject to our approval. We plan to be flexible in scheduling training to accommodate our personnel, you, and your attendees. Initial Training Program classes are scheduled as needed according to demand. Training sessions may also be held at Franchise locations as approved by us. You are responsible for all travel and living expenses, and wages and worker's compensation insurance during your attendees' training. We reserve the right to dismiss any trainee at any time. If any required attendee fails to complete this training to our satisfaction we can terminate your Franchise Agreement and retain all amounts you have paid us.

The Initial Training Program is held at our corporate headquarters in Colorado Springs, Colorado or at a location designated by us. The Initial Training Program lasts approximately 15 business days. The Initial Training Program and the training discussed below are for the purpose of protecting the goodwill related to the Miracle Method franchise system and the Marks and not to control the day-to-day operation of your Miracle Method Business. Our Initial Training Program is discussed in the table below.

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Administrative	20	0	Corporate Headquarters (Colorado Springs, Colorado) or other MM approved location
Advertising & Marketing	10	0	Corporate Headquarters (Colorado Springs, Colorado) or other MM approved location
Managing Your Business	10	0	Corporate Headquarters (Colorado Springs, Colorado) or other MM approved location
Technical Procedures	0	80	Corporate Headquarters (Colorado Springs, Colorado) or other MM approved location
Totals	40 hours	80 hours	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Manual as the primary instruction materials during the Initial Training Program.

2. The technical procedures portion of the Initial Training Program includes instruction and training on our basic services including the repair and refinishing of: bathtubs, showers, tile walls, sinks, vanities and countertops. Training for any additional technical procedures is considered to be training for advanced services and is available at an additional cost.

3. Our primary instructor is Tom Otto. Mr. Otto has been with Miracle Method for nine years. He has over nine years experience in the field of refinishing and more than five years experience as a member of our training team. Mr. Otto has more than 15 years of experience as a trainer. Our master franchisees, Eddie Naro and Del Murphy, may also participate in training. Mr. Naro has been a Miracle Method franchisee for over 25 years, and has over 25 years of experience in the field of refinishing. Mr. Murphy has been a Miracle Method franchisee for over 35 years, and has over 35 years of experience in the field of refinishing. *Supplemental Training*

We will provide supplemental training for up to ten technicians or other staff members at any time after your completion of the Initial Training Program through the two year anniversary of the opening of your Miracle Method Business. You will pay us the Supplemental Training Fee when you sign your Franchise Agreement, and we will credit $200 per day to you for each staff member that successfully completes the supplemental training program during your first two years of operating your Miracle Method Business.

Additional Training

You, your Managing Owner if you are an entity, and any Designated Manager must satisfactorily complete various training programs, courses, workshops, certification programs and continuing education courses we periodically provide, at your cost, at the times and locations we designate. Trainees must attend, at your expense, all conventions, workshops, and meetings related to new products, customers, or services, new operational procedures or programs, training, management, sales promotion, or similar topics. You must comply with the continuing education policy contained in the Manual. We may charge an attendance fee for these educational programs, courses, workshops, and conventions, and you will be required to pay all travel and living costs of your attendees. Each successor Designated Manager must attend and complete our Initial Training Program within the first 60 days of their employment.

We may require you, your Managing owner if you are an entity, your Designated Manager, or other members of your staff to attend seminars or training programs as required in the Manual and charge you for these programs. Attendance at these training programs will be mandatory at your sole expense. You are responsible for all travel, living expenses, and wages for your attendees.

You, your Managing Owner if you are an entity or your Designated Manager must attend each Convention. Each Convention may last up to 4 days and may cover administrative and marketing topics as well as other topics we may choose. Attendance at these Conventions will be at your expense. Registration fees are up to $1,500 per attendee plus travel expenses.

You, your Managing Owner if you are an entity or your Designated Manager must attend at least one workshop every calendar year. Each workshop is no longer than three days and held in a city we designate. Attendance at these workshops is at your expense. The workshops cover technical, marketing and administrative topics and demonstrations. Attendance costs currently range from $300 to $800 per person

plus travel.

You must pay us the then-current Absentee Fee, currently $1,000 to $1,500 per person, if you do not meet the attendance requirements of the continuing education programs as specified in the Manual.

If we conduct an inspection of your Miracle Method Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you your Managing Owner if you are an entity and your Designated Manager, if any, attend remedial training that addresses your operational deficiencies.

Any specific ongoing training or advice we provide does not create an obligation to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

Under the National Accounts Program, you may be required to become trained and certified to do commercial work for projects that: (1) require specific training or technical certification; or (2) require customer-specific certification; or (3) exceed $5,000. Costs include travel and coverage of certified staff in completion of projects toward certification.

ITEM 12
TERRITORY

Territory

The Franchise Agreement for your Miracle Method Franchise grants you a designated Territory based on the geographic area and population properties within that area and other relevant demographic characteristics. You will operate a single Miracle Method Business within a specific Territory identified in the Franchise Agreement. We will grant only one license to a franchisee for any area with a population of approximately 150,000 households in the designated geographical location. The population statistics used in determining your Territory will be based on numbers derived from the most recently available US Census report, and supplemented with other information available and other population statistical sources we choose in determining populations. In certain densely populated metropolitan areas, a Territory may be smaller, while franchisees operating in less densely populated urban areas may have significantly larger areas.

Your Territory will be identified in an attachment to your Franchise Agreement. The boundaries of your Territory will coincide with the boundaries of one or more adjacent zip codes. You may engage in direct advertising and solicitation of customers only within the boundaries of your Territory.

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

During the term of your Franchise Agreement, so long as you comply with all of your obligations to us, and subject to our rights discussed below, neither we nor our affiliates will operate, or license another party to operate, a Miracle Method Business using the Marks licensed to you that is operated from a physical premises located within your Territory. We retain all rights regarding the Marks and System not expressly granted to you. These include the right to: (1) establish and operate, and grant others the right to establish and operate, Miracle Method Businesses at any location outside of the Territory granted to you; (2) service National Customers (defined below) within the Territory, or allow other Miracle Method Franchises or third parties to service National Customers, including warranty work for these Customers; (3) establish and operate, and grant others the right to establish and operate, other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks, and service marks in your Territory, if you are in

default, unable, or unwilling to provide necessary products or services; (4) provide products and services similar to those offered through the Miracle Method Business through any alternate channel of distribution, including through outlets at a fixed location in the Territory and by Internet; (5) purchase, merge, acquire, be acquired by, or affiliate with, an existing competitive or non-competitive franchise or non-franchise network, chain, or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise, or license those other businesses and/or facilities under any names or marks other than, while the Franchise Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately outside its border; and (6) engage in any activities not expressly prohibited by the Franchise Agreement.

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

You may operate the Miracle Method Business only in your designated Territory. You must not relocate the Miracle Method Business without obtaining our written consent of the relocation. Our approval will be based upon such factors as general location and neighborhood, population, size, layout, suitability and other physical characteristics. If you wish to purchase an additional Miracle Method Business, you will need to apply for one and receive our approval. We must approve of the Territory and location of any additional Franchises we offer you. Each additional Franchise will be subject to our then-current standards for new Miracle Method Businesses.

You are prohibited from directly marketing to or soliciting customers whose principal business office (or principal residence, if the customer is an individual) is outside of your Territory. You are prohibited from accepting orders outside of your Territory unless we authorize you to do so. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, or to make sales outside your Territory. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory.

National Customer Accounts

We have a "National Customer Accounts Program" to provide Miracle Method products and services to national customers. We currently define a "National Customer" as any property owner, manager, or agent of an owner that: (1) owns, controls, manages, or remodels properties located in more than one Miracle Method Franchise Territory; or (2) is in any customer category targeted by Miracle Method. Targeted National Customer categories currently include: nationally branded hotels; hospitals and healthcare facilities; senior living communities; colleges and universities; K-12 school districts; federal, state, and local government; and military installations and housing.

Under our National Customer Accounts Program, we may service, or designate ourselves or other franchisees or third parties to service, National Customers in your Territory. Our Manual contains the National Customer Account Program policies, which may be changed over the term of your Franchise Agreement. We have established a national customer committee ("National Customer Committee") to assist franchisees with obtaining commercial business. Franchisees must follow the procedures set forth in our Manual and by our National Customer Committee. Other franchisees or third parties we designate may perform warranty services in your Territory. You will not be entitled to compensation in such cases. If you qualify to participate in the National Customer Accounts Program, you must sign the Addendum to Franchise Agreement for National Account Participation attached to this Franchise Disclosure Document

as Exhibit F-6. Any funds or payments we receive for services you provide to a customer under the National Customer Accounts Program may be first applied to any amounts you owe us.

ITEM 13
TRADEMARKS

We have acquired registrations on the Principal Register of the United States Patent and Trademark Office ("USPTO") for the following Marks:

Mark	Registration Date	Registration No.
MIRACLE METHOD	July 10, 2012	4,170,502
Miracle Method Surface Refinishing	August 30, 2011	4,017,974
Natural Accents	June 14, 2011	3,979,730
Miracle Method SURFACE RESTORATION	March 18, 2003	2,697,910

The chart immediately below lists trademarks for which we have applied for registration on the Principal Register of the USPTO. We do not have a federal registration for these mark. Therefore, it does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Mark	Application Date	Serial No.
MIRACLE METHOD	Filed March 5, 2025 (Pending)	Serial No. 99068041
MIRACLE METHOD Commercial Services	Filed March 5, 2025 (Pending)	Serial No. 99068047

Mark	Application Date	Serial No.
MIRACLE METHOD Surface Refinishing	Filed March 5, 2025 (Pending)	Serial No. 99068063

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed.

You must use the Marks as we require. You may not use any of the Marks as part of your firm name, corporate name, or domain name. You may not use the Marks in the sale of unauthorized products or services, or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Miracle Method Franchise or any interest in the Miracle Method Franchise. All rights and goodwill from the Marks accrue to us. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your Miracle method Business, that you are an independently-owned and operated licensed franchisee of MM.

No agreement significantly limits our right to use or license the Marks in any manner material to the Franchise. You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any person's use of or claims of any rights in any Mark, and you may not communicate with any person other than us, our designees, our attorney, or your attorney concerning this infringement, challenge, or claim. If we learn of any infringing user, we may take whatever action we deem appropriate and control exclusively any litigation, USPTO proceeding, or any administrative proceeding relating to an infringement, a challenge, a claim, or otherwise concerning any Mark. We are not required to take any action if we do not feel it is warranted. You must sign all documents and take the actions that, in our or our attorney's opinion, are necessary or advisable to protect and maintain our interests in any litigation, USPTO proceeding, other proceeding, or otherwise to protect and maintain our interest in the Marks.

If it becomes advisable, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

The Franchise Agreement requires us to indemnify you for any damages and costs you incur in any proceeding disputing your authorized use of any Mark. We may, at our option, defend and control the defense of any proceeding stemming from your use of any Mark.

We do not know of superior prior rights or infringing uses that could materially affect a franchisee's use of the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or patents pending are material to the Franchise. There are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted

materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not know of any infringing uses of our copyrights that could materially affect using the copyrighted materials in any state. We need not protect or defend copyrights, although we intend to do so if in the Miracle Method System's best interests. We may control any action we bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Miracle Method Businesses; marketing and advertising programs for Miracle Method Franchises; any computer software or similar technology proprietary to us or the System; the System Website; knowledge of, specifications for, and suppliers of Operating Assets, and other products and supplies; and knowledge of the operating results and financial performance of Miracle Method Franchises other than your Miracle Method Franchise or Miracle Method Business.

All ideas, concepts, techniques, or materials concerning a Miracle Method Franchise, whether or not they are protected intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property, part of the System, and works-made-for-hire for our use. If any item does not qualify as a work-made-for-hire for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action, including executing an assignment agreement or other documents, that we request to show our ownership or to help us obtain intellectual property rights in the item(s).

You may not use our confidential information in an unauthorized manner. You must prevent its improper disclosure to others. We may regulate the form of confidentiality agreement you use, and we must be included as a third party beneficiary with independent enforcement rights in that agreement. You may not use our Confidential Information or Marks, or any part of the System, for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities. You may not input any of our Confidential Information, including any aspect of the System and any information contained in our manuals, into any generative AI platform, or disclose this information to any provider or source of generative AI services. You must opt out of allowing any provider or source of generative AI to utilize our Confidential Information for training of any AI model or for other purposes. Exhibit F-3 to this Franchise Disclosure Document contains a sample of the Confidentiality Agreement we currently require.

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

The Miracle Method Franchise will be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a 25% ownership interest and voting power in the entity ("Managing Owner"). If you are an entity with multiple owners, one of your owners who is a natural person must have at least fifty-one percent (51%) ownership interest and voting power in you. Under certain circumstances, we may allow you to appoint a designated manager ("Designated Manager") to run the day- to-day operations of the Miracle Method Franchise. You or your Managing Owner if you are an entity, and in either case your Designated Manager, if any, must successfully complete our Initial Training Program. A Designated Manager is not required to have an ownership interest in the Franchise but must sign a Confidentiality Agreement restricting their activities and prohibiting disclosure of confidential information to the same extent that you are restricted and prohibited under the Franchise Agreement. If we allow you to appoint a

Designated Manager, you must still attend all training programs that are conducted throughout the term of the Franchise Agreement. However, if your Designated Manager ends his/her employment relationship with you, whether voluntary or not, you must participate in the management of the business on a full-time equivalent basis until a replacement Designated Manager is hired and trained to our satisfaction.

If a Designated Manager's employment with you is terminated and your Managing Owner will not manage your Miracle Method Franchise, you must appoint a new Designated Manager who must successfully complete our Initial Training Program within 60 days of their employment, unless we do not hold an Initial Training Program during that 60-day period, in which case the replacement Designated Manager must attend and successfully complete the first available Initial Training Program held by us.

You, the Designated Manager, if applicable, or the Managing Owner if you are an entity, must control your employees and the terms and conditions of their employment. You must operate the Business on a full-time basis, and continuously exert your best efforts to promote and enhance the Miracle Method Franchise.

Any Designated Manager and, if you are an entity, any officer that does not own equity in you, must sign the "System Protection Agreement," which is attached to this Franchise Disclosure Document at Exhibit F-2. All of your employees, installers, technicians, and other agents or representatives who may have access to our confidential information must sign a "Confidentiality Agreement" (unless they already signed a System Protection Agreement), the current form of which is attached to the Franchise Disclosure Document in Exhibit F-2. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an "Owners Agreement" guarantying the obligations of the entity, which is attached to the Franchise Agreement as Attachment C. We require the spouses of Franchise owners to sign the Owners Agreement. You must obtain confidentiality and non-competition covenants similar to those in the Franchise Agreement from the personnel we specify, including officers, directors, managers and other employees attending our training programs or having access to our confidential information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only those products and services we approve and only in a manner that meets our System Standards. You must attend training and pay a training fee before you are able to offer advanced services. We have the right to make changes to the products and services offered by you. There are no limitations on our rights to change the required services and products offered by you. You must sell all products and services we authorize and discontinue selling any that we decide to disapprove.

We reserve the right to change the types of products or services you are permitted or required to offer, and to the extent permitted by law, set minimum or maximum prices on those products or services. We will provide you with notice of any such changes we make to the products or services offered, or their prices. You must also participate in our warranty program and provide and honor the warranties we require.

Before you may service National Accounts in our National Accounts Program you must be trained and certified to do commercial work for projects that: (1) require specific training or technical certification; or (2) require customer-specific certification; or (3) exceed $5,000. You may not directly market to or solicit customers whose principal business office (or principal residence, if the customer is an individual) is outside of your Territory. You may not accept orders for services to be performed outside of your Territory unless we authorize you to do so. You may not solicit or perform services for National Customers unless we otherwise approve.

ITEM 17
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.

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	Franchise Agreement: Section 1E	5 years.
b. Renewal or extension of the term	Franchise Agreement: Section 1E	If you are in good standing and you meet our specified conditions, including signing our then-current franchise agreement, you may renew for one additional term equal to the then-current term we are offering to new Miracle Method franchises at that time.
c. Requirements for Franchisee to renew or extend	Franchise Agreement: Section 1E	A "renewal" of the Franchise Agreement means the ability to enter into a franchise agreement for five years at the end of the initial Franchise Agreement's five-year term. To exercise this right, you must, among other things, give us timely written notice; not be in default of the franchise agreement, or any other agreement ancillary to it; timely paid all amounts due to us or our affiliates; sign our then- current franchise agreement, a Renewal Addendum, our current Waiver and Release of Claims Agreement (subject to state law), samples of which are attached to the Franchise Agreement as Attachment G and to this Franchise Disclosure Document as F-1 respectively, and other ancillary documents we use to grant Franchises; maintain property control for the term of the new franchise agreement and update your Miracle Method Business and location to meet our then-current System Standards; and pay the renewal fee. The new franchise agreement may contain materially different terms and conditions than the Franchise Agreement that covered your initial term. The boundaries of your Territory may change, and the fees may also change.
d. Termination by Franchisee	Franchise Agreement: Sections 13A and 15E	You may terminate the Franchise Agreement if you are in compliance with it

		and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice, or if a force majeure continues for at least 6 months and we are unable to perform then you can terminate on 30 days' written notice to us.
e. Termination by franchisor without cause	Franchise Agreement: Section 15E Multi-Territory Development Addendum: Section 6	We can terminate without cause if a force majeure continues for at least 6 months and you are unable to perform then we can terminate on 30 days' written notice to you. If you have not begun operations under the Franchise Agreement, we can terminate it if we terminate another of your Franchise Agreements under a Multi-Territory Development Addendum. Otherwise, no termination without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 13B	We can terminate upon certain violations of the Franchise Agreement by you.
g. "Cause" defined curable defaults	Franchise Agreement: Section 13B	Under the Franchise Agreement, you have: (1) 48 hours to cure: (a) any failure to maintain the insurance we require; (b) health, safety, or sanitation law violations; (c) failure to maintain any bond, license, or permit, and violations of other applicable laws, regulations, ordinances, or consent decrees; (2) 10 days to cure monetary defaults or failure to comply with the Franchise Agreement or any System Standard; (3) 30 days to cure operational defaults and other defaults not specified in (h) below; or (4) such timing as required by state or local government.
h. "Cause" defined non-curable defaults	Franchise Agreement: Section 13B	Non-curable defaults under the Franchise Agreement include: material misrepresentation in acquiring the Franchise; three or more insufficient funds or returned checks in any one calendar year; failure to open the Miracle Method Business within 120 days of the date of the Franchise Agreement; failure to complete the Initial Training Program by any of your required attendees; abandonment; unapproved transfers; conviction of a felony; conviction of a crime involving the use of drugs or alcohol; dishonest or unethical conduct affecting the Miracle Method Franchise goodwill or reputation; loss of your right to occupy

		the Premises; unauthorized use or disclosure of the Manual or other confidential information; failure to pay taxes; understating monthly Gross Revenues three or more times during the term of the Franchise Agreement or by more than 5% one time; you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization, or initiate any stop payments against us; an assignment for the benefit of creditors; appointment of a trustee or receiver; and termination of any other franchise agreement or other agreement between you or your affiliates and us or any of our affiliates; or you fail on three or more occasions for any cause within a 12-month period to comply with the Franchise Agreement or you indicate to us your intention to consummate any of the preceding actions (whether curable or otherwise). If Franchise Agreement includes a Multi-Territory Development Addendum and we terminate the Franchise Agreement because you miss the development deadline or for any other reason after you commence operations, we can also terminate all other Franchise Agreements where operations have not been commenced.
	Multi-Territory Development Addendum: Section 7	
i. Franchisee's obligations on termination/ non-renewal	Franchise Agreement: Sections 13 and 14	Under the Franchise Agreement, obligations include paying outstanding amounts, including the balance of Royalties from the date of termination until the scheduled expiration date of the Franchise Agreement; complete de-identification, including removal of signs and Marks; remodeling and reconfiguring of the Miracle Method Business as necessary to distinguish it from its former appearance; completely removing all Vehicle wraps and distinguishing Marks; notifying telephone company and telephone directory publishers of the termination of your right to use any numbers associated with our Marks, and authorizing the transfer or forwarding of the numbers and directory listings at our

		direction; notifying all customers of the Miracle Method Business of the termination, and refunding to customers any monies paid to you for which they are entitled to a refund; ceasing to use and return confidential information; and delivering to us copies of the entire customer file for each customer, which includes referrals, credit card and bank information, and any other customer information.
j. Assignment of contract by franchisor	Franchise Agreement: Section 12A	No restriction on our right to assign.
k. "Transfer" by Franchisee — definition	Franchise Agreement: Section 12B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, the Premises, or interest in the Franchise or anyone owning an interest in the Franchise.
l. Franchisor's approval of transfer by Franchisee	Franchise Agreement: Section 12B	We have the right to approve all transfers.
m. Conditions for franchisor's approval of transfer	Franchise Agreement: Section 12C	Under the Franchise Agreement, new franchise owner qualifies; you pay us, our affiliates, and third-party vendors all amounts due; submit all required reports; no default during the 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchise owner (and its owners and affiliates) are not in a competitive business; training completed; transferee agrees to upgrade or remodel the Franchise in accordance with our then-current requirements within 45 days of the transfer; lease permitted to be transferred; you or transferee signs our then-current franchise agreement and other documents, provisions of which may differ materially from those contained in the Franchise Agreement; we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchise; pay transfer fee; all parties sign the then- current Conditional Consent to Transfer Agreement, which contains a release, the current form of which is attached as Exhibit F-4 to this

		Franchise Disclosure Document; you and any other direct or indirect owners execute a guaranty; we approve material terms; you subordinate amounts due to you; you cease to use the Marks; pay a Transfer Inspection Fee if we choose to inspect the Miracle Method Business prior to transfer; transferee agrees to upgrade, remodel and refurbish the Miracle Method Business within specified time frame after transfer and to deposit with us the estimated cost to complete such upgrade; you and your owners and your and their immediate families will not engage in a competitive business for a specified time frame after the transfer; you will reimburse us for any broker or other placement fees we incur; and the transferee assumes all warranty obligations.
n. Franchisor's right of first refusal to acquire Franchisee's business	Franchise Agreement: Section 12G	We may match any offer for your Miracle Method Business, including the Premises.
o. Franchisor's right to purchase Franchisee's business	Franchise Agreement: Section 14F	Under the Franchise Agreement, we may purchase your Miracle Method Franchise and its Premises by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.
p. Death or disability of Franchisee	Franchise Agreement: Section 12E	Your representative must transfer your interest in the Franchise Agreement to a third party. That transfer must be completed within a reasonable time, not to exceed nine months from the date of death or disability. Your representative must also appoint a manager who must complete the Initial Training Program and be acceptable to us.
q. Non-competition covenants during the term of the Franchise	Franchise Agreement: Section 7	Neither you, your owners, nor any immediate family members of you or your owners may participate in, have an interest in, loan money to, or perform services for a competitive business anywhere; you may not interfere with our or our other franchisees or do anything else that may affect the goodwill of the Marks of the Franchise System. A competitive business means includes any business that provides remodeling, restoration, renovation, surface refinishing

		or remodeling services; or any business granting franchises or licenses to others to operate such type of business.
r. Non-competition and non-solicitation covenants after the Franchise is terminated or expires	Franchise Agreement: Sections 14E and 14H	For two years beginning on the effective date of termination or expiration of the Franchise Agreement, you and your owners and spouses may not have any direct or indirect interest in any competitive business within 20 miles of the Miracle Method Franchise or any other Miracle Method Franchise in operation or under construction on the effective date of termination or expiration of the Franchise Agreement. Neither you nor any of your owners may solicit any customer of ours, any affiliate, or any Miracle Method Franchise for two years, subject to applicable state law.
s. Modification of the agreement	Franchise Agreement: Sections 1H, 2E, 8J and 16	Consent of both parties. But we may unilaterally change the Manual and vary System Standards.
t. Integration/merger clause	Franchise Agreement: Section 16	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 16F	Except for certain claims, all disputes must be mediated and arbitrated in the city closest to our principal place of business (currently Colorado Springs, Colorado), subject to applicable state law. If the mediation is unsuccessful, all continuing disputes must be arbitrated before the American Arbitration Association in the city closest to our principal place of business.
v. Choice of forum	Franchise Agreement: Section 16F	Litigation must be brought in state or federal courts located in the state state of our principal office.
w. Choice of law	Franchise Agreement: Section 7 and 16F	Colorado law, except for the Colorado Consumer Protection Act unless its jurisdictional elements are independently met without reference to this section applies, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote the Franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

As of December 31, 2024, there were 202 franchised Miracle Method Businesses in the Miracle Method franchise system ("Franchised Outlets"). These Franchised Outlets also include those outlets operated under Franchise Agreements with our master franchisees. We have included these outlets as they are substantially similar to a Miracle Method Business.

We refer to each franchisee operating one or more Franchised Outlets as a "Franchised Location". The financial information provided in the following tables represents the historical performance of our 73 Franchised Locations open and operating for the entire 12 month period ended December 31, 2024. Three Franchised Locations were excluded because they were not open for the full 12 month period ended December 31, 2024. All three Franchised Locations closed in 2024 and none were open for less than 12 months prior to closing. The first Franchised Location began operations in 1988 and the most recent in 2023.

This Item 19 is broken into 2 sections. Section A provides Gross Revenues information of the Franchised Locations for the 12-month period ended December 31, 2024. Section B provides this same information by quartile, ranking these Franchised Locations by Gross Revenues in descending order. The average and median information in this Section is for those Franchised Locations in each quartile.

2024 GROSS REVENUES INFORMATION

SECTION A – TOTAL GROSS REVENUES OF FRANCHISED LOCATIONS

Average Gross Revenues:	**High/Low Franchised Location Gross Revenues**:	**Median Gross Revenues**:	**No./% of Franchise Locations At or Above Average Gross Revenues**:
$1,230,180	$3,903,969 / $146,674	$923,778	26/36%

SECTION B – GROSS REVENUES BY QUARTILE

First Quartile

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 1	$ 3,903,969	17	$ 19,137.10	9
Franchise No. 2	$ 3,718,246	15	$ 20,656.92	7
Franchise No. 3	$ 3,436,916	10	$ 28,640.97	9
Franchise No. 4	$ 3,298,861	10	$ 27,490.51	5
Franchise No. 5	$ 2,884,934	7	$ 34,344.46	2
Franchise No. 6	$ 2,882,983	11	$ 21,840.78	3
Franchise No. 7	$ 2,776,104	11	$ 21,031.09	4
Franchise No. 8	$ 2,765,468	8	$ 28,806.96	3
Franchise No. 9	$ 2,608,499	10	$ 21,737.50	6
Franchise No. 10	$ 2,604,015	10	$ 21,700.12	7
Franchise No. 11	$ 2,524,766	7	$ 30,056.73	1
Franchise No. 12	$ 2,437,930	7	$ 29,022.97	3
Franchise No. 13	$ 1,994,492	10	$ 16,620.76	2
Franchise No. 14	$ 1,875,897	6	$ 26,054.12	4
Franchise No. 15	$ 1,687,057	6	$ 23,431.34	1
Franchise No. 16	$ 1,589,743	5	$ 26,495.72	4
Franchise No. 17	$ 1,558,172	6	$ 21,641.27	3
Franchise No. 18	$ 1,496,908	7	$ 17,820.33	3
Franchise No. 19	$ 1,496,861	7	$ 17,819.77	1
Average Gross Revenues: $2,502,201				
No./% of Franchised Locations At/ Above Average Gross Revenues: 11 /58 %				
High/Low Gross Revenues: $3,903,969 / $1,496,861				
Median Gross Revenues: $2,604,015				

Second Quartile

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 20	$ 1,420,522	6	$ 19,729.48	5
Franchise No. 21	$ 1,409,944	7	$ 16,785.05	5
Franchise No. 22	$ 1,387,728	7	$ 16,520.58	6
Franchise No. 23	$ 1,349,163	5	$ 22,486.05	4
Franchise No. 24	$ 1,311,679	4	$ 27,326.64	3
Franchise No. 25	$ 1,310,934	5	$ 21,848.90	9
Franchise No. 26	$ 1,267,055	4	$ 26,396.97	2
Franchise No. 27	$ 1,214,229	3	$ 33,728.58	3
Franchise No. 28	$ 1,143,355	5	$ 19,055.92	2
Franchise No. 29	$ 1,127,127	6	$ 15,654.55	2
Franchise No. 30	$ 1,126,859	5	$ 18,780.98	2
Franchise No. 31	$ 1,089,408	6	$ 15,130.67	3
Franchise No. 32	$ 1,026,311	4	$ 21,381.48	3
Franchise No. 33	$ 1,003,685	4	$ 20,910.11	3
Franchise No. 34	$ 987,679	3	$ 27,435.53	1
Franchise No. 35	$ 983,508	4	$ 20,489.75	1
Franchise No. 36	$ 959,399	3	$ 26,649.97	1
Franchise No. 37	$ 923,778	4	$ 19,245.38	2
Average Gross Revenues: $1,169,020				
No./% of Franchised Locations At/ Above Average Gross Revenues: 8/44%				
High/Low Gross Revenues: $1,420,522 / $923,778				
Median Gross Revenues: $1,135,241				

Third Quartile

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 38	$ 885,512	4	$ 18,448.17	4
Franchise No. 39	$ 880,453	4	$ 18,342.77	3
Franchise No. 40	$ 871,663	3	$ 24,212.85	1

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 41	$ 865,237	5	$ 14,420.61	5
Franchise No. 42	$ 841,290	3	$ 23,369.18	2
Franchise No. 43	$ 839,972	4	$ 17,499.42	3
Franchise No. 44	$ 839,577	4	$ 17,491.19	2
Franchise No. 45	$ 822,873	4	$ 17,143.18	2
Franchise No. 46	$ 798,783	4	$ 16,641.31	2
Franchise No. 47	$ 751,030	2	$ 31,292.93	1
Franchise No. 48	$ 736,222	4	$ 15,337.95	2
Franchise No. 49	$ 725,755	3	$ 20,159.85	1
Franchise No. 50	$ 720,998	2	$ 30,041.58	1
Franchise No. 51	$ 675,359	3	$ 18,759.98	2
Franchise No. 52	$ 632,795	2	$ 26,366.46	1
Franchise No. 53	$ 628,434	2	$ 26,184.73	1
Franchise No. 54	$ 579,504	2	$ 24,146.00	2
Franchise No. 55	$ 553,094	3	$ 15,363.73	1
Average Gross Revenues: $758,253				
No./% of Franchised Locations At/ Above Average Gross Revenues: 9/50%				
High/Low Gross Revenues: $885,512 / $553,094				
Median Gross Revenues: $774,907				

Fourth Quartile

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 56	$ 530,425.00	3	$ 14,734.04	2
Franchise No. 57	$ 514,887.00	3	$ 14,302.41	1
Franchise No. 58	$ 499,005.00	2	$ 20,791.89	1
Franchise No. 59	$ 497,885.00	3	$ 13,830.15	2
Franchise No. 60	$ 477,194.00	3	$ 13,255.38	2
Franchise No. 61	$ 476,645.00	4	$ 9,930.11	2
Franchise No. 62	$ 469,090.00	4	$ 9,772.70	1
Franchise No. 63	$ 468,848.00	3	$ 13,023.57	3

Franchised Location #	Gross Revenues	Reported # of Technicians	Gross Revenues per Tech per Month	# of Franchised Outlets
Franchise No. 64	$ 464,454.00	2	$ 19,352.25	2
Franchise No. 65	$ 403,620.00	2	$ 16,817.48	1
Franchise No. 66	$ 401,736.00	3	$ 11,159.32	1
Franchise No. 67	$ 765,874.00	5	$ 12,764.57	3
Franchise No. 68	$ 373,979.00	2	$ 15,582.46	1
Franchise No. 69	$ 326,051.00	3	$ 9,056.97	1
Franchise No. 70	$ 306,160.00	2	$ 12,756.67	2
Franchise No. 71	$ 250,415.00	2	$ 10,433.95	1
Franchise No. 72	$ 197,433.00	1	$ 16,452.75	1
Franchise No. 73	$ 146,674.00	2	$ 6,111.41	1
Average Gross Revenues: $420,576				
No./% of Franchised Locations At/ Above Average Gross Revenues: 9/50%				
High/Low Gross Revenues: $530,425 / $146,674				
Median Gross Revenues: $434,037				

Notes to Item 19:

1. "Gross Revenues" as used in this Item 19 has the same meaning as "Gross Revenues used in the Franchise Agreement. The data from which the information in the charts above was derived was reported to us by each Franchised Location. Some Gross Revenues may be generated from jobs outside a Territory. We calculated monthly Gross Revenue per technician by dividing Gross Revenues for the Franchised Location by 12 and dividing the resulting number by the number of technicians for the Franchised Location.

2. The Territory populations for the Franchised Outlets ranged from 234,420 people to 3,177,014 people (this franchisee has a legacy franchise agreement that granted this large Territory). Miracle Method franchises with larger total populations may experience higher revenues than a franchise with a standard Territory currently offered by this Disclosure Document.

3. The Franchised Locations listed in the tables above in many instances operate multiple Franchised Outlets. We allow franchisees with multiple franchised outlets to report a combined Gross Revenues figure to us. Because the Gross Revenues figures above include aggregate totals from Franchised Locations with multiple Franchised Outlets, these figures may include significantly higher revenues than the typical franchisee would generate operating a single Miracle Method Business. Please review the above table carefully as you compare the number of Businesses you will operate to the information reported above.

4. The information in this Item 19 does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from Gross Revenues to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Miracle

Method Business. Franchisees or former franchisees listed in this Franchise Disclosure Document may be one source of information.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Other than the preceding financial performance representations, Miracle Method, LLC does not make any financial performance representations. 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 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 Kelli Schroeder, 77 North Washington Street, Boston, MA 02114, (617) 997-4729, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

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

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	114	122	+8
	2023	122	136	+14
	2024	136	145	+9
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	114	122	+8
	2023	122	136	+14
	2024	136	145	+9

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

State	Year	Number of Transfers
California	2022	1
	2023	1
	2024	0

State	Year	Number of Transfers
Connecticut	2022	0
	2023	1
	2024	0
Florida	2022	1
	2023	1
	2024	2
Georgia	2022	3
	2023	0
	2024	0
Maryland	2022	2
	2023	0
	2024	1
Michigan	2022	1
	2023	0
	2024	0
North Carolina	2022	0
	2023	0
	2024	3
Virginia	2022	0
	2023	2
	2024	0
Totals	2022	8
	2023	5
	2024	6

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

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Arizona	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
California	2022	14	2	1	0	0	0	15
	2023	15	9	0	0	0	0	24
	2024	24	0	0	0	0	0	24
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Florida	2022	9	2	0	0	0	0	11
	2023	11	1	0	0	0	0	12
	2024	12	3	0	0	0	0	15

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Georgia	2022	7	1	1	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Illinois	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Indiana	2022	4	1	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Maryland	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	2	5
	2024	5	0	0	0	0	0	5
Massachusetts	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	3	0	0	0	0	6
New Hampshire	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
New York	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
North Carolina	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Ohio	2022	14	2	0	0	0	0	16
	2023	16	0	0	0	0	0	16
	2024	16	1	0	0	0	0	17
Oklahoma	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Rhode Island	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
South Carolina	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Tennessee	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Virginia	2022	6	0	1	0	0	0	5
	2023	5	2	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington D.C.	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Total Outlets	2022	114	12	3	0	0	1	122
	2023	122	16	0	0	0	2	136
	2024	136	10	1	0	0	0	145

Table No. 4
Status of Company-Owned Outlets For Years 2022-2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total Outlets	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Connecticut	0	3	0
Kentucky	0	3	0
Pennsylvania	0	3	0
Total	0	9	0

Tables 1 through 5 above represent information regarding the Miracle Method Businesses operated by us, our affiliates, and our franchisees. As explained further below, there are Miracle Method Businesses, which are substantially similar to those offered to you under this disclosure document, which were offered by our unaffiliated master franchisees in master franchise territories (the "Master Franchisees"). Information regarding the entire franchise system, including Miracle Method Businesses operated by Master Franchisees, their affiliates and their third-party subfranchisees, is included in Tables 1(a) through 5(a) further below.

For purposes of Item 20 Tables 1 through 5, we treat each franchised territory as an "outlet." As of December 31, 2024, we had 145 franchised Miracle Method Businesses. All of the information in the tables above is as of December 31 of the applicable year.

The names, addresses, and telephone numbers of each of our franchisees as of December 31, 2024 are listed at Exhibit C(1) to this Franchise Disclosure Document. The name and last known city, state and telephone number of every franchisee who had a Miracle Method Franchise terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one year period ended December 31, 2024, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is also listed in Exhibit C(1). There are 49 Franchisees on this list.

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

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document.

Miracle Method Stores Operated by Master Franchisees or Their Third-Party Subfranchisees

As described in Item 1, we previously offered, but no longer offer, Miracle Method master franchises. As of December 31, 2024, there were 2 Miracle Method Master Franchisees in the United States. These Master Franchisees have the right to open and operate Miracle Method Businesses (through their affiliates) and to offer and sell subfranchised Miracle Method Businesses to third-party subfranchisees in the following master territories in the United States: Colorado, Idaho, Iowa, Kansas, Missouri, Nebraska, Nevada, Oregon, Texas, Utah and Washington. We do not offer Miracle Method Businesses under this disclosure document in the master territories granted to our master franchisees. Neither the Master Franchisees, nor their subfranchisees, are affiliates of ours. Because the Miracle Method Businesses owned

and operated by the Master Franchisees, their affiliates, and third-party subfranchisees are substantially similar to the Miracle Method Business we offer under this disclosure document, we have included information about these Miracle Method Businesses in Item 20 for the entire franchise system below. The numbers relating to Master Franchisees and their subfranchisees in Item 20 Tables 1(a) through 5(a) were reported to us by our Master Franchisees, and then compiled in Item 20 Tables 1(a) through 5(a).

Table No. 1(a)
System-wide Outlet Summary (For Franchisor and Master Franchisees)
For Years 2022-2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised and Subfranchised	2022	162	174	+12
	2023	174	194	+20
	2024	194	202	+8
Company-Owned (by Franchisor, Master Franchisee, or Their Respective Affiliates)	2022	1	1	0
	2023	1	0	-1
	2024	0	0	0
Total Outlets	2022	163	175	+12
	2023	175	194	+19
	2024	194	202	+8

Table No. 2(a)
Transfers of Franchised Outlets from Third-party Franchisees or Subfranchisees to New Owners (Other than the Franchisor or Master Franchisees) For Years 2022-2024

State	Year	Number of Transfers
California	2022	1
	2022	1
	2024	0
Colorado	2022	0
	2023	0
	2024	1
Connecticut	2022	0
	2023	1
	2024	0
Florida	2022	1
	2023	1
	2024	2
Georgia	2022	3
	2023	0
	2024	0
Kansas	2022	0
	2023	2
	2024	0

State	Year	Number of Transfers
Maryland	2022	2
	2023	0
	2024	1
Michigan	2022	1
	2023	0
	2024	0
Missouri	2022	3
	2023	1
	2024	0
North Carolina	2022	0
	2023	0
	2024	3
Texas	2022	2
	2023	0
	2024	0
Virginia	2022	0
	2023	2
	2024	0
Totals	2022	14
	2023	7
	2024	7

Table No. 3(a)
Status of Franchised Outlets
(Owned by Third-party Franchisees or Subfranchisees) For Years 2022-2024

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Arizona	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
California	2022	14	2	1	0	0	0	15
	2023	15	0	0	0	0	0	15
	2023	15	9	0	0	0	0	24
Colorado	2022	8	0	0	0	0	0	8
	2023	8	2	0	0	0	0	10
	2024	10	1	0	0	0	0	11
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Florida	2022	9	2	0	0	0	0	11
	2023	11	1	0	0	0	0	12
	2024	12	3	0	0	0	0	15
Georgia	2022	7	1	1	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Indiana	2022	4	1	0	0	0	1	4
	2023	4	1	0	0	0	1	4
	2024	4	0	0	0	0	0	4
Iowa	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kansas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Maryland	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	2	5
	2024	5	0	0	0	0	0	5
Massachusetts	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Minnesota	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	3	0	0	0	0	6
Missouri	2022	1	3	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0		0
New Hampshire	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
New York	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
North Carolina	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Ohio	2022	14	2	0	0	0	0	16
	2023	16	0	0	0	0	0	16
	2024	16	1	0	0	0	0	17
Oklahoma	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Oregon	2022	6	0	0	0	0	0	6
	2023	6	3	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Rhode Island	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
South Carolina	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Tennessee	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Texas	2022	18	0	0	0	0	0	18
	2023	18	1	0	0	0	0	19
	2024	19	0	0	2	0	0	17
Utah	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Virginia	2022	6	0	1	0	0	0	5
	2023	5	2	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington D.C.	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Total Outlets	2022	162	16	3	0	0	1	174
	2023	174	23	0	1	0	2	194
	2024	194	12	2	2	0	0	202

Table No. 4(a)
Status of Outlets Owned by Franchisor, Master Franchisee or Their Respective Affiliates For Years 2022-2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Colorado	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
Total Outlets	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0

Table No. 5(a)
Projected Openings as of December 31, 2024 (Entire System Summary)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Connecticut	0	3	0
Kentucky	0	3	0
Pennsylvania	0	3	0
Texas	0	3	0
Total	0	12	0

For purposes of Item 20 Tables 1(a) through 5(a), we treat each franchised territory as an "outlet." As of December 31, 2024, there were 202 franchised or subfranchised Miracle Method Businesses. The names, addresses, and telephone numbers of all franchisees and subfranchisees in the entire Miracle Method System (including our third-party franchisees and the Master Franchisees subfranchisees), as of December 31, 2024, are listed at Exhibit C(2) to this Franchise Disclosure Document. The name and last known address and telephone number of every franchisee and third-party subfranchisee who has had a Miracle Method Franchise terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one year period ended December 31, 2024, or who has not communicated with us (or their Master Franchisee) within ten weeks of the Issuance Date of this Franchise Disclosure Document, is also listed in Exhibit C(2). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Included as Exhibit B are the audited consolidated financial statements of our parent, HS Group Holding Company, LLC, for the years ended December 31, 2024, 2023 and 2022. We have also included the unaudited Balance Sheet and Income Statement of HS Group Holding Company, LLC, as of, and for the period ended, March 31, 2025. Our parent, HS Group Holding Company, LLC guarantees our performance under the Franchise Agreement (see Exhibit B).

ITEM 22
CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise:

Exhibit A	Franchise Agreement
Exhibit F	Contracts for use with the Miracle Method Franchise
Exhibit H	State Addenda and Agreement Riders

ITEM 23
RECEIPT

The last pages of this Franchise Disclosure Document, are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

FRANCHISE AGREEMENT

MIRACLE METHOD, LLC
FRANCHISE AGREEMENT

Franchise d/b/a: _____

Franchise Owner: _____

Franchise Owner Address: _____

_____

Date: _____

Franchise Location: _____

_____

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ATTACHMENTS:

ATTACHMENT A	FRANCHISE DATA
ATTACHMENT B	LISTING OF OWNERSHIP INTERESTS
ATTACHMENT C	OWNERS AGREEMENT
ATTACHMENT D	PROMISSORY NOTE
ATTACHMENT E	ELECTRONIC FUNDS TRANSFER AUTHORIZATION
ATTACHMENT F	FRANCHISE OPTION AMENDMENT
ATTACHMENT G	RENEWAL ADDENDUM
ATTACHMENT H	MULTI-TERRITORY DEVELOPMENT ADDENDUM

THIS FRANCHISE AGREEMENT (the "Agreement") is made by and between MIRACLE METHOD, LLC, a Texas limited liability company ("Franchisor," "we," "us," or "our"), and _____, an individual or a corporation/limited liability company established in the State of _____ with a primary residence or principal place of business at _____ (hereinafter "Franchisee" "you" or "your") and, if Franchisee is a partnership or other business entity, "you" or "your" includes the individual partners, shareholders, or members of such entity

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

1A. *PREAMBLES.*

(1) We have, developed a proprietary system and method of restoring all types of countertops, bathtubs, sinks, showers, tile and similar surfaces and related services (collectively "Services") in homes and businesses. We have a distinctive business format, methods, procedures, designs, standards, and specifications, which we may improve, further develop, or otherwise modify.

(2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols for the operation of Miracle Method Businesses (as defined below), and we may create, use, and license other trademarks, service marks, and commercial symbols for the same use (collectively, the "Marks").

(3) We grant the right to license and operate to parties who meet our qualifications and are willing to undertake the investment and effort to own and operate a Miracle Method franchise ("Miracle Method Businesses") offering the Services and goods we authorize using our business formats, methods, procedures, signs, designs, standards, specifications, and Marks we authorize (the "Franchise System").

(4) As a franchise owner of a Miracle Method Business, you must comply with this Agreement and all Franchise System standards. Franchise System standards are defined as mandatory and suggested specifications, policies, standards, safety standards, operating procedures, and rules ("System Standards") we periodically prescribe for operating a Miracle Method Business and information on your other obligations under this Agreement to maintain the high and consistent quality critical to attracting and keeping customers of Miracle Method Businesses and preserving the goodwill of the Marks.

1B. *ACKNOWLEDGMENTS.*

You acknowledge:

(1) Attracting customers to your Miracle Method Business requires you to make continual marketing efforts.

(2) Retaining customers for your Miracle Method Business requires you to have a high level of customer service and adhere strictly to and maintain the Franchise System and our System Standards.

(3) In all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual capacity and that business dealings between you and them because of this Agreement are deemed only between you and us.

(4) We have the right to restrict your sources of services and goods, as provided in this Agreement, including Section 8D below.

(5) That you alone will exercise day-to-day control over all operations, activities and elements of your Miracle Method Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which you are required to comply with under this Agreement, whether set forth in the Manual (defined in Section 4D, below) or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Miracle Method Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Miracle Method Business.

1C. *CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.*

If you are a legal entity (an "Entity"), you agree and represent:

(1) You have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement have been provided to us and recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you bear a legend referring to this Agreement's restrictions;

(3) Attachment B to this Agreement completely and accurately describes your owners and their interests in you as of the Effective Date;

(4) Each of your owners will execute an Owners Agreement in the form attached hereto as Attachment C undertaking to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. You and your owners agree to sign and deliver to us revised versions of Attachment B to reflect any permitted changes in the information contained in Attachment B;

(5) You identified on Attachment B one of your owners who is a natural person with at least twenty-five percent (25%) ownership interest and voting power in you and has the authority of a chief executive officer (the "Managing Owner"). If you are an entity with multiple owners, one of your owners who is a natural person must have at least fifty-one percent (51%) ownership interest and voting power in you (including a spouse's interest), unless we approve otherwise in writing. You delivered to us a completed Attachment B to accurately identify the Managing Owner; and

(6) You are in good standing with the state where your entity is formed.

1D. *GRANT OF FRANCHISE.*

We grant you a franchise to own and operate a Miracle Method Business (the "Franchise") at the Premises (defined in Section 2A below). The Franchise consists of all of the assets of the Miracle Method Business you operate under this Agreement, including its revenue and the Lease. You agree to faithfully, honestly, and diligently perform your obligations under this Agreement and to use your best efforts to promote and operate the Franchise on a full-time basis.

1E. *TERM AND RENEWAL OF FRANCHISE.*

(i) The term ("Term") of the Franchise and this Agreement begins on the Effective Date and expires five years after the Effective Date, unless terminated earlier. This Agreement shall take effect when accepted by us as evidenced by signing by an authorized representative of Franchisor (the "Effective Date"). If this Agreement is signed as part of the renewal of the Franchise, then the Effective Date shall be the first day after the expiration of the Term of the prior franchise agreement, or the date upon which all parties hereto have signed this Agreement, whichever is later.

(ii) You may be eligible to renew your Franchise to operate the Miracle Method Business granted hereunder for one additional term equal to the then-current term we are generally offering to new Miracle Method franchisees, so long as you meet all conditions of renewal set forth below. We have the absolute right to refuse to renew or extend the term of the Franchise if you have, during the Term, received three (3) or more notices of default, whether or not you have subsequently cured such defaults.

(iii) You must notify us that you intend to seek renewal of the Franchise by providing written notice not less than six (6) months prior to the expiration of the Term. Failure to provide the required notice shall act as a waiver of your option to renew.

(iv) You may be eligible to renew the Franchise if you:

(a) Provide us with the required six month notice; and

(b) Are not in default under this Agreement, or any other agreement ancillary hereto; and

(c) Have not received three (3) or more notices of default during the Term, regardless of whether you cured the default(s); and

(d) Have timely paid all Royalties, fees, and any other amounts due and owing to us and any of our affiliates; and

(e) Maintain possession of the Premises for the term of the new franchise agreement and agree to update your Miracle Method Business to satisfy our then-current System Standards in the time we specify, including, but not limited to, remodeling and/or expanding the Premises and Vehicle, adding or replacing Operating Assets;

(f) Are not in default beyond the applicable cure period with us or any of our affiliates or any of your vendors or suppliers; and

(g) Enter into the then-current form of franchise agreement offered by us, which may contain terms different from those contained herein including, but not limited to, different performance standards, renewal terms, royalty structures or fees, and territory, along with our then-current Renewal Addendum and Waiver and Release of Claims. You and your owners further agree to sign, in a form satisfactory to us, an Owners Agreement, guarantees. A failure to sign these agreements and to deliver them to us for acceptance and execution within 30 days after their delivery is an election not to renew; and

(h) Pay the renewal fee of five thousand dollars ($5,000).

(v) If you continue to operate after the end of the Term without exercising an option to renew, you shall be deemed to be operating on a month-to-month basis under the terms and conditions of this Agreement. In such circumstances, and notwithstanding the foregoing, we may on 10 days written notice,

terminate this Agreement and your right to operate the Miracle Method Business.

1F. *TERRITORIAL RIGHTS.*

During the Term, and for so long as you comply with all of your obligations in this Agreement, and subject to our reservation of rights as set forth in Section 1E, neither we nor our affiliates will operate, or license another person or entity to operate, a Miracle Method Business using the Marks licensed to you that is operated from a physical location within the area defined in Attachment A (the "Territory"), incorporated by reference. However, other Miracle Method franchisees may perform Services in your Territory, in the event you do not comply with Miracle Method policy. In the event that you request to modify the Territory, and we agree to such modification, you must reimburse us for all of our actual and imputed costs associated with such modification. Except as otherwise provided in this Agreement, this Agreement does not restrict us or our affiliates and does not grant rights to you to pursue our or our affiliates' other business concepts other than the Miracle Method Business.

You agree that, both within and outside the Territory, we and/or our affiliates or franchisees or other third parties we designate have the right to provide Services to "National Customers." For purposes of this Agreement, National Customers are organizational or institutional customers whose presence is not confined to your Territory, including (for example only): business entities with offices or branches both inside and outside of your Territory; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; colleges and universities; K-12 school districts; and, any other property owner, manager, or agent of an owner that owns, controls, manages, or remodels properties located in more than one Miracle Method franchise territory. You do not have the right, unless we expressly grant such right to you in writing, to contract with national, regional and/or institutional customers (including facilities within your Territory) and you comply with the terms set forth in Section 3H of this Agreement. We have the ability to revoke such right.

We retain all rights and discretion to service National Customers within your Territory. We reserve the right in our sole discretion to allow you to participate in servicing and registering National Customers in coordination with the policies and procedures in our Manual (defined in Section 4D). We reserve the right to determine pricing for products and services provided to National Customers within your Territory. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee or third party and not with you, then we, our affiliate, any franchisee or other third party we designate may serve the customer within your Territory and you will not be entitled to any compensation.

The procedures governing our National Customers program and territory policy describing what products and services you are able to provide are in our Manual. Currently, these policies may require you to become trained and certified to do commercial work for projects that: (1) require specific training or technical certification; (2) require customer-specific certification; or (3) exceeds $5,000. These requirements may change over time.

You are prohibited from marketing or advertising to or soliciting customers located outside your Territory in all forms unless we approve otherwise in writing in our sole and absolute discretion. If we approve of your marketing, advertising or soliciting of customers outside of your Territory, then your marketing or advertising materials or solicitations must be conducted in accordance with our requirements and must conform to the requirements we establish and with the Manual including that they include our national contact information. We may revoke this approval at any time in our sole and absolute discretion. You may not provide services or sell products to customers located outside the Territory unless we state otherwise in the Manual. You may not advertise in any media whose primary or majority circulation is outside the Territory without our permission, unless the advertisement is part of a cooperative advertising program. The procedures governing our advertising and marketing are detailed in our Manual.

You may not solicit or accept orders from customers located outside of the Territory except as permitted by the Manual. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Territory. Territory infringement occurs when a franchisee provides goods or services or otherwise generates income in the territory of another Miracle Method franchisee without first obtaining the franchisee's written permission or as permitted by this Section. Any other actions which we specify in the Manual may also constitute territory infringement. Unless otherwise specified in the Manual, a franchisee who infringes upon other franchisee's territory is subject to the following, payable to us within five days after the infringement(s) are proven:

(1) First violation - $1,000 plus the invoice amount for the services performed.

(2) Second violation and subsequent violations - $5,000 plus the invoice amount for the services performed.

The total violations count is cumulative over the Term, any Interim Period and any renewal term of this Agreement regardless of where and when the violations occur. We have the right to waive these fees. Collected amounts become our property. This fee is in addition to any other rights that we may have under this Agreement (including, but not limited to, our right to terminate this Agreement), and neither our levying nor collecting any such fees shall be deemed a waiver of our other rights under this Agreement. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

1G. *RIGHTS WE RESERVE.*

Notwithstanding the grant of rights set forth above in Section 1E., we and our affiliates retain certain rights regarding the location of Miracle Method Businesses and other businesses using the Marks, or derivatives of the Marks, the sale of similar, or dissimilar, services and products, and any other activities. These rights include the right to:

(1) use and license others to use the Marks and Franchise System for the operation of Miracle Method Businesses at any location other than in the Territory, regardless of proximity to the Territory;

(2) use and license others to use the Marks and Franchise System for the operation of Miracle Method Businesses, or other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks, and service marks within the Territory if you are in default of this Agreement or if you are unable or unwilling to provide all of the products and Services that you are authorized to provide in the Territory;

(3) use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location, including within the Territory, in association with operations similar to or different than the Miracle Method Business;

(4) provide products and services similar to those offered through the Miracle Method Business through any alternate channel of distribution, including through outlets at a fixed location within the Territory and by internet;

(5) use the Marks and the Franchise System for the provision of other services and products, or in alternative channels of distribution, at any location outside the Territory;

(6) utilize any websites, including social media websites, utilizing a domain name incorporating the word "Miracle Method" or the Marks, or similar derivatives;

(7) purchase or be purchased by, merge or combine with, to convert to the Franchise

System or be converted into a new system, or affiliate with, an existing competitive or non-competitive franchise or non-franchise network, chain, or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise, or license those other businesses and/or facilities under any names or marks other than, while the Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within or outside the Territory;

(8) service, including through an affiliate, third party, or corporate owned or another Miracle Method franchisee, National Customers, including warranty work, without paying any compensation to you; and

(9) engage in any activities which are not expressly prohibited under this Section.

1H. *MODIFICATION OF FRANCHISE SYSTEM.*

You recognize and agree that from time to time we may change or modify the System and our business in any manner including, but not limited to, the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new computer programs and systems, new types or brands of products or services, new equipment requirements or new techniques and that you will accept, use and display for the purpose of this Agreement any such changes in the System, as if they were part of this Agreement at the time of execution. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including without limitation our judgment of what is in the best interests of the System, at the time our decision is made or our right or discretion is exercised. You will make such expenditures for such changes or modifications in the System as we may reasonably require. You shall not change, modify or alter in any way any material aspect of the System, without our prior written consent.

2. SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF THE FRANCHISE.

2A. *SITE SELECTION.*

We do not provide assistance in locating and contracting an office, showroom, workshop or business location (the "Premises"). You will be required to open or have a commitment to occupy an approved location for your Miracle Method Business before you begin the Initial Training (defined in Section 4A). We may terminate this Agreement and retain all amounts you have paid to us if you and we cannot agree on an acceptable location for your Miracle Method Business within 120 days after you sign this Agreement.

You acknowledge and agree that if we recommend or give you information regarding a site for the Premises that is not a representation or warranty of any kind, express or implied, of the site's suitability for a Miracle Method Business or any other purpose. You agree that you are not guaranteed any specific site and you may not be able to obtain your preferred location.

2B. *LEASE OF PREMISES.*

You agree to obtain our written approval of your proposed location before signing any lease, sublease, or other document for the Miracle Method Business. We have the right to approve the lease or sublease for the Premises (the "Lease") as well as the Lease Addendum we require be signed by you and the landlord, all before you sign these documents. The Lease and Lease Addendum must be in a form acceptable to us (although we will not directly negotiate your Lease.

You acknowledge our acceptance of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Miracle Method Business operated at the Premises. Our approval indicates only that we believe the Premises and the Lease terms meet our criteria. You must deliver to us a signed copy of the Lease within seven days after its execution. You must develop and construct the Premises. The Premises must include an office, showroom and a workshop area per our policies contained in the Manual. We may inspect the Premises while you are developing the Franchise.

2C. *FRANCHISE DEVELOPMENT AND CONSTRUCTION.*

Before the Franchise opening, you agree to do the following, at your expense:

(1) secure all financing to develop and operate the Franchise and acquire and maintain adequate capital reserves;

(2) obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses;

(3) obtain an opening inventory of authorized and approved products, materials, and supplies that meet our System Standards to operate the Franchise.

2D. *OPERATING ASSETS.*

You agree to use only the equipment, vehicle, supplies and other items ("Operating Assets") we approve for Miracle Method Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises and on the Vehicle (defined in Section 2H) only signs, emblems, lettering, logos, and display materials we approve in the Manual. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates). You must only use our telephone provider for your Miracle Method Business and are solely responsible for all applicable fees. We will own the telephone number for your Miracle Method Business.

2E. *TECHNOLOGY*

(1) Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service as required by Franchisor and otherwise meeting Franchisor's standards and specifications. Franchisee may not integrate, directly or indirectly, any third party software into the computer or other technology systems of Franchisor. Unless otherwise agreed by Franchisor, Franchisor shall have no obligation to integrate into its computer or other technology systems, any third party software used or otherwise requested by Franchisee.

i. Franchisor and its affiliates or vendors may issue credentials or other forms of access, licenses, or permissions to their systems and software. You will not share any credentials, licenses, permissions, passwords or other form of access to any software or systems with any third party. Franchisor shall have independent access to all of your systems and software, excluding any employment records, and Franchisee shall provide Franchisor, upon request, with any passwords or login ability necessary to access all such software or systems.

ii. Franchisee may not authorize any third party, including, but not limited to, vendors, marketers and sales agents, to connect to any of Franchisor's systems or software without Franchisor's prior written approval.

iii. Franchisor may require that any and all communications between Franchisee and Franchisor be made through the Internet or such other electronic medium as Franchisor may

designate, and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System. Franchisee shall only use Miracle Method branded emails obtained from Franchisor in its communications with customers, suppliers or any other third parties, in the development, promotion and operation of your Miracle Method Business.

iv. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee.

v. Franchisee will not devise, develop or implement any modifications or changes to any of the software or systems used by the Franchise System without Franchisor's prior written approval.

(2) Franchisee shall comply with all standards, laws, rules, regulations, or any equivalent thereof relating to the possession, use, control, processing, transfer, sale and storage of all data, including personally identifiable information, sensitive personal information and financial information, data privacy, and data protection, including but not limited to, as applicable, the California Consumer Privacy Act, Cal. Civ. Code Section 1798.100 et seq. Franchisee must comply with any privacy policies, security protocols or policies, data protection protocols or policies and breach or incident response protocols or policies that Franchisor may periodically establish or revise. Franchisee shall take all action necessary to ensure that all payment processing activity is PCI-DSS compliant and shall certify compliance to Franchisor upon request. Franchisee shall comply with all of Franchisor's standards, practices, policies and protocols governing the selection and use of third-party vendors for compliance, technology, security or privacy. Franchisee shall comply with all protocols and practices, whether at the direction of Franchisor or a third-party approved by Franchisor or under applicable law, for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories, and transactions concerning customers of the Miracle Method Business, unless otherwise directed by Franchisor. Franchisee waives any and all claims Franchisee may have against Franchisor or its affiliates, parents, vendors, agents and consultants as the direct or indirect result of such disruptions, failures, or attacks. If Franchisee suspects or knows of a security breach, Franchisee shall immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at its expense. Franchisee shall indemnify and hold harmless Franchisor from any suits, demands, actions, complaints, claims, investigations, fines, penalties, compliance actions and any other costs, including legal fees, compliance fees and damages, arising out of Franchisee's failure to comply with applicable data privacy or data security laws, regulations, standards, protocols or policies or any other matter addressed in this Section.

(3) Franchisee must subscribe to or obtain, and maintain and upgrade as needed, at Franchisee's expense, and use for communicating, reporting, managing, and operating the Miracle Method Business in the form and method prescribed by Franchisor, all hardware, software and systems selected and approved by Franchisor, including but not limited to computer equipment, mobile devices, point-of-sale software, field service software, accounting software, payment processing software, security software, communications software and marketing software. Franchisee shall be responsible for all costs, fees and charges for the purchases, subscriptions, maintenance and improvements required by this Section. For the avoidance of any doubt, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure or frequency limitations. Additionally, there shall be no limit on Franchisor's right to require Franchisee to replace its computer system, to replace or upgrade hardware or software used by Franchisee in the Franchised Business, or to

require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business. We may refer to our required hardware, software and systems as the "MM System".

(4) Unless otherwise waived by Franchisor in writing, Franchisor shall provide all payment processing services it may determine from time-to-time to Franchisee and its Miracle Method Business. Franchisee must have at least one account for processing credit card and other forms of electronic payment. If Franchisee has multiple bank accounts for paying or receiving payment, it must have one account per bank account. Franchisee shall pay all charges of Franchisor for these services, including any monthly fees and per transaction fees, at the times and in the manner required by Franchisor.

2F. *MM SYSTEM DATA.*

We own all data generated by the MM System concerning the Franchise including financial information of the Miracle Method Businesses and customer data and customer lists. Your right to access and use this data is granted under this Agreement, as long as you are not in default. Upon termination or expiration of this Agreement, all of your rights to such data shall terminate. We have access to the MM System, subject to applicable laws, and have the right to collect and retain any and all information and data from the MM System that concerns the Franchise and use such data as we determine. We can use this information and data in any manner to promote the System and for the sale of Miracle Method franchises including publication of financial information in our Franchise Disclosure Document. We may also publish financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our data management and intranet systems. All revenue we generate from the use of this data will belong solely to the Franchisor.

2G. *FRANCHISE OPENING.*

You agree not to open the Franchise until:

(1) we notify you in writing the Franchise meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Franchise complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, laws, ordinances, rules, regulations, requirements, or recommendations, nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) your Managing Owner, or, if applicable, Designated Manager, as defined in Section 8F, and other required attendees satisfactorily complete applicable portions of training before opening;

(3) you pay the Initial Franchise Fee (defined in Section 3A) and all other amounts then due to us;

(4) you give us certificates for all required insurance policies (as described in Section 8G); and

(5) You meet the other conditions for opening as set forth in this Agreement.

Subject to your compliance with these conditions, you agree to open the Franchise to the public no later than 120 days after the Effective Date. If this Agreement is signed as part of the purchase of multiple territories, then you may be required to sign the Multi-Territory Development Addendum attached hereto as Attachment H and your deadline to open the Miracle Method Business will be set forth in the Addendum. We may terminate this Agreement if you fail to meet our deadline for opening. In such case, we will retain

all amounts you have paid us or to our affiliates.

2H. *VEHICLE.*

You must purchase or lease at least two approved vehicles (each, a "Vehicle") for your Miracle Method Business or obtain prior approval of an alternate vehicle. Every Vehicle is subject to the terms and conditions of this Agreement. You must comply with our Vehicle policy contained in the Manual which may require you to purchase additional Vehicles, replace or refurbish Vehicles and other requirements. We anticipate you will initially need at least two Vehicles for the operation of the Miracle Method Business. You may need to purchase additional Vehicles as your Miracle Method Business grows. You must:

(1) outfit each Vehicle under the System Standards provided in the Manual and periodically update or improve the appearance of each Vehicle at our request (any such updates or improvements must be made within 30 days of our delivery of notice to you that such updates or improvements must be made); provided you;

(2) maintain the condition of each Vehicle consistent with the image of a Miracle Method Business;

(3) not use any Vehicle for any purpose other than the operation of the Business as described herein unless you obtain written authorization from us;

(4) place or display on each Vehicle only the signs, emblems, lettering and logos we provide or approve;

(5) not sell or otherwise transfer any Vehicle (other than to us) without our prior written approval and without first removing all the Marks from the Vehicle; and

(6) allow us to inspect each Vehicle as described in the Manual and upon our request.

3. FEES / PAYMENTS.

3A. *INITIAL FRANCHISE FEE.*

You must pay us an initial franchise fee of $50,000 (the "Initial Franchise Fee") when you sign this Agreement unless you finance the Initial Franchise Fee, in which case Franchisee shall execute the Promissory Note attached as Attachment D. Franchisee acknowledges and agrees that the Initial Franchise Fee is nonrefundable, unless you have executed the Franchise Option Amendment attached as Attachment F to this Agreement, and fully earned upon execution of this Agreement.

3B. *ROYALTY FEE.*

You agree to pay us a monthly royalty fee ("Royalty") in the manner provided below (or as the Manual otherwise prescribes). For the first six months after the Effective Date, the Royalty shall be equal to five and one-half percent (5.5%) of your Miracle Method Business' Gross Revenue per month. After this six month period, the Royalty shall be equal to the greater of: (1) five and one-half percent (5.5%) of your Miracle Method Business' Gross Revenue (defined in Section 3C) per month; or (2) the monthly minimum royalty fee determined in advance for the entire Term of the Agreement ("Minimum Royalty Payment") as listed in Attachment A.

The Minimum Royalty Payment will be pro rata for any partial months. In the event Royalties calculated on Gross Revenue for any month do not exceed the applicable Minimum Royalty amount, then the Minimum Royalty amount must be paid. For the avoidance of doubt any Gross Revenue from work performed outside of your Territory is subject to the payment of Royalties.

3C. *DEFINITION OF "GROSS REVENUE."*

"Gross Revenues" means the revenues you earn or generate from the sale of all goods, products and services sold at, from or through your Miracle Method Business and all other income, revenue and consideration of every kind and nature related to the Miracle Method Business, whether for cash or credit, and regardless of collection in the case of credit, and all proceeds from any business interruption insurance, but not including: (1) any sales taxes or other taxes you collect from customers for, and thereafter paid directly to, the appropriate taxing authority; and (2) any bona fide refunds you make to customers. You must comply with our "Royalty Fee Calculation Policy," which is contained in the Manual and may be updated from time to time.

3D. *LATE PAYMENTS / INTEREST / PARTIAL PAYMENT*

If any fee or other payment due under this Agreement is not paid on the date such payment is due, you shall pay interest to us at the rate of the lesser of twelve percent (12%) per annum, or the maximum rate permitted by applicable law, from the date such amounts were originally due until the date paid. In the event any payment (including a late fee), including an electronic transfer made to Franchisor that is dishonored, fails to process, does not cover the amounts due or is returned, is not received by us by the established due date, you further agree to pay us a late fee ("Late Submission Fee") of One Hundred Dollars ($100) per violation, which is intended to reimburse us for our expenses and to compensate us for our inconvenience, and does not constitute interest. Any acceptance of an amount which is less than the full amount due, shall not be considered a waiver of our right to (or your obligation for) the full amount then due, or which may become due in the future.

3E. *APPLICATION OF PAYMENTS.*

Despite any designation you make, we may apply your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of our obligations under this Agreement.

3F. *METHOD OF PAYMENT.*

(1) Franchisee shall remit the all amounts due hereunder to Franchisor or its affiliates via electronic-funds transfer/direct debit or such other means as required by Franchisor. You must sign and deliver to us an irrevocable EFT Authorization attached hereto as Attachment E to enable our financial institution to debit your primary bank account in order to pay us all amounts due to Franchisor or its affiliates. Franchisee will, at all times during the Term of this Agreement, maintain a balance in its bank account sufficient to allow the appropriate amount to be debited from Franchisee's account for payment of all amounts due hereunder. All costs and expenses, including any resulting from the rejection by your bank of any electronic funds transfer, shall be your sole responsibility. The EFT Authorization is irrevocable and shall remain in effect until thirty (30) days after the termination or expiration of this Agreement. Unless otherwise stated herein, all fees payable under this Agreement shall be due as stated in our Manuals, beginning on the month following the first full month after the date that the Miracle Method Business commences operations. Any other amounts owed to Franchisor or its affiliates shall be due and payable within ten (10) days following Franchisee's receipt of an invoice therefor.

(2) Franchisor reserves the right, upon thirty (30) days' prior notice to Franchisee, to change the frequency of payment of any fees or other amounts, including charging and collecting any fees or other amounts weekly or on any other billing cycle rather than monthly or annually, provided that such fee will be prorated based on the number of days in the applicable billing cycle. Franchisor may modify any payment due dates stated in this Agreement in its sole discretion at any

time upon thirty (30) days notice to you.

(3) Each Royalty payment shall be, without exception, accompanied by a statement of the previous month's Gross Revenues on a form approved and provided to Franchisee by Franchisor. This form may be electronic or generated by the proprietary software. Each failure to include a fully completed statement of the previous month's Gross Revenues with the Royalties payable to Franchisor when due shall incur a late fee of $100 per occurrence and $100 per week until the report is submitted and constitute a material breach of this Agreement.

(4) For any payment Franchisee makes to Franchisor by credit card, Franchisor reserves the right to charge up to four percent (4%) of the total payment as a service charge.

3G. *TECHNOLOGY FEE.*

You must utilize our designated hardware, software and systems for the operation of your Miracle Method Business. You must pay us our then-current monthly technology fee ("Technology Fee"). The Technology Fee shall be paid at the same time and in the same manner as Royalty payments are made, and the Technology Fee is payment for software, website hosting, and other systems and services we may require. In addition to the Technology Fee, you are required to use an accounting system approved by us and pay all fees associated with your use of the accounting system to our designated supplier. You must also purchase email user licenses from us, and pay our then-current monthly fee for such licenses.

3H. *NATIONAL ACCOUNTS PROGRAM ADMINISTRATOR FEES.*

If we approve of your request to service National Customers, you must first execute our then-current "Addendum to Franchise Agreement for National Account Participation". You will pay to us or our affiliate our then-current administrator fee ("Administrator Fee") for work performed for any National Customer. We will notify you within ten (10) business days of any changes to the Administrator Fee. We may revoke your right to service National Customers at any time. The Administrator Fee is deemed fully earned by us and is not refundable under any circumstances.

3I. *SUPPLEMENTAL TRAINING FEE.*

You must pay us a fee of $6,000 ("Supplemental Training Fee") when you sign this Agreement. During the two-year period following the opening of your Miracle Method Business, the Supplemental Training Fee covers costs and expenses associated with the training of new technicians and other staff at a location we designate ("Supplemental Training Program"). When one of your technicians or staff members successfully completes the Supplemental Training Program, we will apply a credit towards Supplemental Training Fees due by you to us under this Agreement. Any portion of the Supplemental Training Fee that has not been used for the training of your staff during the two-year period following the opening of your Miracle Method Business will be forfeited and retained by us. The credit for each Supplemental Training Program will be equal to the greater of $600 per trainee who completes the program or $200 per day per trainee.

3J. *BRAND FUND FEE.*

You must pay us a monthly fee to support the Brand Fund of, two percent (2%) of the Gross Revenues from the preceding month (the "Brand Fund Fee").

3K. *ADDITIONAL FEES.*

You shall pay to us and any third parties approved by us, the then-current fees for any telephone, software, equipment, materials, products, services or other items that you purchase from us or any third

party, or that you are required to purchase from us or any third party, or that we or any third party approved by us provides to you, under the System and in accordance with this Agreement.

3L. *INCREASES.*

We have the right to increase any fees or other amounts we or our affiliates charge you, excluding the Royalty, the Minimum Royalty, and the Brand Fund Fee. We will not increase any fee or other amount more than once each calendar year. Except as set forth below, any such increase shall not exceed ten percent (10%) of the then-current fee or other amount for such year. Adjustments are compounded annually and cumulative including increases in any given year of greater than ten percent (10%) to adjust for prior years when no increase was implemented, or an increase of less than ten percent (10%) was made. We will provide thirty (30) days' notice of any such changes.

The annual adjustment cap discussed above is not applicable to any fee that is "optional", meaning that it is charged by Franchisor or a third party for a service or product that Franchisee is not required to purchase under the terms of this Agreement. It also does not apply to fees or other charges where Franchisor or an affiliate are collecting fees or other amounts on behalf of third-party suppliers In these situations, we and any third party may increase these fees or other amounts without restriction.

3M. *TIMING.*

Unless otherwise stated herein, all fees in this Agreement shall be due and payable beginning with the month in which the Miracle Method Business commences operations in the Territory. If this Agreement is entered into in connection with a renewal of the Franchise or transfer of the Miracle Method Business, then all fees and other amounts shall be payable beginning as of the Effective Date. If any payment due date is not a business day, the payment will be due on the next immediate business day.

3N. *ADVANCES / NO SETOFF*

Franchisee shall pay us all amounts, if any, advanced by Franchisor or which Franchisor has paid, or for which it has become obligated on Franchisee's behalf for any reasons whatsoever, promptly upon Franchisor's notice to Franchisee of such amounts being due and payable. Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement or otherwise or setoff any such amounts against any amounts claimed to be due to Franchisee.

3O. *TAXES.*

If any withholding, sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on account of any amounts payable under this Agreement, Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any income taxes imposed upon Franchisor).

4. TRAINING AND ASSISTANCE.

4A. *SHADOWING, INITIAL TRAINING AND SUPPLEMENTAL TRAINING*

After you sign this Agreement and before you attend our initial training program, you or your Managing Owner if you are an entity, must successfully complete five days of on-the-job training at a Miracle Method Franchise location we designate. We do not charge a fee to attend on-the-job training, but you must pay for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses.

Before the Miracle Method Business opens, you, your Managing Owner if you are an entity, and at least four members of your staff, including your Designated Manager, if any, must complete our initial training program ("Initial Training") to our satisfaction. We will provide up to 15 days of technical,

marketing and administrative training. Initial Training will include instruction in basic repair and refinishing services and is described more fully in the Manual.

We will provide Initial Training for no fee for up to four attendees, provided each attends Initial Training at the same time. Additional persons may attend Initial Training at our then-current training fees, subject to our approval. Your staff must complete all training before you open your Miracle Method Business. You are responsible for all travel and living expenses, and wages and worker's compensation insurance during your attendees' training. We reserve the right to dismiss any trainee at any time.

If you or any of your attendees do not complete any part of the Initial Training to our satisfaction, we may terminate the Agreement and retain all amounts you have paid to us. You may not provide Services without our written authorization, which we may withhold or revoke in our sole discretion. We may condition our approval of additional services not included in the Initial Training on your completion of additional training or certification programs in accordance with Section 4B of this Agreement.

4B. *ADDITIONAL TRAINING.*

During the term of this Agreement, you, your Managing Owner if you are an entity, your Designated Manager, and your other employees we may identify will be required to satisfactorily complete various training programs, courses, workshops, certification programs and continuing education courses ("Additional Training") we periodically provide, at your cost, at the times and locations we designate. We may charge an attendance fee for Additional Training, and you will be required to pay all travel and living costs of your attendees.

We may require you, your Managing Owner if you are an entity, your Designated Manager, or other members of your staff to attend seminars or training programs as required in the Manual and charge you for these programs. Attendance at these training programs will be mandatory at your sole expense. You are responsible for all travel, living expenses, and wages for your attendees.

You must comply with our "Continuing Education Policy," which is contained in the Manual and may be updated from time to time. Failure to do so constitutes a default of this Agreement.

We may at our option, from time-to-time conduct conventions or host meetings of some or all of our franchisees ("Conventions"). You, your Managing Owner if you are an entity, or your Designated Manager, if any, must attend these Conventions. The duration, curriculum and location of the Conventions will be determined by us in our sole discretion. You are required to pay the then-current registration fee for each attendee, regardless of whether you or they attend the Convention. You may choose to send more than one person to each Convention, subject to attendance limitations imposed by us, and you will be required to pay the then-current registration fee for all such additional attendees. You are solely responsible for all of the expenses incurred in connection with attending the Conventions, including, without limitation, registration, travel, transportation, hotel/lodging, food/meal expenses and wages.

You, your Managing Owner if you are an entity, or your Designated Manager must attend at least one workshop every calendar year. Attendance at these workshops is at your expense. If you do not meet the attendance requirements of the continuing education programs as specified in the Manual, you will be required to pay us the then-current "Absentee Fee" which is listed in our Continuing Education Policy

We may also preclude you from participating in Conventions, meetings, or other Additional Training if you are in default of this Agreement. You understand and agree that any specific ongoing training or advice we provide does not create an obligation to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4C. *GENERAL GUIDANCE.*

We will advise you from time to time regarding the Franchise operations based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, operating procedures and methods that Miracle Method Businesses use; (2) purchasing required and authorized Operating Assets and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) technician training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

4D. *MANUAL.*

Our franchise operations manual ("Manual") comprises, but is not limited to, collectively, all directives, policies, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, email, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or for Franchisor for use by franchisees generally, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the Miracle Method Business or the operation of franchises, as same may be added to, deleted or otherwise amended by Franchisor from time to time. The form and content of the Manual maintained by Franchisor shall prevail in the event of any dispute regarding the form of or content of the Manual between Franchisor and Franchisee. We will make available to you on our website during the Franchise term, our Manual, which could include audio, video, compact disks, computer software, other electronic media, and/or written materials. We may modify the Manual periodically to reflect changes in System Standards. You acknowledge that your compliance with the Manual is vitally important to us and other Franchise System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation through the Franchise System. However, while the Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to- day operation of the Miracle Method Business.

You agree the Manual's contents are confidential and that you will not disclose the Manual to any person other than Miracle Method Business employees who need to know its contents.

At our option, we may post some or the entire Manual on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access the website or extranet for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information (defined in Section 6 below).

4E. *DELEGATION OF PERFORMANCE.*

You agree we have the right to delegate to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted: (1) the performance of any portion or all of our obligations under this Agreement; and (2) any right that we have under this Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

4F. *STAFFING.*

You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Miracle Method Business and set and pay their wages and incentives with no liability on us. You understand and acknowledge it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the Miracle Method Business and meet your obligations under this Agreement. You agree to inform each of your employees that you alone are their employer, and that we are not. At no time will you or your employees be deemed to be our employees. You alone are

responsible for all employment decisions and functions of your Miracle Method Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will not have the power to hire or fire your employees and/or independent contractors. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for the Miracle Method Business does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law.

4G. *NOTICE.*

If you believe that we or our affiliates have failed to adequately provide any training, assistance or other services to you in accordance with this Agreement, you will notify us in writing within 30 days following ours or our affiliates' provision of such services. Without the timely provision of such notice to us, you will be deemed to conclusively acknowledge that all such training, assistance or services required to be provided by us or our affiliates were sufficient and satisfactory in your judgment.

5. INTELLECTUAL PROPERTY.

5A. *OWNERSHIP AND GOODWILL OF MARKS.*

Your right to use the Marks is derived only from this Agreement and limited to your operating the Franchise according to this Agreement and all System Standards we prescribe. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that any unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchise under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not, during or after this Agreement's Term, contest or assist any other person in contesting the validity, or our ownership, of the Marks.

5B. *LIMITATIONS ON YOUR USE OF MARKS.*

You agree to use the Marks as the Franchise's sole identification, except you agree to identify yourself as its independent owner and operator in the manner we prescribe in the Manual or otherwise in writing to you. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark: (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; or (4) in any other manner we have not expressly authorized in writing. You may not use any Mark as part of any domain name, homepage, electronic address, social media website, or otherwise for a website, without our prior written consent, and then only on the terms we specify. Unless we otherwise

approve, you may not independently market your Miracle Method Business on the Internet, including through social media, crowdfunding campaigns, or blogs, or use any domain name, address, website, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without our prior written approval. You will provide us with content for our Internet marketing, and will sign Internet and intranet usage agreements, if any. We retain the right to approve any linking or other use of any other websites. You agree we may post information regarding your performance and the performance of other franchisees on our intranet system.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchise or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Franchise and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5C. *NOTIFICATION OF INFRINGEMENTS AND CLAIMS.*

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

5D. *DISCONTINUANCE OF USE OF MARKS.*

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not reimburse you for any expenses you may incur in changing the Franchise signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

5E. *COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS.*

Franchisee acknowledges and agrees that:

(1) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Miracle Method Business ("Copyrighted Materials") are the property of Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use such Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to

Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section.

(2) Franchisee shall not dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Copyrighted Materials or Franchisor's ownership of the Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Copyrighted Materials other than those expressly granted by this Agreement.

(3) Franchisor may, in its sole and absolute discretion, apply to register or register any copyrights with respect to the Services and products associated with the Franchise System and the Copyrighted Materials. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee shall not, before or after termination or expiration of the Agreement, register or apply to register any Copyrighted Materials, anywhere in the world.

(4) Upon Franchisor's request, Franchisee shall cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and products associated with the Franchise System. Franchisee irrevocably appoints Franchisor as its attorney-in-fact to execute such documents.

(5) Franchisor makes no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Copyrighted Materials.

(6) Any improvements or additions to the Franchise System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the Franchise System or the Franchise, or any new trade names, trade and service marks, logos, or commercial symbols related to the Miracle Method Business or Franchise or any advertising and promotional ideas or inventions related to the Miracle Method Business or Franchise (collectively, the "Improvements") conceived or developed by Franchisee shall become Franchisor's property. Franchisee agrees to assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements. Any such Improvement may be used by Franchisor and all other Miracle Method franchisees without any obligation to Franchisee for royalties or other fees. Franchisor may, at its discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor in securing such rights. Franchisor may also consider such Improvements as its property and trade secrets. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by Franchisee or any other person or entity retained or employed by Franchisee is Franchisor's property, and Franchisor shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the

Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

6. CONFIDENTIAL INFORMATION.

6A. *MIRACLE METHOD CONFIDENTIAL INFORMATION.*

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating Miracle Method Businesses, including (without limitation):

(1) site selection criteria;

(2) training and operations materials and manuals;

(3) methods, formats, specifications, technical procedures, formulas, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Miracle Method Businesses;

(4) marketing and advertising programs for Miracle Method Businesses;

(5) knowledge of, specifications for and suppliers of Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Miracle Method Businesses other than the Franchise; and

(8) all customer data, lists and other information generated by Miracle Method Businesses.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the refinishing industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the refinishing industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

Your Designated Manager, if any, must sign our System Protection Agreement and a written agreement to maintain our Confidential Information described in Sections 6 and 14, and to abide by the

covenants not to compete described in Section 14 (the "Confidentiality Agreement").

6B. *RESTRICTIONS ON CONFIDENTIAL DATA.*

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Franchise while this Agreement is in effect, that Confidential Information is our proprietary information, and includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(1) will not use Confidential Information in any other business or capacity;

(2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then;

(3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to your personnel who have a need to know to perform their duties on your behalf and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You agree to provide us with information that we may reasonably require with respect to data and cybersecurity requirements. You agree to indemnify us for any loss of data, including but not limited to customer information, resulting from a breach of such data caused in whole or in part by your acts or negligence.

(5) will not use any of the Marks, any part of the Franchise System or any Confidential Information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities without Franchisor's express written consent. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. Franchisee must not, without Franchisor's prior written consent, input any of the foregoing into any generative AI platform, or disclose such information to any provider or source of generative AI services. Franchisee must opt out of allowing any provider or source of generative AI to utilize any of the foregoing for training of any AI model or for other purposes.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's Term, neither you, any of your owners, nor any of your or your owners' spouses or other immediate family members of you or your owners will:

(1) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a "Competitive Business" (defined below in this Section), wherever located or operating (except that equity ownership of less than three percent (3%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph), or loan money to or perform services for a Competitive Business;

(2) loan money to a Competitive Business, perform services for a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business; wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of the Franchise to a Competitive Business;

(4) interfere with our or our other franchisee's Miracle Method; or

(5) engage in any other activity which may injure the goodwill of the Marks and Franchise System.

The term "Competitive Business" means: (1) any business that provides remodeling, restoration, renovation, surface refinishing or remodeling services; or any business granting franchises or licenses to others to operate such type of business; or (2) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (1); provided that a Miracle Method Business operated under a franchise agreement with us is not a Competitive Business.

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training programs or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

8. SYSTEM STANDARDS.

8A. *CONDITION AND APPEARANCE OF THE FRANCHISE.*

You agree that:

(1) you will maintain and refurbish the condition and appearance of the Franchise, its Operating Assets, the Vehicles, and the Premises in accordance with System Standards and consistent with the image of a Miracle Method Business as an efficiently operated business offering high quality services and products and observing the highest standards of cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the Term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display on the Vehicles and at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve;

(3) you must maintain at all times during the term of this Agreement, at your expense, the Miracle Method Business, in good working order and otherwise meeting Franchisor's standards and specifications. All equipment, fixtures, furnishings, signs, artwork, décor items and inventory, supplies, computer hardware, software and other technology systems, including payment processing systems, mobile devices, point-of-sale software, field service software, accounting software, payment processing software, security software, communications software, marketing software, electronic applications, insurance and advertising and marketing materials, must meet Franchisor's specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires;

(4) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Vehicles or Premises of the Franchise or its fixtures, furnishings, equipment or signs does not meet our standards, specifications and requirements (including as provided in the Manual), we have the right to notify you, specifying the action you must take to correct the deficiency, and you are required to at your own cost and expense, to purchase and install all fixtures,

furnishings, equipment, supplies and signage to conform to the aforementioned standards, specifications and requirements. If you do not initiate action to correct such deficiencies within 10 days after you receive our notice, and then do not continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, we have the right, in addition to all other remedies, to enter the Premises of the Franchise and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(5) at our request, you will periodically improve and modify the Franchise, Vehicles and the Premises to conform to the then-current System Standards.

8B. *SPECIFICATIONS, STANDARDS AND PROCEDURES.*

You agree that: (1) the Franchise will offer only the Services and products that we specify from time to time; (2) the Franchise will offer and sell approved Services and products only in the manner we have prescribed; (3) you will offer and sell only Services and products for which you have been trained and authorized to provide; (4) you will not offer for sale or sell at the Franchise, the Premises or any other location any products or services we have not approved; and (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) to disapprove in writing.

8C. *CUSTOMER INFORMATION.*

We may contact any customer of any Miracle Method Business at any time for any purpose. Also, if we are contacted by a customer or other patron of the Franchise who wishes to lodge a complaint, we reserve the right to address the person's complaints in order to preserve goodwill and prevent damage to the brands. Our right to address complaints includes the right (or if you cannot do so properly – another Miracle Method franchisee) to correct or redo the work performed. In these circumstances, you must reimburse us, or, if we request, you must reimburse the provider of services, for these amounts. We, or our authorized representative, shall have the right, during regular business hours, or at such other times as may be mutually agreed upon by you and us, to inspect all customer lists and documents and records related thereto. Upon reasonable request, you must furnish to us in whatever format we require, all customer information and records for the Franchise, both active and inactive, which shall include, but not be limited to, names, addresses and telephone numbers of such customers (hereinafter collectively referred to as "Customer Lists"). You acknowledge and agree that we are the sole owner of the Customer Lists and that you shall not use the Customer List for any purpose other than for the operation of the Franchise or distribute, in any form or manner, the Customer Lists to any third party without our prior written consent. We are solely entitled to any revenue generated from our use of the Customer Lists during or after the Term of this Agreement.

8D. *APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.*

We have developed or may develop standards and specifications for types, models and brands of required Operating Assets, other products, materials and supplies. You are required to use our proprietary bonding and cleaning agents. We reserve the right from time to time to approve specifications for suppliers, trainers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products and training meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates.

We may designate ourselves or any affiliate or any other third party may as the approved distributor or supplier of any individual item or service, whether a required item or otherwise. Franchisor, an affiliate, or any other third party may be the sole approved supplier for any item. Franchisee acknowledges and agrees that Franchisor or its affiliates may derive revenue or other benefits based on Franchisee purchases and leases, including from charging Franchisee for products and services Franchisor or its affiliates provide to Franchisee and from rebates, promotional allowances, volume discounts, and other payments made to

Franchisor by approved suppliers or others providing products, services or other items to Franchisee or the Franchise System. Franchisor and its affiliates may use all amounts received from suppliers, whether or not based on Franchisee's or other franchisees' actual or prospective dealings with them, without restriction for any purposes it deems appropriate. If Franchisee derives any revenue based on payments or promotional allowances received from suppliers and/or distributors, it must report to Franchisor the details of the arrangement and such revenue shall be included as part of Franchisee's Gross Revenues. The designated supplier may be us or an affiliate of ours. You must allow us unlimited access to data collected by the MM System.

We may concentrate purchases with one or more suppliers. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time. You acknowledge that and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for services and products we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve for some or all of our franchisees.)

You are required to use our designated suppliers, which may be us or our affiliates.

If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. (Alternatively, the proposed supplier or distributor may submit its own request.) We will use commercially reasonable efforts to notify you within 90 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service or to purchase or lease the product or service from that supplier or provider. We may charge the cost of evaluating a proposed new vendor/supplier and/or its product to you or the vendor/supplier. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We currently supply the bonding agent that is used in the operation of the Miracle Method Business to franchisees at no cost. We reserve the right to charge for this in the future or utilize an outside vendor or affiliate to supply this product. You may be required to pay a fee (as indicated in the Manual) for "excessive use" of this product. Excessive use for purposes of this Section means the use of kits exceeding a ratio of one bonding agent kit per $4,000 of Services sales.

8E. *COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.*

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and must at all times operate the Franchise in full compliance with all applicable laws, ordinances and regulations, federal, and state. You must withhold and pay all applicable federal and state taxes, social security taxes and sales, use and service taxes. The Franchise must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Miracle Method Businesses. You must notify us in writing within five (5) days of the threat of or commencement of any inspection, 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 may adversely affect your operation or financial condition or that of the Franchise and of any notice of violation of any law, ordinance, or regulation relating to the Franchise.

8F. *MANAGEMENT OF THE FRANCHISE.*

Subject to the terms of this Section, the Franchise shall be managed by you, or if you are an Entity, by the Managing Owner. You (or the Managing Owner if you are an Entity) must operate the Business on a full-time basis and supervise the day-to-day operations of the Franchise and continuously exert your best efforts to promote and enhance the Franchise unless otherwise specified in the Manual. At your request, we may, in our sole discretion, but are not obligated to, agree for you to employ a Designated Manager (other than the Franchisee/Managing Owner) to operate the Franchise ("Designated Manager"). The term "Designated Manager" means an individual with primary day-to-day responsibility for the Franchise's operations. The Designated Manager shall have similar responsibilities as a Managing Owner. You must deliver to us a completed Attachment B accurately identifying the Designated Manager. You must ensure that the Designated Manager devotes his or her full time, best efforts, and constant personal attention to the Franchise's operations, and must have full authority from you to implement the Franchise System at the Franchise. You must not hire any Designated Manager or successor Designated Manager without first receiving our written approval of such Designated Manager's qualifications. Each Designated Manager and successor Designated Manager must attend and complete our Initial Training Program approved by us within the first 60 days of employment. Each Designated Manager must sign a Confidentiality Agreement (as discussed in Section 6A above). You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the approved training program, that your Designated Manager (if any) is not qualified to act as Designated Manager of the Franchise, then we have the right to require you to choose (and obtain our approval of) a new individual for that position. If we allow you to appoint a Designated Manager, you or your Managing Owner if you are an entity, will still be required to attend all Additional Training conducted throughout the Term of the Agreement. However, if your Designated Manager ends his/her employment relationship with you, whether voluntary or by force, you must participate in the management of the business on a full-time equivalent basis until a replacement Designated Manager is hired and trained to our satisfaction. If you replace a Designated Manager for any reason, you will be required to manage the Miracle Method Business until the new Designated Manager has satisfactorily completed our training program.

8G. *INSURANCE.*

During the Term of this Agreement you must maintain in force at your sole expense comprehensive commercial general liability, worker's compensation, product liability, and property insurance and any other types of insurance we require. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with the Franchise operation or activities of your personnel in the course of their employment (within and without the Franchise Premises). All of these policies must contain the minimum coverage we prescribe from time to time in our Manual, and must have deductibles not to exceed the amounts we specify. If your state requires more coverage than we prescribe, you will be required to obtain insurance that satisfies your state law requirements. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any. These insurance policies must be purchased from an insurance company reasonably satisfactory to us and must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including without limitation termination, we may (but need not) obtain such insurance for you and the Franchise on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus an administrative fee of ten percent (10%) for our time incurred in obtaining such insurance

8H. *PRICING.*

We may, from time to time, make suggestions to you with regard to your pricing policies, in compliance with applicable laws. We reserve the right to establish minimum and maximum prices to be charged by you, subject to applicable laws, but any exercise of that right will be specifically set forth in writing.

8I. *COMPLIANCE WITH SYSTEM STANDARDS AND WARRANTY.*

You acknowledge and agree that operating and maintaining the Franchise according to System Standards is essential to preserve the goodwill of the Marks and all Miracle Method Businesses. Therefore, you agree at all times to operate and maintain the Franchise according to all of our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Franchise and implementing and maintaining System Standards at the Franchise. You agree to participate in the Miracle Method warranty program. For each service that you perform at your Miracle Method Business, you will give to the customer a copy of the standard Miracle Method "Warranty Information," as specified in the Manual. It is your responsibility and obligation to honor the warranty specified in the Warranty Information for Services performed by you. This obligation survives termination of this Agreement.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8A through 8I above:

(1) amounts and types of equipment and inventory requirements for products and supplies so that the Franchise may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for Services and products that you obtain from us and affiliated and unaffiliated suppliers; and our affiliates' right not to sell you any products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

(3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;

(4) use and display of the Marks at the Franchise and on labels, forms, paper, products, and other supplies;

(5) identifying the Franchise personnel; and employee qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

(6) days and hours of operation;

(7) surveillance and security systems and procedures and our right to connect to and/or monitor such systems;

(8) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(9) accepting credit and debit cards, other payment systems, and check or credit verification services and compliance programs and systems relating to the same. You agree to maintain relationships with credit and debit card issuers or sponsors we may periodically designate,

and you agree to comply with the then-current Payment Card Industry Data Security Standards or similar standards that we may reasonably specify;

(10) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchise; and

(11) any other aspects of operating and maintaining the Franchise that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Miracle Method Businesses.

You agree that System Standards we prescribe in the Manual, or otherwise communicate to you in writing or another tangible form (for example, via a Franchise System extranet or Website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

8J. *MODIFICATION OF SYSTEM STANDARDS.*

We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Franchise and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises, Vehicle or any other aspect of the Franchise, buying new Operating Assets, adding new services and products, adding personnel or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

8K. *MYSTERY SHOPPER PROGRAM.*

To ensure uniformity and compliance with the System Standards, we may have a mystery shopper visit or contact your Franchise. We may, but are not obligated to, share the results of the mystery shopper with you. You will not be charged for any mystery shoppers that we send to your Franchise unless it is done at your request.

8L. *CONTINUOUS OPERATION OF BUSINESS.*

You acknowledge and agree that if your Miracle Method Business is closed or otherwise not operated for a period of five consecutive business days, not including state recognized holidays or weather related closures, or more without our prior written consent, the closure or failure to operate will constitute your voluntary abandonment of the franchise, and we have the right, in addition to other remedies provided for herein, to terminate this Agreement and the Franchise operated hereunder. Acts of God, war, strikes or riots preventing you temporarily from complying with the foregoing will suspend compliance therewith for the duration of the interference.

9. MARKETING.

9A. *BRAND FUND.*

We have established a brand fund (the "Brand Fund") for advertising, marketing, developing and promoting the System and the Marks. You agree to pay to the Brand Fund, at the same time and in the same manner as the Royalty payments, two percent (2%) of the Gross Revenues from the preceding month beginning in the first month after operation of your Franchise begins (the "Brand Fund Fee"). You must comply with our advertising policy contained in the Manual.

You agree that we, in our sole discretion, shall have the right to establish, administer, and control

the Brand Fund to market and promote the Marks and any other names or marks we use in the System, including for the development, production, and distribution of advertising, and in the creation of advertising materials and public relations which promote the foregoing, in our sole judgment,; to pay for agency costs and commissions; to pay the costs to create and produce video, audio and written advertisements; to pay for direct mail and other media advertising, including internet advertising, internet search engine campaigns, and the cost to maintain and update our websites, web pages, social media and social networking sites, profiles and accounts; for the costs to create and maintain any applications, whether web-based or otherwise, and for the costs of search engine optimization; in-house staff assistance and related administrative costs, including salaries; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities. We may also use money in the Fund to pay for coaching and training for our franchisees in marketing, advertising, recruiting and sales. It is our responsibility to determine how monies in the Brand Fund are spent.

There is no requirement that the Brand Fund be audited. Neither we nor our affiliates are obligated to contribute to the Brand Fund. You acknowledge and agree that we have sole discretion to determine expenditures of funds collected for the Brand Fund and to select the materials and programs for which the expenditures are made, if any. You acknowledge and agree that you may not benefit directly or on a pro rata basis from Brand Fund expenditures. Within a reasonable period of your request, we will provide an unaudited annual accounting of the expenditures of the Brand Fund for the prior year. If we terminate the Brand Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Brand Fund contributions during the preceding 12-month period.

9B. *LOCAL ADVERTISING.*

In addition to your Brand Fund contribution obligations, we recommend, but do not require, except for the pre-opening advertising expenditure requirement referenced in Section 9C, that you spend money on local advertising and marketing.

Your local advertising and promotion must meet our specifications. Franchisee may not develop advertising materials or marketing programs, including any digital or Internet marketing, for use in the Franchise without Franchisor's approval. All advertising and promotional materials that you develop for the Franchise must contain notices of our Website's domain name and your status as an independently owned and operated franchise in the manner we designate. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

Before you use them, you agree to send us or our designated agency for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

When two or more Miracle Method Businesses operate in a Metropolitan Statistical Area ("MSA"), Miracle requires you to participate in a cooperative advertising council ("Coop") to advertise within the MSA. Franchisor has the sole authority to establish and define Coop policy. All franchisees in the MSA must participate and contribute to the advertising program to support the promotion of the Miracle Method Businesses within the MSA. The Coop must operate according to our policy in the Manual. Coop advertising programs must be related to the general promotion of Miracle Method Businesses within the MSA.

If Coop members cannot agree upon a calculation method for contributions or if the Coop members cannot agree on contribution amounts exceeding those listed below, then you must pay us a monthly minimum coop advertising fee in accordance with our Manual ("Minimum Coop Advertising Fee") which will be spent on advertising in your market area.

9C. *PRE-OPENING MARKETING.*

You agree to pay us $10,000 to conduct an initial advertising and promotional program for the Franchise, and use any particular media and advertising agencies we may designate in connection with such program. The fee is due within 60 days of signing the Franchise Agreement and is not refundable.

9D. *INTERNET PRESENCE*

Franchisor will establish an Internet Presence to promote the Miracle Method Business within the Territory. Franchisor shall have the sole right to perform any website development or maintenance services with respect to this Internet Presence and Franchisee shall use no other party for such services, unless otherwise approved by Franchisor. Franchisee shall, upon request by Franchisor, provide content for the Internet Presence, which may include contact and address information, hours of operation, fees, photos, video, social media posts, and such other information about the products and services offered through the Miracle Method Business as Franchisor may require. Franchisor must approve any and all changes to content provided by Franchisee and the Internet Presence for the Miracle Method Business shall contain only such information as Franchisor may approve from time to time. Other than the Internet Presence established by Franchisor, Franchisee shall not establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other Internet Presence, making reference to Franchisor, the System, the Marks or the Miracle Method Business, unless otherwise approved by Franchisor. An "Internet Presence" includes any domain name, URL, website, webpage, landing page, portal, HTML document, online directory, online business profile, review and opinion page or site, social media or social networking site, profile, avatar, account or username, control panel, administrative platform, intranet, JotForm or other form or method of digital or electronic medium or method of communication.

(1) Franchisee may not use all or part of any of the Marks, or any similar name, word, symbol, or variant thereof, in a domain name, email address, account name, username, profile, or URL. Franchisor will retain sole ownership of any Internet Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Marks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile, or page reference.

(2) Franchisor is the sole supplier of support and management services for any Internet Presence including websites, business profiles and review platforms, that Franchisor approves Franchisee to maintain, and Franchisee shall pay all fees and other amounts charged by Franchisor for these services.

(3) Franchisor reserves the right at any time, in its sole discretion, to require Franchisee to remove, delete, or modify any Internet Presence, or any information, content, or post thereon.

(4) Upon request, Franchisee must provide Franchisor with all passwords and access to any Internet Presence.

(5) You represent and warrant that any information you provide to us for use with an Internet Presence is accurate and does not infringe any third party's rights.

(6) If you are in default of any obligation under this Agreement or the System Standards, then we may, in addition to our other remedies, temporarily remove references to your Miracle Method Business from some or all Internet Presences.

9E. *PHOTOS AND VIDEOS.*

Franchisor shall have the right to take photographs and videos of the Miracle Method Business and

associated signage and to use such photographs and videos in any advertising or promotional material, in any form or medium now existing or later developed. Franchisor may use the foregoing without providing notice to Franchisee or receiving Franchisee's consent, and Franchisor shall not be obligated to make attribution or to compensate Franchisee for use of the foregoing. Upon the request of Franchisor, Franchisee shall cooperate with Franchisor in taking and arranging for such photographs and videos and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs or videos. Franchisee irrevocably assigns to Franchisor all of its right, title, and interest, if any, in and to all such photographs and videos, together with all related intellectual property.

9F. *SATISFACTION / SURVEYS.*

Franchisee shall participate in all customer satisfaction programs Franchisor requires, including any customer surveys and shall provide Franchisor with such assistance and information as reasonably required by Franchisor in connection with such programs and surveys.

9G. *SOCIAL MEDIA PROHIBITIONS.*

Franchisee acknowledges that Franchisor may also impose prohibitions on Franchisee's posting or blogging of comments about Franchisor, the Miracle Method Business, the System, or other franchisees. The foregoing prohibition includes personal blogs, common social networks like Facebook, Instagram, TikTok, X (formerly known as Twitter), Snapchat and Pinterest; professional networks, business profiles or online review or opinion sites like LinkedIn, Google Business Profile or Yelp; live-blogging tools like X and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools.

9H. *ADVISORY COUNCILS.*

We may from time-to-time form advisory councils to advise us on advertising and other matters. We will choose the members of the council and determine what authority, if any, the council will have. We reserve the right to form, change, or dissolve any councils, in our sole discretion.

10. REPORTS.

You must provide to us, at your expense and in a form acceptable to us, financial statements in a timely manner, all as specified in the Manual.

(1) You agree to comply with all reporting requirements we prescribe in the Manual.

(2) In order for us to provide the most timely and useful information to the Franchise, it is essential that you collect certain information as soon as possible after the applicable accounting period closes. You agree to submit, based on the frequency we designate and/or when requested, completed relevant worksheets; payroll changes and current hours worked; bank statements; manual check stubs with invoice copies; and any other documents required in the Manual to properly record all transactions affecting the Franchise financial activity.

You agree to give us reports in the manner and format that we prescribe in the Manual from time to time:

(1) Within five days of our request, all profit and loss and source and use of funds statements and a balance sheet for the Franchise as of the end of the prior calendar month, prepared in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP), but excluding footnotes;

(2) Within 30 days after the filing of your tax return each year, a copy of the tax return

so filed, unless you have filed an extension and received approval from us for an extension; and

(3) any other data, information, and supporting records reasonably requested by us from time to time (including, without limitation, daily and weekly reports of product sales by category).

An officer must certify and sign each report and financial statement in the manner we prescribe. We may disclose or use the data derived from these reports, your year-end reports, and any other financial statements from the operation of your Franchise, for any purpose we deem appropriate, in our sole discretion. If we choose to utilize your Franchise's financial statements for disclosure in our Franchise Disclosure Document, we may be required to disclose identifying information about your Franchise in such disclosure.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at the Premises for at least five years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash revenue and disbursement journals, and general ledgers). If there is a discrepancy in any financial statement or information that you present to us, we may require you to have audited financial statements prepared annually during the Term of this Agreement at your expense. If you fail to submit any report in the form and manner which we require by the due date specified in this Agreement, you must pay us an initial $100 fee plus $100 per week for each report that you failed to submit until such time that the report is submitted.

11. INSPECTIONS AND AUDITS.

11A. *OUR RIGHT TO INSPECT THE FRANCHISE.*

To determine whether you and the Franchise are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Franchise; (2) photograph the Franchise and observe and videotape the Franchise operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Franchise personnel and customers; and (5) inspect and copy any books, records, and documents relating to the Franchise operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Franchise operation.

11B. *OUR RIGHT TO AUDIT.*

We may at any time during your business hours, and without prior notice to you, examine your and the Franchise business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Gross Revenue, you agree to pay us, within 15 days after receiving the examination report, the Royalty and Brand Fund contributions due on the amount of the understatement, plus interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of monthly Gross Revenue exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFERS.

12A. *TRANSFER / ASSIGNMENT BY US.*

This Agreement is fully assignable by us and shall inure to the benefit of any assignee or other legal successor to our interest. Franchisee expressly affirms and agrees, that we may sell our assets, the Marks or the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buy-out or economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of the Marks (of any variation thereof) and/or the loss of association with or identification of "Miracle Method, LLC" as franchisor under this Agreement.

12B. *TRANSFER BY YOU.*

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the Franchise in reliance upon our perceptions of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (1) this Agreement (or any interest in this Agreement); (2) the Franchise (or any right to receive all or a portion of the Franchise profits or losses or capital appreciation related to the Franchise); (3) substantially all of the assets of the Franchise; (4) any ownership interest in you (regardless of its size); or (5) any ownership interest in any of your owners (if such owners are legal entities). Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, or other disposition. An assignment, sale, gift, exchange, or other disposition includes, but is not limited to, the following events:

(1) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(2) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(3) any sale of a security convertible to an ownership interest;

(4) transfer of an interest in you, this Agreement, the Franchise or substantially all of its assets, the Premises, or by any of your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(5) if one of your owners or an owner of your legal entity dies, a transfer of an interest in you or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession;

(6) grant of a security interest in this Agreement or the Franchise; or

(7) foreclosure upon the Franchise, or your transfer, surrender, or loss of the Franchise possession, control, or management.

Additionally, you may not pledge this Agreement (to someone other than us), or an ownership interest in you or your owners as security for any loan or other financing, unless: (1) we grant our prior written consent and, unless we agree otherwise in writing; and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

12C. *CONDITIONS FOR APPROVAL OF TRANSFER.*

If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 12, we will not unreasonably withhold our approval of a transfer that meets all of the requirements in this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners (if the transferee is a legal entity) are of good character and meet our then applicable standards for Miracle Method Business franchise owners (including no ownership interest in or performance of services for a Competitive Business). If the proposed transfer is of a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate the Franchise and otherwise qualifies as a franchisee, as determined by us;

(2) you have paid all Royalty fees, Brand Fund and advertising cooperative contributions, and any other amounts owed to us, our affiliates, and third-party vendors; and you have submitted all required reports and statements;

(3) you have not violated any provision of this Agreement, the Lease, or any other agreement with us during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(4) neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(5) the transferee (or its Managing Owner, or, if applicable, Designated Manager) has satisfactorily completed our training programs;

(6) your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(7) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, and refurbish the Franchise in accordance with our current requirements and specifications for the Franchise within 45 days after the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take within this time period) and to deposit with us the estimated cost to complete the upgrade or remodel;

(8) the transferee shall, or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents (including, but not limited to, Owners Agreement and guarantees), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(9) we reserve the right to inspect the Franchisee's Premises and operations prior to any transfer and you or the transferee must pay us a nonrefundable inspection fee in the amount of $2,500 if we choose to do so. You agree that we may disclose our findings and assessment from such inspection to the transferee and agree to hold us harmless from any damages or lost value as a result of any disclosure to transferee;

(10) you pay us a transfer fee in the amount of $15,000 or four percent (4%) of the sale price for the Miracle Method Businesses, whichever is greater. You will pay us a nonrefundable

deposit of two thousand dollars ($2,000) when you request approval of a transfer and pay, in certified funds, the remaining amount when you execute the transfer documents;

(11) the transferee, you and your transferring owners sign our then-current Conditional Consent to Transfer Agreement which contains a general release, in a form satisfactory to us, releasing any and all claims against us and our shareholders, officers, directors, employees, and agents (if and to the extent permitted by law);

(12) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchise;

(13) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Franchise are subordinate to the transferee's obligation to pay Royalty and Brand Fund contributions and other amounts due to us, our affiliates, and third-party vendors and otherwise to comply with this Agreement;

(14) you and your transferring owners (and your and their spouses and other immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Sections 14E and 14H below;

(15) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Miracle Method Businesses you own and operate) identify yourself or themselves or any business as a current or former Miracle Method Business or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Miracle Method Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us;

(16) you shall reimburse us upon receipt of our invoice for any broker fees or other commissions, finder's fees, placement fees or similar charges we incur as a result of the transfer;

(17) we approve all material terms of the proposed transfer; and

(18) the transferee must assume all warranty obligations as specified in the Warranty Information or as given in writing by you on invoices you have provided to your customers.

(19) We may review all information regarding the Franchise that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Franchise.

12D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.

Notwithstanding Section 12C above, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Franchise and, if applicable, other Miracle Method Businesses, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Franchise assets are owned, and the Franchise business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12C above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur and sign an Owners Agreement in the form attached to this Agreement as Attachment

C. You will enter into a Novation Agreement to complete a transfer under this Section 12D in the form attached as Exhibit F-7.

12E. *YOUR DEATH OR DISABILITY.*

(1) Transfer upon Death or Disability. Upon your or your Managing Owner's death or Permanent Disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine months from the date of death or Permanent Disability, and is subject to all of the terms and conditions in this Section 12. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement. For the purposes of this Section 12E, the term "Permanent Disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from providing your full-time attention to the Franchise or supervising the management and operation of the Franchise for a period of at least three months from the onset of such disability, impairment or condition.

(2) Operation upon Death or Disability or Default. If, upon your or the Managing Owner's death or Permanent Disability, a manager approved by us is not managing the Franchise, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or Permanent Disability, appoint a manager. The manager must complete our standard training program at your expense. A new Managing Owner or Designated Manager (if applicable) acceptable to us also must be appointed for the Franchise within 30 days of the date of the death or Permanent Disability. In the event that we do not approve of a new Managing Owner or Designated Manager, we may provide an extension of 30 days to submit another proposed Managing Owner or Designated Manager pursuant to this Section, in our sole discretion, which will not be unreasonably withheld.

12F. *EFFECT OF CONSENT TO TRANSFER.*

Our consent to a transfer of this Agreement and the Franchise, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Franchise or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12G. *OUR RIGHT OF FIRST REFUSAL.*

If you or any of your owners at any time determine to sell or transfer, directly or indirectly, an interest in this Agreement, the Premises, the Franchise, or an ownership interest in you (except to or among your current owners, which is not subject to this Section), in a transaction that otherwise would be allowed under Sections 12B and 12C above, you or your owners agree to obtain from a responsible and fully disclosed buyer, and send to us a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Franchise. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12B and 12C above. We may require you or your owners to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and we have received to our satisfaction all other information we request concerning the offer and the proposed purchaser, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 12B and 12C, above, and the transfer is done in compliance with the conditions in Sections 12B and 12C above.

If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30 day period following either the expiration of the 60 day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. TERMINATION OF AGREEMENT.

13A. *TERMINATION BY YOU.*

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or, if we cannot correct the failure within 30 days, give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination.

Your termination of this Agreement other than according to this Section 13A will be deemed a termination without cause and a breach of this Agreement.

13B. *TERMINATION BY US.*

We may terminate this Agreement, effective upon delivery of written notice of termination to you,

if:

(1) you or any of your owners have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Franchise;

(2) you do not open the Franchise for business within 120 days after the Effective Date;

(3) you, your Managing Owner, or, if applicable, Designated Manager and/or other required attendees do not complete the Initial Training Program to our satisfaction;

(4) you abandon or fail to actively operate the Franchise for five or more consecutive business days, not including state recognized holidays, during any 12-month period, unless you close the Franchise for a purpose we approve or pursuant to the terms of this Agreement;

(5) you or your owners make or attempt to make any transfer in violation of Section 12;

(6) you or any of your owners are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, or a crime involving the use of drugs or alcohol;

(7) you fail to maintain the insurance we require and do not correct the failure within 48 hours after we deliver written notice of that failure to you;

(8) you or any of your owners engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Franchise reputation or the goodwill associated with the Marks;

(9) you or any of your owners knowingly make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

(10) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Franchise in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within 48 hours, after you receive notice from us or any other party;

(11) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within 48 hours after we or any applicable government agency deliver notice to you of that violation or failure;

(12) you fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(13) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Franchise operation, unless you are in good faith contesting your liability for these taxes;

(14) you understate the Franchise's monthly Gross Revenue on any report required by us three times or more during this Agreement's Term or by more than five percent (5%) on any one occasion;

(15) you or any of your owners fail on three or more separate occasions within any 12 consecutive month period to comply with this Agreement after we notify you of the failures;

(16) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the

Franchise is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or the Franchise is not vacated within 30 days following the order's entry;

(17) you or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation, or you have lost the right to occupy the Miracle Method Business premises;

(18) you or any of your owners fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within 10 days after we deliver written notice of the failure to you;

(19) there is a termination of any other franchise agreement or other agreement between you or your affiliates and us or any of our affiliates;

(20) you have three or more insufficient funds or returned checks in any one calendar year;

(21) you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization, or initiate any stop payments against us;

(22) you fail to comply with all operational standards set forth in the Manual or otherwise required by us, and you do not correct the failure within 30 days after we deliver written notice of that failure to you; or

(23) you indicate to us your intention to undertake any of the preceding actions.

13C. *EARLY TERMINATION FEE.*

Upon termination of this Agreement by Franchisor under Section 13B, Franchisee agrees to pay to Franchisor within 15 days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty fees or the Minimum Royalty, whichever is greater, and Brand Fund contributions (without regard to any fee waivers or other reductions) that you owe to us, beginning on the date the Franchise opens through the effective date of termination multiplied by the lesser of: (1) 36 (being the number of months in three full years); or (2) the number of months remaining in the Agreement had it not been terminated, except that liquidated damages will not, under any circumstances, be less than $30,000.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of Royalty fees Brand Fund Fees and Technology Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty fees, Brand Fund Fees and Technology fees would have been paid over what would have been this Agreement's remaining Term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers Franchisor's damages from the loss of Royalty fees, Brand Fund Fees and Technology Fees. It does not cover any other damages, including damages to Franchisor reputation with the public and landlords and damages arising from a violation of any provision of this Agreement. Franchisee and each of Franchisee's owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement.

14. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

14A. *PAYMENT OF AMOUNTS OWED TO US AND TO CUSTOMERS.*

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us (or our affiliates), the Royalties, Brand Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid. Additionally, you agree to notify all customers of the Miracle Method Business of the termination, and refund to customers any monies paid to you for which they are entitled to a refund.

14B. *DE-IDENTIFICATION.*

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Miracle Method Businesses you own and operate) identify yourself or any business as a current or former Miracle Method Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Miracle Method Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us, at your expense, within 30 days all signs, sign faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Miracle Method Business, and if you fail to do so in the required time period, you agree to allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from the Franchise;

(4) you agree to deliver to us copies of the entire customer file for each customer, which includes referrals, credit card and bank information, and any other customer information;

you acknowledge and agree that all telephone numbers, facsimile numbers, social media websites, internet addresses and email addresses (collectively "Identifiers") used in the operation of your Miracle Method Business constitute our assets, and upon termination or expiration of this Agreement, you will take such action within five days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required to cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that we have the sole rights to, and interest in, all Identifiers used by you to promote your Miracle Method Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer;

(5) you must remodel and reconfigure the Miracle Method Business as necessary to distinguish it from its former appearance;

(6) you must completely remove all Vehicle wraps and distinguishing Marks on all Vehicles; and

(7) you must follow any reasonable procedures established by us to ensure the expiration of this Agreement creates the least disruption possible to the Franchise System. You agree to give us, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

14C. *CONFIDENTIAL INFORMATION.*

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) in any business or otherwise and return to us all copies of the Manual and any other confidential materials that we have loaned you, as well as any customer data that you may have.

14D. *CUSTOMERS.*

If this Agreement is terminated or expires, we may contact customers of the Franchise and offer such customers continued rights to use one or more Miracle Method Businesses on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising or relating to those customers or act or failure to act by you or the Franchise.

14E. *COVENANT NOT TO COMPETE.*

Upon termination or expiration of this Agreement, you and your owners agree that, for two years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your owners (or your or their spouses) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating within a 20 mile radius of the Franchise or any other Miracle Method Business in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

These restrictions also apply after transfers, as provided in Section 12C(14) above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two-year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

If a court of competent jurisdiction determines that the two-year post-term restrictive period set forth above is too long to be enforceable, then the post-term restrictive period above shall be for a period of one year from the termination, expiration or transfer of this Agreement.

14F. *OUR RIGHT TO PURCHASE THE FRANCHISE.*

(1) Exercise of Option. Upon one or both of the following:

(a) our termination of this Agreement according to its terms and conditions;

or

(b) your termination of this Agreement without cause;

We have the option, exercisable by giving you written notice within 30 days after the date of termination, to purchase the Franchise and the Premises (if you or one of your affiliates owns the Premises). If neither you nor any of your owners or affiliates owns the Premises or we choose not to acquire the Premises, we have the option to exercise the rights under subparagraph (2) below. We have the unrestricted right to assign this option to purchase. If we purchase the Franchise and/or the Premises, we are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

(2) Rights to Premises. If you lease the Premises from an unaffiliated lessor, or if we choose not to purchase the Premises as set out in subparagraph (1) above, you agree (as applicable) at our election:

(a) to assign your leasehold interest in the Premises to us; or

(b) to enter into a sublease with us for the remainder of the lease term on the same terms (including renewal options) as the lease.

(3) Purchase Price. We will work with you to mutually determine the purchase price for the Franchise and, if applicable, the purchase price for ownership of the Premises ("Purchase Price"). If you and we are unable to mutually determine the Purchase Price within 14 calendar days, the purchase will be the "Appraised Price" (as defined below).

We may exclude from the assets purchased any Operating Assets and supplies that are not reasonably necessary (in function or quality) to the Franchise operation or that we have not approved as meeting standards for Miracle Method Businesses, and the purchase price will reflect these exclusions.

Appraisal. Unless you and we mutually agree otherwise to the Purchase Price, the Purchase Price shall be the Appraised Price. The "Appraised Price" will be determined by three independent appraisers, each of whom will conduct a separate appraisal and, in doing so, be bound by the criteria specified in subparagraph (3) above. We will appoint one appraiser, you will appoint one appraiser, and these two appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within 15 days after we notify you that we wish to exercise our purchase option (if you and we have not mutually agreed on the Purchase Price before then), and the two appraisers so chosen are obligated to appoint the third appraiser within 15 days after the last of them is appointed. You and we will bear the costs of our own appraisers and share equally the fees and expenses of the third appraiser. The appraisers must complete their appraisals within 30 days after the third appraiser's appointment. The purchase price will be the average of the three independent appraisals.

(4) Closing. We or our assignee will pay the Purchase Price at the closing, which will take place not later than 60 days after the Purchase Price is determined, although we or our assignee may decide after the Purchase Price is determined not to purchase the Franchise and/or the Premises. We may set off against the Purchase Price, and reduce the Purchase Price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us or our assignee:

(a) good and marketable title to the assets purchased, free and clear of all liens

and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all of the Franchise licenses and permits which may be assigned or transferred;

(c) the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable; and

(d) accounts receivable from Customer Lists in computer readable format.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

14G. *CONTINUING OBLIGATIONS.*

All of our and your and your owners' obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

14H. *NON-SOLICITATION.*

For a period of two years beginning on the effective date of the termination or expiration of this Agreement, any renewal term, or your transfer, sale or assignment of the Miracle Method Business, you, your owners, and your spouses may not attempt to attain an unfair advantage over other franchisees, us or any affiliates thereof by soliciting any customer of such franchisees, us or any such affiliates.

15. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

15A. *INDEPENDENT CONTRACTORS.*

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venture, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all public records, letterhead, and in all dealings with customers, suppliers, public officials, Franchise personnel, and others as the Franchise owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time. You will also use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents. You acknowledge that we have no responsibility to ensure that the Miracle Method Business is developed and operated in compliance with all applicable laws, ordinances and regulations.

15B. *NO LIABILITY FOR ACTS OF OTHER PARTY.*

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchise operation or the business you conduct under this Agreement.

15C. *TAXES.*

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or the Franchise, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

15D. *INDEMNIFICATION.*

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties, to the fullest extent permitted by law, for all losses, damages, costs, expenses, claims, obligations, and damages directly or indirectly arising out of the Franchise operation, the business you conduct under this Agreement, or the infringement, alleged infringement or any other violation by you, your owners or principals, of:

(1) any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or Franchise System;

(2) violation, breach or asserted violation or breach of any federal state, or local law, regulation, ruling or industry standard;

(3) libel, slander or any other form of defamation;

(4) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding or ruling that we are an employer or joint employer of your employees;

(5) your breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction;

(6) your negligent acts, errors or omissions in the provision of the Services to customers, or in any work, advice or presence, or that of your employees, subcontractors, or agents, whether active or passive;

(7) your intentional misconduct or fraud, or that of your employees, subcontractors, or agents, whether active or passive, including but not limited to when providing the Services to customers;

(8) your failure to provide any or all of the Services required of you hereunder;

(9) proven assertions under workers' compensation or similar employee benefit acts by you or your employees or agents, and/or any failure by you to pay any employment benefits and any taxes required of you of any nature whatsoever;

(10) your failure to comply with any applicable law;

(11) your failure to pay the monies payable (to us or any of our affiliates) pursuant to this Agreement; or

(12) any action by us to obtain your performance of any act, matter, or thing required by this Agreement.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorney, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective, or other actions and such actions will affect your obligation to indemnify pursuant to this Section.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

15E. *FORCE MAJEURE.*

No party shall be liable for any delay in the fulfilment of or failure to fulfil its obligations in whole or in part under this Agreement where the delay or failure is solely due to Force Majeure; provided, however, the foregoing shall not apply to a party's payment obligations hereunder. In the event of Force Majeure, the parties' obligations shall be extended or relieved only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event. So, for example, in the event of a temporary government-imposed closure of your Miracle Method Business due to a Force Majeure event, you may only be relieved of your obligations as necessary to comply with the government mandate or order, but not due to the economic or market conditions that result from that action. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Agreement. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Agreement by 30 days' written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the Force Majeure event, nor does that event affect any obligation to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Franchisee's obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

16. ENFORCEMENT.

16A. *SECURITY INTEREST.*

As security for the performance of your obligations under this Agreement, including payments

owed to us for purchase by you, you grant us a security interest in all of the assets of the Franchise, including but not limited to the Vehicles, inventory, fixtures, furniture, equipment, accounts, supplies, contracts, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third-party lender requires that we subordinate our security interest in the assets of the Franchise as a condition to lending you working capital for the operation of the Franchise, we may agree to subordinate but only pursuant to terms and conditions determined by us.

16B. *SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.*

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, un-appealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination, or of our refusal to enter into a renewal franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

16C. *WAIVER OF OBLIGATIONS.*

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Miracle Method Businesses; the existence of franchise agreements for other Miracle Method Businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to

us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

16D. *COSTS AND LEGAL FEES.*

You shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of, this Agreement. The existence of any claims, demands or actions which you may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of your or any equitable owners if you are a legal entity, representations, warranties, covenants, agreements or obligations herein. Additionally, the prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable legal fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement. Furthermore, if you request that we make or agree to changes to this Agreement or to any renewal franchise agreement, you shall pay us any costs and expenses or administrative fees (including reasonable fees of attorneys and other engaged professionals) we incur in connection with considering or agreeing to such changes; nothing herein shall require us to agree to any such changes.

16E. *RIGHTS OF PARTIES ARE CUMULATIVE.*

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

16F. *BINDING ARBITRATION / GOVERNING LAW / CONSENT TO JURISDICTION*

(1) This Agreement is subject to the terms and provisions of the Federal Arbitration Act, Title 9, of the United States Code. Any and all other controversies or claims whatsoever arising out of or relating to this Agreement or to any ancillary agreement between the parties or with regard to their interpretation, formation or breach, shall be settled by binding arbitration according to the commercial rules of the American Arbitration Association as hereinafter provided.

(2) Prior to submitting any claim or dispute to arbitration, you shall give notice thereof to us setting forth in reasonable detail the nature and basis of the claim or dispute. The parties shall then seek to negotiate and resolve the dispute by direct negotiation between you and us over a period of not less than thirty (30) days. If the dispute is not resolved directly by the parties, the parties shall then submit the dispute to mediation with an independent mediator agreed upon by the parties within another thirty (30) days unless the parties agree to forego mediation. Each party will bear their own costs and fees of the mediation; however, the mediator's fee will be split equally between the parties.

(3) If the dispute is not resolved through negotiation or mediation, either party may send written notice to (1) the other party, and (2) the Regional Office of the American Arbitration Association in or closest to the location of our principal offices at that time invoking the binding arbitration provisions of this Subsection. Any arbitration shall be conducted in the city or town in which our principal offices are located before a single arbitrator located within the state in which we are located who has been actively engaged in the practice of law for at least ten (10) years and has franchise law experience. If the parties cannot agree upon an arbitrator, the arbitrator shall be selected in accordance with the American Arbitration Association rules. Prior to the commencement of hearings, the arbitrator shall provide an oath of undertaking of impartiality. The award of the arbitrator shall be final. The parties' further consent to the jurisdiction in any appropriate court to enforce the provisions of this Section and/or to enter a judgment upon any award rendered by the arbitrator. The costs and expenses of arbitration, including the prevailing party's attorney's fees and costs and the compensation and expenses of the arbitrator, shall be borne by the non-prevailing party.

(4) In the event that any such controversy or claim arising from this Agreement involves any of your officers, directors, shareholders, employees, representatives or agents, then any such controversy or claim shall also be submitted to binding arbitration in the same manner as set forth above. In the event any controversy or claim is submitted to binding arbitration as set forth above, the parties hereto agree that discovery prior to arbitration shall be restricted solely to exchanging lists of those witnesses and documents which may be presented at the hearing before the arbitrator, unless the parties otherwise mutually agree in writing to expand the scope of discovery.

(5) In proceeding with arbitration and in making determinations hereunder, the arbitrator shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by us in good faith. If an arbitrator determines that any contractual limitations period provided for in this Agreement is not applicable or enforceable, then the parties agree to be bound by the provision of any statute of limitations which would otherwise be applicable to the controversy, dispute or claim which is the subject of any arbitration proceeding initiated hereunder. Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement. In the event that either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party notwithstanding said failure to appear.

(6) Despite any language hereinabove to the contrary, we expressly reserve the right, at our sole and exclusive discretion, to seek injunctive relief from a court of competent jurisdiction to enforce your post-termination covenants, including the non-competition covenants, to enjoin the disclosure of or improper or unauthorized use of our Confidential Information of the System including, but not limited to, the Manuals, customer lists, Marks, or to enjoin you from any existing or threatened conduct, pending completion of the above-noted binding arbitration, which we reasonably believe could cause any harm or damage to us or to the System. In the event we file a lawsuit to seek injunctive relief as hereinabove provided, such action shall not constitute, nor be deemed to constitute, a waiver by us of our right to invoke the binding arbitration provisions of this Agreement.

(7) With regard to all claims brought under Subsection 16F(6), you further agree as follows:

(i) You consent and agree that the following courts shall have personal jurisdiction over you in all lawsuits relating to or arising out of this Agreement or any ancillary agreement and waive any defense you may have of lack of personal jurisdiction or improper venue in any such lawsuits filed in these courts: (a) all courts included within the state court system of the state in which our principal office is located; and (b) all courts of the United States of America sitting within the state in which our principal office is located;

(ii) All lawsuits filed by you against us (whether in breach of the arbitration provisions of this Agreement or not) relating to or arising out of this Agreement or any ancillary agreement shall be required to be filed in one of these courts. Lawsuits filed by us against you may be filed in any of these courts or in any court in which jurisdiction and venue are proper; and

(iii) In all lawsuits related to or arising out of this Agreement, you consent and agree that you may be served with process outside the state in which our principal office is located in the same manner of service that may be made within that state by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. You hereby waive any defense you may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

(8) We and you agree that the arbitration of any disputes between us and you or any other proceeding shall be conducted on an individual basis and not a class-wide, multiple plaintiff or similar basis and that such disputes shall not be consolidated with the arbitration of any other disputes which might arise between us and any other System franchise owners.

(9) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, or the United States Arbitration Act (9 U.S.C. § 1 et seq.), this Agreement, and the franchise rights granted herein shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Colorado. If, however, any provision, or portion hereof in any way contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision, or portion thereof, shall be deemed to be modified to the extent necessary to conform to such laws, and still be consistent with the parties' intent as evidenced herein.

(10) You agree that the sole recourse for claims arising between the parties shall be against us or our successors and assigns. You agree that our shareholders, members, managers, directors, officers, employees and agents and those of our affiliates shall not be personally liable nor named as a party in any action or arbitration between you and us. The parties further agree that, in connection with any such proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed as described above shall be forever barred. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. Any arbitration award will have a binding effect only on the actual dispute arbitrated and will not have any collateral effect on any other dispute whatsoever, whether in litigation, arbitration, mediation, or other dispute resolution proceeding.

YOU EXPRESSLY ACKNOWLEDGE THAT YOU HAVE READ THE TERMS OF THIS BINDING ARBITRATION PROVISION AND SPECIFICALLY AFFIRM THAT THIS PROVISION IS ENTERED INTO WILLINGLY AND VOLUNTARILY AND WITHOUT ANY FRAUD, DURESS, OR UNDUE INFLUENCE ON THE PART OF US OR ANY OF OUR AGENTS OR EMPLOYEES.

16G. *WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.*

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 15D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

16H. *INJUNCTIVE RELIEF AND PROVISIONAL REMEDIES.*

You acknowledge that any failure to fully and strictly comply with Section 14 will result in irreparable injury to us for which there is no adequate remedy at law, and you agree that, in the event of any noncompliance with any of Section 14, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. An

action seeking provisional remedies will be brought in any state or federal court within the jurisdiction in which we then have our principal place of business; provided that we have the option to bring suit against you in any other state or federal court within the jurisdiction where your Miracle Method Business is or was located or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 16H, and the parties waive any objections that they would otherwise have in this regard.

Notwithstanding the provisions of Sections 16F and 16G of this Agreement, we have the right to seek from an appropriate court any provisional remedies, including declaratory relief, specific performance, temporary restraining orders or preliminary injunctions and we are not required to await the outcome of any informal dispute resolution, mediation or arbitration before seeking such remedies for actions brought with respect to: (1) threatened or actual conduct that will cause us, the Marks, Confidential Information, and/or the Franchise System loss or damage; (2) to prohibit any act or omission of you or your employees that constitutes a violation of any applicable law or is dishonest or misleading to your customers or to the public; (3) to ensure your compliance with any of the post-termination obligations under this Agreement; (4) issues concerning the alleged violations of federal or state antitrust laws; (5) securing injunctive relief or specific performance; or (6) the right to indemnification or the manner in which it is exercised. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). The prevailing party shall be entitled to recover its costs and reasonable legal fees incurred by it in obtaining such relief.

16I. *BINDING EFFECT.*

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

16J. *LIMITATIONS OF CLAIMS.*

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, THE PARTIES AGREE THAT, IN ORDER TO COMPLY WITH THIS PROVISION, EITHER PARTY MAY COMMENCE A JUDICIAL OR ARBITRATION PROCEEDING BEFORE A RELATED MEDIATION PROCEEDING IS DECLARED COMPLETED.

16K. *CONSTRUCTION.*

The preambles and exhibits are a part of this Agreement which, constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Franchise. provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term "control" means the power to direct or cause the direction of management and policies. References to "expiration of this Agreement" or the Franchise refer to expiration without renewal.

If two or more persons are at any time the owners of the Franchise, whether as partners or joint venture, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Franchise or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, or the Franchise and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

"Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

This Agreement may be executed in counterparts or by electronic signatures in accordance with the Uniform Electronic Transaction Act (UETA) and transmitted via email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all parties have been affixed to counterparts or digitally signed.

16L. *COVENANT OF GOOD FAITH.*

If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (1) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (2) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our

affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (3) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (4) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

16M. *SURVIVAL*.

The provisions of this Agreement which by their terms are intended to survive the termination or expiration of this Agreement including this Section 16 and the confidentiality, non-competition and indemnification provisions set forth herein shall apply during the Term of this Agreement and following the termination or expiration of this Agreement.

17. NOTICES.

All approvals, requests, notices, and reports required or permitted under this Agreement will not be effective unless in writing and delivered to the party entitled to receive the notice in accordance with this Section. All notices permitted or required to be delivered pursuant to this Agreement shall be deemed so delivered:

1. when delivered by hand;

2. three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in either case addressed to the party to be notified at its most current principal business address of which the notifying party has been notified (which, in the case of Franchisee, includes the address of the Miracle Method Business); or

3. one (1) business day after being sent via email to the party to be notified as follows: if to Franchisor, to ___@_____.com and if to Franchisee, the Franchisor-provided email address for the Miracle Method Business.

18. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 13B above.

19. ELECTRONIC MAIL.

You acknowledge and agree that exchanging information with us by email is efficient and desirable for day-to-day communications and that we and you may utilize email for such communications. You authorize the transmission of email by us and our employees, vendors, and affiliates ("Official Senders") to you during the Term of this Agreement.

You further agree that: (1) Official Senders are authorized to send emails to those of your

employees as you may occasionally authorize for the purpose of communicating with us; (2) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of emails to them; (3) you will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with you; and (4) you will not opt out or otherwise ask to no longer receive emails from Official Senders during the Term of this Agreement.

The consent given in this Section 19 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 17 using email unless the parties otherwise agree in a written document manually signed by both parties.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

Addresses for Notices Pursuant to
Section 17 of this Agreement:

FRANCHISOR SIGNATURE:

MIRACLE METHOD, LLC

_____

By: Name
Title: Title

FRANCHISEE SIGNATURE:

COMPANY NAME d/b/a
MIRACLE METHOD OF (LOCATION)

_____

By: Name
Title: Title

ATTACHMENT A TO FRANCHISE AGREEMENT

FRANCHISE DATA

1. **Effective Date**. The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20___

2. **Initial Franchise Fee**. The Initial Franchise Fee set forth in Section 3A of the Franchise Agreement is $_____.

3. **Minimum Royalty Payment**. The Minimum Royalty Payment referred to in Section 3B of the Franchise Agreement is:

Date Range Start and End	Your Monthly Minimum Royalty
Months 7 – 12	$550
Months 13 – 24	$825
Months 25 – 36	$1,100
Months 37 – 48	$1,375
Months 49 – 60	$1,650

4. **Territory Population**. The number of persons in your Territory for purposes of computing the Monthly Minimum Royalty and Initial Franchise Fee is: _____. This population number applies throughout the Term of this Franchise Agreement and will be adjusted upon any renewal.

5. **Territory**. The Territory referred to in Section 1E of this Franchise Agreement shall be the geographic area listed below and as depicted on the map below, or the following zip codes:

Zip Code	Population

If the Territory is delineated by zip code and any of the zip code(s) above subsequently change boundaries, then the physical boundaries of any such zip code(s) at the Effective Date of the Franchise Agreement shall prevail as the definition and boundaries of the Territory.

(Signature on Following Pages)

FRANCHISOR:

MIRACLE METHOD, LLC

By: _____
Name:
Title: President

FRANCHISEE:

MIRACLE METHOD OF _____

By: _____
Name: (NAME)
Title: (TITLE)

ATTACHMENT B TO FRANCHISE AGREEMENT

LISTING OF OWNERSHIP INTERESTS

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

_____ Individual _____ Partnership _____ Corporation _____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners*:

Name	Address	Percentage Owned

***If any members, stockholders, or partners are entities, please list the owners of such entities up through the individuals.**

Identification of Managing Owner. Your Managing Owner as of the Effective Date is _____ _____. You may not change the Managing Owner without prior written approval.

Identification of Designated Manager. Your Designated Manager, if applicable, as of the Effective Date is _____. You may not change the Designated Manager without prior written approval.

FRANCHISOR:

MIRACLE METHOD, LLC

By: _____
Name:
Title:

FRANCHISEE:

MIRACLE METHOD OF _____

By: _____
Name:
Title:

FRANCHISEE:

MIRACLE METHOD OF _____

By: _____
Name:
Title:

ATTACHMENT C TO FRANCHISE AGREEMENT

OWNERS AGREEMENT

As a condition to the execution by MIRACLE METHOD, LLC ("**we**" or "**us**"), of a Franchise Agreement with _____ ("**Franchisee**"), each of the undersigned individuals ("**Owners**"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement ("**Owners Agreement**").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____ , 20__("**Franchise Agreement**").

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete, and non-solicit obligations, would be of little value to us if Franchisee's direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not To Compete and To Not Solicit.

3.1 Non-Competition and Non-Solicitation During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition and solicitation both during the Term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the Franchise Agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the Franchise Agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment, and b) that any attempt to do so will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Miracle Method, LLC
215 Sutton Lane
Colorado Springs, CO 80907

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and

permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. The obligations of the Owners hereunder are joint and several in each and every respect. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" or Owner include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNER(S):

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: Address:

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: Address:

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: Address:

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: Address:

MIRACLE METHOD, LLC hereby accepts the agreements of the Owner(s) hereunder.

MIRACLE METHOD, LLC

By: _____

Name:

Title:

ATTACHMENT D TO FRANCHISE AGREEMENT

SAMPLE PROMISSORY NOTE

$_____ Dated: _____

FOR VALUE RECEIVED, the undersigned, **[FRANCHISEE ENTITY]** a [STATE] corporation/limited liability company with a principal place of business at [ADDRESS] (collectively referred to as "Maker") promises to pay to the order of **MIRACLE METHOD, LLC**, a Texas limited liability company, (herein with its successors and/or assigns, "Payee") having its principal place of business at 215 Sutton Lane, Colorado Springs, CO, 80907, or at such other place as the Payee or other holder hereof may direct in writing, the aggregate principal sum of **[AMOUNT] ($XX,XXX)** together with interest payable as follows:

1. **Interest**. The unpaid principal amount of this Promissory Note ("Note") from time to time outstanding shall bear interest at the rate of twelve percent (12%) per annum. If Maker fails to pay any installment or make any payment on this Note for ten (10) days after the same shall become due, whether by acceleration or otherwise, Payee may, at its option, impose a late charge on the undersigned in an amount equal to five percent (5%) of such installment or payment. If any payment or installment is not made within thirty (30) days after the same shall become due, Payee may, at its option, impose an additional late charge on the undersigned in an amount equal to five percent (5%) of such installment or payment. Such installment or payment shall be subject to an additional five percent (5%) late charge for each additional period of thirty (30) days thereafter that such installment or payment remains past due. The late charge shall apply individually to all installments and payments past due. This provision shall not be deemed to excuse a late installment or payment or be deemed a waiver of any other rights Payee may have, including, but not limited to, the right to declare the entire unpaid balance due under this Note immediately due and payable. In no event shall the rate of interest payable hereunder at any time exceed the highest rate of interest allowed under applicable usury laws.

2. **Principal and Interest Payments**. This Note shall be due and payable by electronic funds transfer in ____ consecutive equal monthly installments of **[AMOUNT] ($0,000.00),** with the initial installment being due and payable on **DATE**, and the remaining installments being due and payable on the same day of each consecutive month thereafter. The final installment shall be due and payable on **DATE** and shall consist of the remaining principal balance of this Note, and all unpaid interest, accrued thereon. In the event any payment date shall fall due on a Saturday, Sunday or United States banking holiday, payment shall be made on the next succeeding business day, and interest will continue to accrue on the unpaid amount during the interim. All payments of principal and interest are to be made in lawful money of the United States of America in immediately available funds.

3. **Payment Application**. Payments shall be applied first to expenses, costs, and attorney's fees which are payable under this Note, secondly to interest and finally to the reduction of principal; provided, such payments may at the option of Payee or other holder hereof, be applied to the payment of delinquent taxes, installments of special assessments, insurance premiums and/or other legal charges.

4. **"Event of Default"**. An "Event of Default" shall be deemed to have occurred in the event that: (a) any amount due hereunder is not paid after becoming due and payable; or (b) any default by Maker

occurs in the performance of the covenants, obligations or other provisions under the Franchise Agreements between Maker and Payee (the "Franchise Agreement(s)"), or any other agreement between Maker (or its affiliates) and Payee; or (c) any representation or warranty of the Maker set forth in the Franchise Agreement(s), or any other agreement between Maker and Payee proves to have been incorrect in any material respect; or (d) Maker becomes subject to any bankruptcy, insolvency or debtor relief proceedings; or (e) Maker fails to comply with or perform any provision of this Note not constituting a default under the previous items of this paragraph and such failure continues for fifteen (15) days after notice thereof to Maker; or (f) a default occurs causing the acceleration of any material obligation of Maker to any other creditors; or (g) any guarantor of the Franchise Agreement(s) revokes or renounces their guaranty; or (h) the Franchise Agreement(s) is terminated by Maker or by Payee or is declared terminated in any judicial proceeding.

5. Default and Remedies. Upon the occurrence of an Event of Default as defined herein or at any time thereafter, the entire principal and accrued interest of this Note shall become immediately due and payable, without further notice to Maker, at the option of Payee or other holder hereof. To the extent permitted by applicable law, all benefits, rights and remedies hereunder shall be deemed cumulative and not exclusive of any other benefit, right or remedy herein. The failure of Payee or other holder hereof to exercise any right or remedy hereunder shall not be deemed to be a release or waiver of any obligation or liability of the Maker.

6. Obligations Absolute. All obligations of Maker hereunder are absolute and unconditional, irrespective of any offset or counterclaim of Maker against Payee or other holder hereof. Maker hereby waives the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce the obligations of Maker under this Note.

7. Waivers. Maker and any co-makers, sureties, endorsers and guarantors of this Note, hereby jointly and severally waive presentment for payment, notices of non-performance or nonpayment, protest, notice of protest, notice of dishonor, diligence in bringing suit hereon, against any party hereto and notice of acceleration. Payee reserves the right, in its sole and exclusive discretion, to waive the requirement in Section 2 above that all payments hereunder be due by electronic funds transfer.

8. Collection Costs; Attorney's Fees. Maker agrees to pay all expenses and costs of collection, including all reasonable attorney's fees and expenses, court costs, costs of sale and costs of maintenance and repair and similar costs incurred by Payee in connection with the enforcement of this Note, the collection of any amounts payable hereunder, whether by acceleration or otherwise, and/or the sale or other disposition of any Collateral.

9. Prepayment. Maker may prepay this Note, in whole or in part, at any time without premium or penalty. Any partial payments shall be applied first to accrued interest and then to principal installments in reverse order of maturity.

10. Severability. If any term or provision of this Note or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and shall be valid and enforced to the fullest extent permitted by law.

11. Limitation on Interest. All agreements between Maker and Payee, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for charged, or received by Payee, or any subsequent holder hereof, exceed the maximum amount permissible

under applicable law. If any interest in excess of the maximum amount of interest allowable by said applicable laws is inadvertently paid to Payee or the holder hereof, at any time, any such excess interest shall be refunded by the holder to the party or parties entitled to the same after receiving notice of payment of such excess interest. All interest paid or agreed to be paid to Payee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between Maker and Payee as to the payment of interest.

12. **Jurisdiction and Venue**. It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Note, shall be commenced, filed and litigated, if at all, in the judicial district in which the Payee is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.

13. **Jury Trial Waiver**. **MAKER AND PAYEE IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ARISING FROM, WHETHER DIRECTLY OR INDIRECTLY, THIS NOTE.**

14. **Governing Law**. In order to effect uniform interpretation of this Note, and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Colorado.

15. **Amount Owing**. The records of Payee or other holder of this Note shall be prima facie evidence of the amount owing on this Note.

16. **Release.** In consideration of the credit given to the Maker as evidenced by this Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned, for himself and his agents, employees, representatives, associates, heirs, successors and assigns (collectively the "Franchisee Entities"), does hereby fully and finally release and forever discharge the Payee, and its officers, owners, members, directors, managers. agents, employees, representatives, associates, successors and assigns (collectively, the "Franchising Entities") of and from any and all actions and causes of action, suits claims, demands, damages, judgments, accounts, agreements, covenants, debts, levys and executions, including without limitation attorneys' fees, whatsoever, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, whether at law or in equity, which the Franchisee Entities, or any one or more of them, have had, now have or may in the future, have against the Franchising Entities, or any one or more of them, arising out of, in connection with or relating in any way to that certain Miracle Method franchise agreement between the Maker and Payee (the "Franchise Agreement"), or any other agreement between the Maker and Payee, including but not limited to, any actions for fraud or misrepresentation, violation of any franchise laws, violation of any state or federal antitrust or securities laws, or violation of any common law, from the beginning time to the date of this Note; provided, however, specifically excluded from the release provisions of this Note shall be all obligations of Payee under the Franchise Agreement first accruing on and after the date hereof.

This release does not apply to claims arising under the Washington Franchise Investment Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

17. **Assignment**. Payee may sell or assign this Note at Payee's sole discretion. If Payee sells or assigns this Note Payee will not remain primarily obligated under the Note. Additionally, Maker will also lose all of its defenses against Payee as they relate to this Note as a result of the sale or assignment.

IN WITNESS WHEREOF, Maker has made, executed and delivered this Note effective as of the date first above written.

MAKER:
[INSERT NAME OF FRANCHISEE ENTITY]
By: _____
[NAME]
Its: [TITLE]

PAYEE:
MIRACLE METHOD, LLC
By: _____
[NAME]
Its: [TITLE]

ATTACHMENT E TO FRANCHISE AGREEMENT

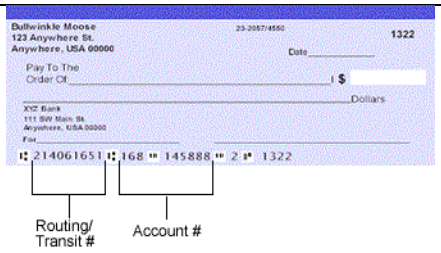
MIRACLE METHOD, LLC - ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION AGREEMENT

The undersigned ("Franchisee), hereby authorizes **MIRACLE METHOD, LLC**, a Texas limited liability company, with principal offices at 215 Sutton Lane, Colorado Springs, CO, 80907, to initiate electronic transfer of funds/direct debits for payment of any and all amounts which Franchisee may owe to **Miracle Method, LLC** or its affiliates under any franchise agreement, note, security agreement, or other document or agreement between Franchisee and **Miracle Method, LLC** or its affiliates under the Franchise Agreement (the "Obligations"). All transfers of funds shall be made to and out of the bank account (the "Account") identified below at the Financial Institution identified below.

Franchisee acknowledge that the origination of Automated Clearing House (ACH) transactions to the Account must comply with the provisions of the United States law. All costs and expenses, including any resulting from the dishonor by the Financial Institution of any electronic funds transfer/direct debit, shall be Franchisee's sole responsibility. This authorization is irrevocable and shall remain in effect until 30 days after the termination or expiration of the underlying Franchise Agreement between Franchisee and **Miracle Method, LLC.**

Franchisee acknowledges that the Obligations will be debited by **Miracle Method, LLC** as they become due, or the closest business day thereafter. Franchisee agrees to keep sufficient funds in the account listed below to pay all Obligations. If Franchisee does not have enough money in the Account to cover the transfer/direct debit, or if the Financial Institution for any other reason refuses to honor a transfer/direct debit, Franchisee will separately pay for the Obligations upon demand.

ACH Information		
Financial Institution:		
Branch:		
City	State:	Zip:
Routing/Transit Number:		
Account/Bank Number:		



ENTITY: _____

Individual Franchisee or Authorized Signer Name(s): _____

Signature: _____ Date: _____
(duly authorized, or in their individual capacity)
Signature: _____ Date: _____
(duly authorized, or in their individual capacity)

Day Phone: _____ Evening Phone: _____

ATTACHMENT F TO FRANCHISE AGREEMENT

FRANCHISE OPTION AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (the "Amendment") is made and entered into as of _____, by and between MIRACLE METHOD, LLC, a Texas limited liability company, with its principal place of business at 215 Sutton Lane, Colorado Springs, CO, 80907 ("Franchisor"), and _____, a __ with its _____ at _____("Franchisee").

1. [FOR NEW FRANCHISEES]: The Initial Franchise Fee shall be refunded to Franchisee, within ten (10) days of the opening of the Franchise so long as Franchisee has opened the Franchise within the time set forth in the Franchise Agreement, and Franchisee is not otherwise in default of the Franchise Agreement or any other agreement between Franchisee and Franchisor or its affiliates. However, the foregoing does not apply to Franchisee if Franchisee is a resident of or domiciled in, or intending to operate the Franchise wholly or partly in, any of the states of Connecticut, Georgia, Louisiana, Maine, North Carolina or South Carolina.

[FOR NEW FRANCHISEES]: Franchisor waives the Initial Franchise Fee stated in Section 3A of the Franchise Agreement.

2. Section 3B. of the Franchise Agreement is amended as follows:

(a) Strike "five and one-half percent (5.5%)" and replace with "nine and one-half percent (9.5%)".

3. If you renew the Franchise, Franchisee and Franchisor agree that the Royalty rate, as amended by Section 2 of this Amendment, shall be applied to the renewal term and that they shall enter into an amendment of the renewal franchise agreement if necessary to apply the foregoing Royalty rate.

4. Except as specifically amended above, all other provisions of the Franchise Agreement remain in full force and effect.

5. If there is a conflict between this Amendment and the Franchise Agreement, this Amendment will prevail.

IN WITNESS THEREOF, the parties hereto have executed this Amendment on the day and year first above written.

MIRACLE METHOD, LLC

By:_____

Its: _____

FRANCHISEE

By:_____

Its: _____

ATTACHMENT G TO FRANCHISE AGREEMENT

RENEWAL ADDENDUM

This Renewal Addendum to Franchise Agreement ("Addendum") is made and entered into this Long Date by and between Miracle Method, LLC, a Texas limited liability company ("Franchisor"), and Franchisee, d/b/a Trade Name ("Franchisee").

BACKGROUND

A. Franchisor and Franchisee entered into a certain Miracle Method franchise agreement dated Month, day, year.

B. Franchisor and Franchisee desire to incorporate the terms of this Addendum into the Franchise Agreement. Capitalized terms not defined in this Addendum shall have the meanings set forth in the renewal Franchise Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. Notwithstanding anything in the Franchise Agreement to the contrary, the term ("Term") of the Franchise and the Franchise Agreement shall expire on _____, unless terminated earlier.

2. Renewal Franchise (Transfer) Fee for this Franchise Agreement is $ #,###.##.

3. Section 2G Franchise Opening shall not apply since this is a renewal of an existing franchise. ***IF RENEWAL:*** [Reserved].

4. The Initial Franchise Fee as stated in Section 3A shall not apply since this is a renewal of an existing franchise.

5. The parties acknowledge that training requirements in Section 4A have effectively occurred.

6. Payment of Royalty and monthly Advertising Fees are due and continue from the date of the renewal/or transfer.

7. Opening advertising as defined in Section 9C shall not apply since this is a renewal of an existing franchise.

8. **CONFIDENTIALITY.** Franchisee agrees to keep the terms of this Addendum confidential and not disclose the contents of this Addendum to any third party, excluding Franchisee's representatives, without the prior written consent of Franchisor.

9. **ADDENDUM BINDING**. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

10. **FURTHER ASSURANCE**. Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable, to fully implement the terms and conditions of this Addendum.

11. **REAFFIRMATION**. Except as specifically modified by this Addendum, all the terms and

conditions of the FA (including provisions for notice, construction, and dispute resolution) are reaffirmed in their entirety.

12. **NO FURTHER CHANGES**. Except as specifically provided in this Addendum, all the terms, conditions and provisions of the FA will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the FA and this Addendum, the terms of this Addendum shall control.

13. **RENEWAL CONTINGENCIES**. The following are conditions or changes that must be resolved to the satisfaction of Miracle Method. You must correct or address each item by the specified due date or a Non-Compliance fee of $500.00 per month will be imposed until the item is completed. ***IF RENEWAL:***

14. **RENEWAL CONTINGENCIES.** [Reserved].

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Addendum as of the dates appearing below.

FRANCHISOR:

Miracle Method, LLC

By: _____
Name:
Title:

Date: _____

FRANCHISEE:
Franchise Name d/b/a Trade Name

By:

_____
Name: (NAME)
Title: (TITLE)
Date:

_____

ATTACHMENT H TO FRANCHISE AGREEMENT

MULTI-TERRITORY DEVELOPMENT ADDENDUM

This Multi-Territory Development Addendum (this "Addendum") is made and entered into as of the____day of _____, 20__ (the "Effective Date") by and among MIRACLE METHOD, LLC, a Texas limited liability company, with its principal place of business at 215 Sutton Lane, Colorado Springs, CO, 80907 ("Franchisor"), [ENTITY], a _____limited liability company/corporation and [ENTITY OR INDIVIDUAL NAME] ("You," "Your," or the "Franchisee"). If "You" are a business entity, "You" includes Your owners. Natural persons having an ownership interest in You if You are a business entity, are called an "Owner" and collectively "Owners."

INTRODUCTION

Franchisee and Franchisor have entered into one or more agreements, dated ____ (the "Franchise Agreement(s)") under which Franchisee shall own and operate a Miracle Method® franchise in one or more contiguous territories, as further described in the Franchise Agreements. Franchisor has agreed that Franchisee shall be offered extended time to begin operating each territory and further that the timing of fee payments under the Franchise Agreement shall be similarly adjusted.

In consideration of the foregoing and the mutual covenants and consideration described below, You and Franchisor agree as follows:

1. Franchisee shall begin operating the Franchised Business in each territory purchased on the Effective Date according to the schedule set forth in the Rider to this Addendum.

2. Franchisee has signed, or will sign by the Effective Date, one Franchise Agreement applicable to the operation of the Franchised Business in each territory. Except as stated in this Addendum, the operation of the Franchised Business in each territory will be subject to the terms of the applicable Franchise Agreement.

3. Franchisee shall pay the Initial Franchise Fee for each territory, as stated the applicable Franchise Agreement, no later than the Effective Date. All such fees are non-refundable.

4. Franchisee shall not be obligated to complete the Initial Training Program prior to commencing operation of the Franchised Business in the second and additional territories identified on the Rider.

5. Franchisor and Franchisee shall mutually agree upon the time for the commencement of operations of the Franchised Business in the second and additional territories, provided that (i) Franchisee must commence operations in each Territory no later than the deadline stated on the Rider and (ii) if Franchisee begins servicing customers in the second and additional territories at any point, then the date of the first customer service provided in such Territory shall be deemed the commencement of operations.

6. If Franchisee does not commence operations in a Territory according to the deadline stated in the Rider, Franchisor shall have the right to immediately terminate the applicable Franchise Agreement and all of Franchisee's rights to operate the Franchised Business in that Territory and in all other Territories in which Franchisee has not yet commenced operations. A termination under this Section 6 shall not be grounds to terminate the Franchise Agreements applicable to any Territories in which Franchisee has commenced operations.

7. If, for any reason, the Franchise Agreement or Agreements for Territories in which

Franchisee has commenced operations are terminated prior to Franchisee commencing operations in all Territories, then Franchisor shall have the right to immediately terminate the Franchise Agreements for any Territories in which Franchisee has not yet commenced operations.

8. Except as otherwise stated herein, this Addendum shall be made a part of each Franchise Agreement for each of the Territories described on the Rider, and any and all matters under this Addendum shall be governed by the terms of the applicable Franchise Agreement.

9. All dispute resolution under this Addendum shall be governed by the terms of the Franchise Agreements.

10. This Addendum may be executed in one or more counterparts, each of which when executed and delivered shall be an original, and all of which together shall constitute one and the same instrument. An electronic signature (whether digital or encrypted, such as one transmitted via DocuSign) and/or a signature transmitted via electronic means (such as one transmitted via facsimile or in a PDF format via email) shall be effective to bind the party that transmitted the signature to the same extent as would a handwritten signature.

[THIS AGREEMENT CONTINUES WITH A RIDER,
WHICH IS A PART OF THIS AGREEMENT]

MULTI-TERRITORY DEVELOPMENT AGREEMENT RIDER

Development Territories:

FRANCHISE AGREEMENT NO.	TERRITORY ID	ZIP CODES

Development Schedule. Franchisee must commence operations of the Franchised Business in each territory according to the following schedule:

Franchise Agreement No.	Date by Which Operations must Commence in the Territory
XXX-XXXX	
XXX-XXXX	

FRANCHISOR:

Miracle Method, LLC

By:

_____

Name:
Title:

Date:

_____

FRANCHISEE:
Franchise Name d/b/a Trade Name

By:

_____

Name: (NAME)
Title: (TITLE)
Date:

EXHIBIT B

FINANCIAL STATEMENTS

HS Group Holding Company, LLC and Subsidiaries

Consolidated Financial Report

December 31, 2024

HS Group Holding Company, LLC and Subsidiaries

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Statement of Members' Equity	5
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Notes to Consolidated Financial Statements	7-15

Plante & Moran, PLLC
Suite 300
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

Independent Auditor's Report

To the Board of Directors
HS Group Holding Company, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of HS Group Holding Company, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations and comprehensive income, members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 9 to the consolidated financial statements, members' equity as of January 1, 2024 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

To the Board of Directors
HS Group Holding Company, LLC and Subsidiaries

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

April 3, 2025

HS Group Holding Company, LLC and Subsidiaries

Consolidated Balance Sheet

December 31, 2024

Assets	
Current Assets	
Cash	$ 4,973,924
Accounts receivable:	
Trade - Net of allowance for credit losses	4,622,137
Unbilled	2,384,114
Other	12,786
Inventory	349,518
Prepaid expenses and other current assets:	
Prepaid expenses	763,549
Deferred broker and commission costs	831,913
Other current assets	81,861
Total current assets	14,019,802
Property and Equipment - Net (Note 4)	1,495,493
Operating Lease Right-of-use Assets - Net (Note 7)	2,886,019
Goodwill - Net (Note 5)	53,613,567
Intangible Assets - Net (Note 5)	26,034,323
Deferred Commission Costs - Net of current portion	3,210,287
Other Assets	182,893
Total assets	**$ 101,442,384**
Liabilities and Members' Equity	
Current Liabilities	
Accounts payable	$ 2,133,975
Current portion of long-term debt (Note 6)	30,434,803
Current portion of operating lease liabilities (Note 7)	1,237,822
Deferred franchise fees	1,717,585
Accrued compensation and other current liabilities	1,722,910
Total current liabilities	37,247,095
Operating Lease Liabilities - Net of current portion (Note 7)	1,704,010
Deferred Franchise Fees - Net of current portion	6,040,806
Total liabilities	44,991,911
Members' Equity	56,450,473
Total liabilities and members' equity	**$ 101,442,384**

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries

Consolidated Statement of Operations and Comprehensive Income

	Year Ended December 31, 2024
Recurring Revenue	$ 46,645,188
Franchise Fee Revenue	2,364,383
Total revenue	49,009,571
Operating Expenses	59,247,865
Operating Loss	(10,238,294)
Nonoperating Expense	
Other expense	(37,461)
Interest expense	(3,522,490)
Total nonoperating expense	(3,559,951)
Loss from Continuing Operations	(13,798,245)
Gain from Discontinued Operations (including gain on disposal of $908,222)	789,142
Consolidated Net Loss	(13,009,103)
Other Comprehensive Income - Foreign currency translation	107,082
Comprehensive Loss	**$ (12,902,021)**

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries

Consolidated Statement of Members' Equity

Year Ended December 31, 2024

Balance - January 1, 2024 (as restated)	$ 70,797,170
Net loss	(13,009,103)
Issuance of Class A units	37,500
Redemptions	(1,482,176)
Foreign currency translation	107,082
Balance - December 31, 2024	**$ 56,450,473**

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries

Consolidated Statement of Cash Flows

	Year Ended December 31, 2024
Cash Flows from Operating Activities	
Net loss	$ (13,009,103)
Adjustments to reconcile net loss to net cash from operating activities:	
Depreciation and amortization	12,456,987
Accretion of debt issuance costs	209,633
Noncash lease expense	(19,170)
Credit loss expense	686,358
Gain on sale of subsidiaries	(908,222)
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	164,101
Prepaid expenses and other assets	(477,035)
Inventories	25,423
Deferred commission costs	802,954
Accounts payable and accrued expenses	(2,225,066)
Deferred franchise fees	(1,077,179)
Net cash used in operating activities	(3,370,319)
Cash Flows from Investing Activities	
Purchase of property and equipment	(163,849)
Proceeds from sale of subsidiaries	81,680
Net cash used in investing activities	(82,169)
Cash Flows from Financing Activities	
Borrowings on long-term debt	3,300,000
Payments on long-term debt	(1,672,126)
Redemptions	(852,176)
Issuance of Class A units	37,500
Net cash provided by financing activities	813,198
Effect of Exchange Rate Changes on Cash	107,082
Net Decrease in Cash	(2,532,208)
Cash - Beginning of year	7,506,132
Cash - End of year	**$ 4,973,924**
Significant Noncash Transactions - Redemption of Class A units in exchange for sale of Plumbing Heating Paramedics, LLC	$ 630,000

See notes to consolidated financial statements.

Note 1 - Nature of Business

HS Group Holding Company, LLC and Subsidiaries (the "Company") includes its wholly owned subsidiaries, Threshold Brands, LLC (TB); MaidPro Franchise, LLC (MaidPro); FlyFoe, LLC (FlyFoe); Men In Kilts US, LLC (MIKU); Men in Kilts Canada, Inc. (MIKCA); Pestmaster Franchise Network, LLC (PFN); Pestmaster Services, L.P. (PSI); Kaigan, LLC (Kaigan); USA Insulation Franchise, LLC (USA); USA Enterprises, LLC (USAE); FDIE, LLC (FDIE); Sir Grout Franchising, LLC (SGF); Sir Grout, LLC (SG); Plumbing Heating Paramedics, LLC (PHP); PHP Franchise, LLC (PHPF); Granite Garage Floors Franchising, LLC (GGFF); Granite Garage Floors Atlanta (GFCC); Mold Medics, LLC (MM); Mold Medics Franchise, LLC (MMFL); and Miracle Method, LLC (MMCS).

MaidPro is a franchisor that provides support, guidance, and training to its franchisees. Its franchisees provide residential and office cleaning services in the United States and Canada. MaidPro began franchising operations in January 1997 and conducts operations from its principal office in Massachusetts.

FlyFoe was established on November 30, 2017. FlyFoe is a franchisor that provides support, guidance, and training to its franchisees. FlyFoe's franchisees provide mosquito and tick control services and other related services in the United States.

MIKU was established on March 29, 2019, and MIKCA was established in 2002. They are each franchisors that provide support, guidance, and training to its franchisees. Their franchisees provide exterior house cleaning services, including window cleaning, gutter cleaning, house washing, and pressure washing, for both residential and commercial properties in the United States and Canada.

PFN operates as a franchisor of pest control services throughout the United Sates. It provides territorial rights for operation of its businesses, giving initial training and ongoing support for franchisees. The customer base is both residential and commercial. It began operations in 1981. PSI and Kaigan operate certain Pestmaster franchises.

USA was established on March 22, 2006. It is a franchisor that provides support, guidance, and training to its franchisees. Its franchisees provide insulation services for both residential and commercial buildings. USAE operates certain USA franchises. FDIE is an operating company that primarily provides inventory to USA franchises. FDIE manufactures foam insulation and related chemicals and equipment that it sells and ships directly to franchisees.

SGF was established in 2004. It is a franchisor that provides a variety of services across grout and tile restoration (e.g., cleaning, repair, color sealing, and recaulking), stone restoration (e.g., floor and countertop polishing and crack repair), surface coatings (e.g., durability coating and slip-resistance coatings), and sandless hardwood refinishing. SG also acts as a product supplier for franchisees, where supplies are purchased from vendors and directly shipped to the franchisees.

PHP was established in 2011. It provides HVAC and plumbing services to residential customers throughout Indiana. PHP offers HVAC system repairs, HVAC system replacements, plumbing system repairs, and recurring maintenance check-ins. PHP was sold on January 31, 2024. PHPF is a newly established franchisor that sells franchises providing services similar to PHP.

GFCC was established in 1980. The company provides upgrading of concrete surfaces (e.g., garage floors, basements, workshops, unfinished spaces, exterior porches, and patios) with an industrial coating system with finishes appearing like granite, quartz, stone, metallic, or terrazzo. GGFF operates as a franchisor in which its franchisees provide services similar to GFCC. GFCC was sold on December 31, 2023.

MM provides mold remediation, air duct cleaning, and other ancillary services, such as radon testing for residential and commercial customers. MM was sold on April 30, 2024. MMFL operates as a franchisor in which its franchisees provide services similar to MM.

MMCS provides bathroom and kitchen resurfacing services for residential and commercial customers and operates as a franchisor.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including alternative accounting for goodwill and intangibles.

Principles of Consolidation

The financial statements include the accounts of the Company and all of its wholly owned and majority-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2024, the Company had recorded an allowance for credit losses in the amount of $1,070,050. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Net accounts receivable as of January 1, 2024 equaled $5,220,489.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives, which range from 3 to 10 years. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Company has operating leases for real estate and vehicles. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

The Company elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

Note 2 - Significant Accounting Policies (Continued)

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the year ended December 31, 2024.

Revenue Recognition

The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement (typically 10 years), (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees, and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represent a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities).

The Company also operates franchise locations that perform various repair and maintenance services for residential and commercial buildings. Revenue is recognized over time as the services are rendered. Long-term contracts do not exist for these services, and all work is typically completed within a 24-hour period. Total revenue related to these services was approximately $8,586,000 during the year ended December 31, 2024. This revenue is included in recurring revenue on the accompanying consolidated statement of operations and comprehensive income.

FDIE manufactures foam insulation and related chemicals and equipment that it sells and ships directly to its customers. Revenue is recognized at a point in time when the customer receives the goods. FDIE does not offer extended warranties that would constitute a separate performance obligation. Product revenue for FDIE was approximately $5,417,000 during the year ended December 31, 2024. This revenue is included in recurring revenue on the accompanying consolidated statement of operations and comprehensive income. The Company has adopted the policy election to exclude sales taxes from the transaction price.

Note 2 - Significant Accounting Policies (Continued)

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred franchise fees as of January 1, 2024 equaled $8,835,570. Initial franchise fees are also received pursuant to area development agreements, which grant the right to develop franchised stores in future periods in specific geographic areas. Royalties and advertising fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Service fees are due 30 days from when the service is performed.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement.

Advertising Expense

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to an advertising fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2024 was $5,813,677.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

Concentrations of Credit Risk

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Debt Issuance Costs

Debt issuance costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt using a method that approximates the effective interest rate method.

Note 2 - Significant Accounting Policies (Continued)

Foreign Currency Translation

The functional currency of the Company's international subsidiary (MIKCA) is the Canadian dollar. Foreign currency denominated assets and liabilities are translated into United States dollars at the rate of exchange in effect at year end. Income and expenses are translated at a weighted-average rate of exchange for the year ended December 31, 2024. The aggregate effect of translating the financial statements of MIKCA is included in other comprehensive income on the accompanying consolidated statement of operations and comprehensive income.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 3, 2025, which is the date the financial statements were available to be issued.

Note 3 - Accounts Receivable Credit Loss Allowance

The activity in the allowance for credit losses is as follows:

Balance - January 1	$	812,625
Additions charged to expense		686,358
Deductions/Write-offs		(428,933)
Balance - December 31	$	1,070,050

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

Machinery and equipment	$	531,978
Vehicles		1,378,226
Furniture and fixtures		80,268
Computer equipment and software		395,258
Leasehold improvements		663,717
Total cost		3,049,447
Accumulated depreciation		1,553,954
Net property and equipment	$	1,495,493

Depreciation expense for 2024 was approximately $418,000.

Note 5 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2024 are summarized as follows:

	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and goodwill:		
Franchise agreements	$ 22,957,360	$ 7,182,241
Trade names	11,151,905	2,266,952
Software	2,755,357	1,381,106
Goodwill	79,759,719	26,146,152
Total amortized intangible assets and goodwill	$ 116,624,341	$ 36,976,451

Amortization expense for intangible assets and goodwill totaled approximately $12,039,000 for the year ended December 31, 2024.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2025	$ 12,038,523
2026	12,038,523
2027	12,038,523
2028	12,038,523
2029	12,038,523
Thereafter	19,455,275
Total	$ 79,647,890

Note 6 - Long-term Debt

In connection with the Company's acquisition of USA on December 23, 2020, the Company entered into a credit agreement with a financial institution. Maximum borrowings under the credit agreement allow for $2,000,000 of a revolving loan, $12,500,000 of a senior secured term loan, and $20,000,000 of additional term loans, which are secured by substantially all of the assets of the Company. The available borrowings on the revolver are limited to a borrowing base, calculated from the adjusted senior debt to earnings before interest, taxes, depreciation and amortization (EBITDA), as further defined in the credit agreement.

In connection with the agreement, the Company incurred debt issuance costs of $410,323, which are amortized over the term of the credit agreement.

On September 16, 2024, the Company signed the sixth amendment to the loan agreement, which provided a delayed draw A term loan of $3,300,000. The proceeds of the loan were to be used by the Company to fund the revolver paydown, the Company's working capital needs, transaction costs, fees, and expenses incurred by the Company and to make certain modifications to the loan agreement.

The interest rate is a floating rate equal to the lesser of the Secured Overnight Financing Rate (SOFR) plus the applicable margin, as defined in the credit agreement, which is 10.24 percent as of December 31, 2024. Principal payments are due quarterly on the first day of each quarter in an amount equal to $71,094 and with a balloon payment on the maturity date, which is December 23, 2025. Management expects to extend the maturity date of the debt and is currently in negotiations with the lender to do so.

The credit agreement includes certain ratios and excess cash flow payments. The credit agreement is collateralized by all business assets of the Company. As of December 31, 2024, the Company was in compliance with its financial debt covenants.

Amortization expense recognized on debt issuance costs was approximately $210,000 as of December 31, 2024.

Note 6 - Long-term Debt (Continued)

A summary of debt at December 31, 2024 is as follows:

Term loan	$ 27,344,436
Delayed draw A term loan	3,300,000
Unamortized debt issuance costs	(209,633)
Long-term debt less unamortized debt issuance costs	30,434,803
Less current portion	30,434,803
Long-term portion	$ -

Note 7 - Leases

The Company leases real estate and vehicles under operating lease agreements that have initial terms of 4 to 15 years. Some leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease five times up to a term of 5 years each. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2025	$ 1,225,158
2026	584,634
2027	324,249
2028	311,964
2029	256,557
Thereafter	313,572
Total	3,016,134
Less amount representing interest	74,302
Present value of net minimum lease payments	2,941,832
Less current obligations	1,237,822
Long-term obligations under leases	$ 1,704,010

Note 7 - Leases (Continued)

Expenses recognized under these leases for the year ended December 31, 2024 consist of the following:

Lease cost:		
Operating lease cost	$	1,492,073
Short-term lease cost		12,400
Total lease cost	$	1,504,473
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases	$	1,225,158
Weighted-average remaining lease term (years) - Operating leases		3.5
Weighted-average discount rate - Operating leases		1.3 %

Note 8 - Related Party Transactions

A company related to the Company's majority member charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in operating expenses on the accompanying consolidated statement of operations and comprehensive income. The total expense for the year ended December 31, 2024 is $691,000.

Note 9 - Members' Equity

Class A units have voting rights on all matters requiring the consent, approval, or vote of the members. The Class A units receive preference on distributions. There were 1,000,000 units authorized and 87,829 units issued and outstanding as of December 31, 2024.

Class B units do not have voting rights and are issued to designated management employees of the Company, upon vesting of deferred units, without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B units are dilutive to the participating preferred units. There were 1,000,000 units authorized and no units issued or outstanding as of December 31, 2024.

As defined in the HS Group Holding Company, LLC Second Amended and Restated Limited Liability Company Agreement, a deferred unit provides the right to be issued a Class B unit prior to a significant sale, assuming the fair market value of the Company exceeds the threshold amount, as defined in the deferred unit agreement. Deferred units vest evenly over seven years, with accelerated vesting upon the occurrence of a significant sale. As of December 31, 2024, there were 11,740 deferred units issued, 5,078 deferred units outstanding, and 1,505 deferred units vested. No compensation expense was recognized during 2024, as the fair value of the units is *de minimis*.

The accompanying consolidated statement of members' equity has been restated to correct an error in which accounts receivable were overstated as of December 31, 2023. Retained earnings as of January 1, 2024 decreased by $1,895,100.

Note 10 - Discontinued Operations

On January 31, 2024, the Company sold PHP in exchange of 300 Class A units of the Company owned by the buyer that were valued at $630,000, which is included in redemptions on the accompanying consolidated statement of members' equity. In addition, MM was sold on April 30, 2024 in exchange for cash equal to approximately $82,000.

The sales of PHP and MM are considered to be strategic changes in operations, as they are both nonfranchisors, so the Company can focus on the franchisor side of the business. PHP and MM are, therefore, being accounted for as discontinued operations.

Note 10 - Discontinued Operations (Continued)

The results of operations of PHP and MM included in gain from discontinued operations in the consolidated statement of operations and comprehensive income for the year ended December 31, 2024 are as follows:

Recurring revenue	$	870,784
Operating expenses		(951,392)
Interest expense		(38,472)
Gain on sale from discontinued operations		908,222
Net gain	$	789,142

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Financial Report
December 31, 2023

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RSM

Independent Auditor's Report

RSM US LLP

Board of Directors
HS Group Holding Company LLC and Subsidiaries d/b/a Threshold Brands

Opinion

We have audited the consolidated financial statements of HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in members' equity and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years ended December 31, 2023, 2022, and 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Detroit, Michigan
April 24, 2024

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Balance Sheets
December 31, 2023 & 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 7,292,172**	$ 2,848,939
Accounts receivable, net of allowance for credit losses	**7,308,258**	2,838,072
Inventory	**374,941**	626,335
Prepaid expenses and other current assets	**3,638,733**	2,739,829
Discontinued operations	**456,472**	691,541
Total current assets	**19,070,576**	9,744,716
Property and equipment, net	**1,750,108**	2,053,004
Other assets:		
Goodwill, net	**58,322,671**	49,421,067
Intangibles, net	**28,931,482**	20,570,821
Right of use asset - operating leases, net	**4,037,117**	4,902,678
Capitalized contract costs	**4,013,241**	3,913,698
Other assets	**200,786**	366,051
Discontinued operations	**5,099,952**	5,649,309
Total other assets	**100,605,249**	84,823,624
Total assets	**$ 121,425,933**	$ 96,621,344
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	**$ 3,331,237**	$ 2,579,019
Accrued expenses	**1,736,480**	2,289,453
Current portion of long-term debt	**409,376**	355,469
Operating lease liabilities, current	**1,234,334**	1,149,172
Current portion of deferred franchise and territory fees	**2,596,885**	1,703,657
Discontinued operations	**1,687,613**	1,504,355
Total current liabilities	**10,995,925**	9,581,125
Long-term debt, net	**28,187,920**	27,087,563
Deferred franchise and territory fees, net of current portion	**6,238,685**	6,581,039
Operating lease liabilities noncurrent	**2,877,766**	3,825,580
Discontinued operations	**433,367**	357,315
	37,737,738	37,851,497
Total liabilities	**48,733,663**	47,432,622
Members' equity	**72,692,270**	49,188,722
Total liabilities and members' equity	**$ 121,425,933**	$ 96,621,344

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Statements of Operations
Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Revenues:			
Recurring revenue	**$ 43,861,005**	$ 42,434,021	$ 31,818,811
Franchise fee revenue	**2,355,244**	2,284,333	1,148,834
Total revenues	**46,216,249**	44,718,354	32,967,645
Operating expenses:			
Cost of services	**7,365,194**	7,716,433	6,488,425
General and administrative expenses	**13,588,879**	18,981,922	11,602,742
Payroll and benefits	**19,327,071**	20,314,913	15,092,714
Depreciation and amortization expenses	**9,096,227**	8,030,433	6,067,212
Transaction expenses	**2,127,651**	884,988	2,054,118
Total operating expenses	**51,505,022**	55,928,689	41,305,211
Loss from operations	**(5,288,773)**	(11,210,335)	(8,337,566)
Other expense (income):			
Interest expense	**3,516,317**	2,434,486	1,364,806
Other expense (income)	**204,046**	(203,807)	(145,135)
Other expense	**3,720,363**	2,230,679	1,219,671
Loss from continuing operations	**(9,009,136)**	(13,441,014)	(9,557,237)
Loss from discontinued operations (including gain on disposal of $9,972 for the year ended December 31, 2023)	**(1,459,871)**	(831,424)	(830,729)
Net loss	**$ (10,469,007)**	$ (14,272,438)	$ (10,387,966)

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Statements of Changes in Members' Equity
Years Ended December 31, 2023, 2022, and 2021

Balance, December 31, 2020	$ 50,386,426
Issuance of Class A units	1,150,000
Contributed capital related to acquisitions	5,150,000
Foreign currency translation	(32,060)
Net loss	(10,387,966)
Balance, December 31, 2021	46,266,400
Issuance of Class A units	774,578
Contributed capital related to acquisitions	16,500,000
Foreign currency translation	(79,818)
Net loss	(14,272,438)
Balance, December 31, 2022	49,188,722
Issuance of Class A units	7,705,254
Contributed capital related to acquisitions	26,315,146
Distributions	(221,436)
Foreign currency translation	173,591
Net loss	(10,469,007)
Balance at December 31, 2023	**$ 72,692,270**

See notes to consolidated financial statements.

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Statements of Cash Flows
Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net loss from continuing operations	**$ (9,009,136)**	$ (13,441,014)	$ (9,557,237)
Net loss from discontinued operations	**(1,459,871)**	(831,424)	(830,729)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:			
Depreciation and amortization	**9,096,227**	8,030,433	6,067,212
Accretion of debt issuance costs	**209,733**	209,532	122,886
Loss (gain) on sale of fixed assets	**151,375**	(24,018)	-
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	**(3,892,055)**	352,313	(744,466)
Prepaid expenses and other current assets	**(655,452)**	(1,916,684)	387,382
Inventories	**251,394**	(51,635)	(407,450)
Capitalized contract costs	**(99,543)**	(1,084,997)	(1,228,179)
Other assets	**221,947**	(195,350)	162,394
Accounts payable and accrued expenses	**(314,296)**	2,088,873	896,771
Deferred franchise and territory fees	**(425,333)**	1,098,016	1,002,758
Other liabilities	**-**	(210,500)	210,500
Operating lease assets and liabilities	**2,909**	72,074	-
Net cash used in operating activities —continuing operations	**(4,462,230)**	(5,072,957)	(3,087,429)
Net cash used in operating activities —discontinuing operations	**(404,355)**	(186,428)	(554,662)
Net cash used in operating activities	**(4,866,585)**	(5,259,385)	(3,642,091)
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	**(22,648,233)**	(13,632,318)	(11,864,149)
Purchase of property and equipment	**(179,453)**	(479,941)	(871,412)
Proceeds from sales of equipment	**24,119**	192,627	208,379
Net cash used in investing activities —continuing operations	**(22,803,567)**	(13,919,632)	(12,527,182)
Net cash used in investing activities —discontinuing operations	**(202,807)**	(290,871)	(1,897,023)
Net cash used in investing activities	**(23,006,374)**	(14,210,503)	(14,424,205)
Cash flows from financing activities:			
Borrowings on long-term debt	**1,300,000**	-	16,000,000
Payment of debt issuance costs	**-**	-	(551,094)
Distributions to members	**(221,436)**	-	
Payments on long-term debt	**(355,469)**	(284,375)	(143,594)
Proceeds from capital contributions	**31,220,400**	15,774,578	1,150,000
Net cash provided by financing activities —continuing operations	**31,943,495**	15,490,203	16,455,312
Net cash provided by financing activities —discontinuing operations	**113,078**	79,560	-
Net cash provided by financing activities	**32,056,573**	15,569,763	16,455,312
Effect of exchange rate changes on cash	**181,670**	(140,104)	(123,805)
Net increase (decrease) in cash and cash equivalents	**4,365,284**	(4,040,229)	(1,734,789)
Cash and cash equivalents, beginning	**3,140,848**	7,181,077	8,915,866
Cash and cash equivalents, ending	**$ 7,506,132**	$ 3,140,848	$ 7,181,077

(Continued)

HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Supplemental disclosures of cash flow information:			
Interest paid	**$ 3,083,356**	$ 1,077,276	$ -
Supplemental schedule of noncash operating, investing and financing activities:			
Acquisition of businesses:			
Assets acquired	**$ 12,410,853**	$ 3,070,399	$ 3,926,223
Liabilities assumed	**(1,489,748)**	(333,510)	(658,342)
Net identifiable assets acquired	**10,921,105**	2,736,889	3,267,881
Goodwill	**15,202,529**	12,428,214	10,880,109
Net assets acquired	**26,123,634**	15,165,103	14,147,990
Less cash acquired	**(675,401)**	(32,785)	(133,841)
Less units issued as consideration	**(2,800,000)**	(1,500,000)	(2,150,000)
Cash purchase price	**$ 22,648,233**	$ 13,632,318	$ 11,864,149

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of business: HS Group Holding Company, LLC and Subsidiaries d/b/a Threshold Brands (collectively, the Company) through its wholly owned subsidiaries including Threshold Brands LLC, MaidPro Franchise, LLC (MaidPro), FlyFoe, LLC (FlyFoe), Men In Kilts US, LLC (Men in Kilts), Men in Kilts Canada Inc. (MIKC), Pestmaster Franchise Network, LLC (PFN), Pestmaster Services, L.P. (PSI), Kaigan LLC (Kaigan), USA Insulation Franchise, LLC (USA), USA Enterprises, LLC (USAE), FDIE, LLC (FDIE), Sir Grout Franchising, LLC (SGF), Sir Grout, LLC (SG), Plumbing Heating Paramedics LLC (PHP), PHP Franchise LLC (PHPF), Granite Garage Floors Franchising, LLLC (GGFF), Granite Garage Floors Atlanta (GGFA), Mold Medics LLC (MM), Mold Medics Franchise, LLC (MMF), Miracle Methods LLC (MMCS) and Miracle Methods Franchise, LLC (MMUS) is in the business of selling franchises as well as operating certain franchises and supply companies.

MaidPro is a franchisor that provides support, guidance, and training to its franchisees. Its franchisees provide residential and office cleaning services in the United States and Canada. MaidPro began franchising operations in January 1997 and conducts operations from its principal office in Massachusetts.

FlyFoe was established on November 30, 2017. FlyFoe is a franchisor that provides support, guidance, and training to its franchisees. FlyFoe's franchisees provide mosquito and tick control services and other related services in the United States.

Men in Kilts was established on March 29, 2019, and MIKC was established in 2002. They are each franchisors that provides support, guidance, and training to its franchisees. Their franchisees provide exterior house cleaning services, including window cleaning, gutter cleaning, house washing, and pressure washing for both residential and commercial properties in the United States and Canada.

PFN operates as a franchisor of pest control services throughout the United Sates. It provides territorial rights for operation of their businesses, giving initial training and ongoing support for franchisees. The customer base is both residential and commercial. It began operations in 1981. PSI and Kaigan operate certain Pestmaster franchises.

USA was established on March 22, 2006. It is a franchisor that provides support, guidance, and training to its franchisees. Its franchisees provide insulation services for both residential and commercial buildings. USAE operates certain USA franchises. FDIE is an operating company that primarily provides inventory to USA franchises. FDIE manufactures foam insulation and related chemicals and equipment that it sells and ships directly to franchisees.

SGF was established in 2004. It is a franchisor that provides a variety of services across grout and tile restoration (e.g., cleaning, repair, color sealing, re-caulking), stone restoration (e.g., floor and countertop polishing, crack repair), surface coatings (e.g., durability coating, slip-resistance coatings), and sandless hardwood refinishing. SG also acts as a product supplier for franchisees, where supplies are purchased from vendors and directly shipped to the franchisees.

PHP was established in 2011. It provides HVAC and plumbing services to residential customers throughout Indiana. PHP offers HVAC system repairs, HVAC system replacements, plumbing system repairs, and recurring maintenance check-ins. PHP was sold on January 31, 2024 and is included in discontinued operations (see Note 9). PHPF is a newly established franchisor that sells franchises providing services similar to PHP.

Note 1. Summary of Significant Accounting Policies (Continued)

GGFA was established in 1980. The company provides upgrading of concrete surfaces (garage floors, basements, workshops, unfinished spaces, exterior porches, and patios) with an industrial coating system with finishes appearing like Granite, Quartz, Stone, Metallic or Terrazzo. GGFF operates as a franchisor in which their franchisees provide services similar to GGFA. GGFA was sold on December 31, 2023 and is included in discontinued operations (see Note 9).

MM provides mold remediation, air duct cleaning, and other ancillary services such as radon testing for residential and commercial customers. MM is expected to be sold in the next year and is included in discontinued operations (see Note 9). MMF operates as a franchisor in which their franchisees provide services similar to MM.

MMCS provides bathroom and kitchen resurfacing services for residential and commercial customers. MMUS operates as a franchisor in which their franchisees provide services similar to MMC.

Basis of presentation: The consolidated balance sheets are presented as of December 31, 2023 and 2022. The consolidated statements of operations, changes in members' equity, and cash flows are presented for the years ended December 31, 2022, 2021, and 2021. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

Revenue recognition policy: The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

Significant accounting policies:

Nature of services

The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the advertising fund contributions and support services for the franchisees, and (d) a license to use the Company's internal-use software which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities). Revenue earned from providing these services is collectively referred to as franchise revenue.

Note 1. Summary of Significant Accounting Policies (Continued)

The Company's revenue consists primarily of recurring revenue, which includes franchise royalties, advertising fund contributions, and support services performed for franchisees. Franchise revenue (Initial franchise fees) is based on the market type selected and are paid at the time an individual franchise agreement is signed. Territory fees are for the purchase of additional territory over and above the minimum qualified households allowable based on the market type selected and are also paid at the time an individual franchise agreement is signed.

The Company also operates certain franchise locations. The revenue for these consists of revenue recognized at a point in time as the service is completed.

Payment terms
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Revenue recognition
Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of five to ten years with the option to renew for an additional years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur. Advertising contributions received from the Company's franchisees are recorded as a component of franchise royalties and fees in the consolidated statements of operations.

Contract balances
The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise and territory fees) also is recorded.

Commission costs
The Company defers those direct and incremental costs associated with the sale of franchises. Deferred costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Amortization is recognized on a straight-line basis commensurate with the pattern of revenue recognition.

Note 1. Summary of Significant Accounting Policies (Continued)

Advertising funds
The Company collects funds from its franchisees for advertising pursuant to the Company's franchise agreements at a percentage of franchisee sales. These advertising services are not considered distinct because they are highly dependent and interrelated to the franchise right. Advertising contributions are considered part of the transaction price for the franchise right and recognized as revenue as the underlying sales occur. The advertising costs incurred for franchisees will be expensed in accordance with the Company's normal policy.

Cash and cash equivalents: The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

The following table provides a reconciliation of cash and cash equivalents reported in the consolidated balance sheets for continuing operations that sums to the total of the amounts shown in the consolidated statements of cash flows for the years ended December 31:

	2023	2022	2021
Cash - continuing operations	$7,292,172	$2,848,939	$6,701,825
Cash reclassified to discontinued operations	213,960	291,909	479,252
	$7,506,132	$3,140,848	$7,181,077

Accounts receivable: Accounts receivable are recorded at transaction price. The allowance for credit losses on accounts receivable represents the Company's estimate of expected credit losses over the lifetime of the receivables. This estimation process is based on historical experience, current conditions, asset-specific risk characteristics and reasonable and supportable forecasts about future economic and market conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for credit loss was approximately $813,000 and $542,000 for the years ended December 31, 2023 and 2022, respectively. The Company will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis and make adjustments as necessary in response to changes in economic conditions and credit quality indicators.

The Company adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326), on January 1, 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instruments which would include accounts receivables. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against account receivable balances based on current and historical information. The adoption of this ASU did not have a material effect on the Company's financial statements.

Concentration of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

Note 1. Summary of Significant Accounting Policies (Continued)

Franchisor advertising: Advertising costs of the franchisor are charged against income during the period the advertising is displayed. Advertising costs are expensed as incurred and totaled approximately $938,000, $1,863,000, and $2,148,000 for the years ended December 31, 2023, 2022, and 2021 respectively.

Software development costs: Costs for software developed for internal use are accounted for in accordance with ASC 350, Intangibles – Goodwill and Other - Internal-Use Software. ASC 350 requires the capitalization of certain costs incurred in connection with developing or obtaining internal-use software. In accordance with ASC 350, the Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies, as well as costs incurred in the post-implementation/operational stage, such as maintenance and training. Capitalization of software development costs occurs only after the preliminary project stage is complete,

management authorizes the project, and it is probable that the project will be completed and the software will be used for the function intended. Costs associated with the purchase and development of computer software are capitalized and amortized on a straight-line basis over the estimated useful life of the related asset. Software development costs are recorded in property and equipment in the accompanying consolidated balance sheets. The Company capitalized software development costs. There were approximately $72,000 and $0 of capitalized costs for the year ended December 31, 2023 and 2022, respectively.

Property and equipment: Property and equipment is stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method based on the following estimated useful lives:

	Years
Equipment	5-10
Vehicles	5-10
Furniture and fixtures	3-5
Leasehold improvements	Lesser of useful life or lease term
Software development costs	3-7

Goodwill and intangibles: Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under FASB ASC Topic 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of FASB ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

Note 1. Summary of Significant Accounting Policies (Continued)

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No impairment expense was recognized for the years ended December 31, 2023, 2022 and 2021.

Intangible assets include franchise agreements, trade names, trade secrets and software. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between 7 to 25 years.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment expense was recognized for the years ended December 31, 2023, 2022 and 2021.

Fair value measurements: The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

Note 1. Summary of Significant Accounting Policies (Continued)

Leases: In February 2016, the FASB issued ASC Topic 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Company has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC Topic 840, Leases.

The Company elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of Topic 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its various asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately $6.67 million and $6.71 million, respectively, at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Note 1. Summary of Significant Accounting Policies (Continued)

Income taxes: As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statements of operations.

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2023, 2022, and 2021.

Debt issuance costs: Debt issuance costs are carried at cost less accumulated amortization as a direct deduction from the carrying amount of the related loan. The costs are amortized over the term of the related loan using a method that approximates the effective interest rate method. Amortization expense is classified in interest expense in the accompanying consolidated statements of operations.

Foreign currency translation**:** The functional currency of the Company's international subsidiary is the Canadian dollar. Foreign currency denominated assets and liabilities are translated into United States dollars at the rate of exchange in effect at year-end. Income and expenses are translated at a weighted average rate of exchange for the years ended December 31, 2023, 2022 and 2021. The aggregate effect of translating the consolidated financial statements is included in foreign currency translation in the consolidated statements of changes in members' equity.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events**:** On January 31, 2024, the Company sold PHP in exchange of 300 Class A units owned by the buyer that were valued at $630,000 (see Note 9).

The Company evaluated subsequent events for potential required disclosure through April 24, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2. Acquisition of Businesses

Men in Kilts Canada: On February 8, 2021, the Company acquired 100% of the assets in MIKC for total consideration of $1,450,854.

The acquisition was funded through equity contributions and the issuance of member units to the sellers.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce being subsumed into goodwill, the Company's presence in the marketplace, and its long-term expected revenue growth. Goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and assets acquired, and liabilities assumed recognized at the preliminary fair value at the date of acquisition:

Consideration:	
Cash	$ 1,300,854
150 Class A Units of HS Group Holding Company, LLC	150,000
Total invested capital	$ 1,450,854
Recognized amount of net assets of the Company:	
Other current assets	$ 34,500
Intangible assets	927,000
Accrued expenses and other liabilities	(69,593)
Total identifiable net assets acquired	891,907
Goodwill	558,947
	$ 1,450,854

The fair value of the 150 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $252,478 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

Of the $927,000 of identified intangible assets, $829,000 was assigned to franchise agreements (10-year life) and $98,000 was assigned to trade names (20-year life).

Note 2. Acquisition of Businesses (Continued)

Plumbing Heating Paramedics: Effective May 7, 2021, the Company acquired 100% of the membership interest in PHP for total consideration of $5,380,087.

The acquisition was funded through equity contributions, draw down of debt and the issuance of member units to the sellers.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce being subsumed into goodwill, the Company's presence in the marketplace, and its long-term expected revenue growth. A tax election was filed; therefore, goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and assets acquired, and liabilities assumed recognized at the preliminary fair value at the date of acquisition:

Consideration:	
Cash	$ 2,436,860
Due to seller	(56,773)
3,000 Class A Units of HS Group Holding Company, LLC	3,000,000
Total invested capital	$ 5,380,087
Recognized amount of net assets of the Company:	
Cash	$ 783,815
Receivables	265,090
Prepaid expenses and other assets	20,621
Fixed assets	195,658
Intangible assets	905,000
Accounts payable	(11,857)
Accrued expenses and other liabilities	(630,062)
Deferred service contract	(130,955)
Notes Payable	(132,500)
Extended warranties	(541,548)
Total identifiable net assets acquired	723,262
Goodwill	4,656,825
	$ 5,380,087

The fair value of the 3,000 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $669,400 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

The $905,000 of identified intangible assets were assigned to trade names (20-year life).

Certain current and prior year amounts were reclassed to discontinued operations as of December 31, 2023 and 2022.

Note 2. Acquisition of Businesses (Continued)

Sir Grout: Effective September 13, 2021, the Company acquired 100% of the membership interest in SGF and SG for total consideration of $12,697,136.

The acquisition was funded through equity contributions, draw down of debt and the issuance of member units to the sellers.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce being subsumed into goodwill, the Company's presence in the marketplace, and its long-term expected revenue growth. A tax election was filed; therefore, goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and the assets acquired, and liabilities assumed recognized at preliminary fair value at the date of acquisition:

Consideration:	
Cash	$ 10,697,136
1,354 Class A Units of HS Group Holding Company, LLC	2,000,000
Total invested capital	$ 12,697,136
Recognized amount of net assets of the Company:	
Cash	$ 133,841
Receivables	152,790
Other assets	66,092
Intangible assets	2,612,000
Accounts payable	(5,338)
Accrued expenses and other liabilities	(128,159)
Deferred revenue	(455,252)
Total identifiable net assets acquired	2,375,974
Goodwill	10,321,162
	$ 12,697,136

The fair value of the 1,354 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $697,658 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

Of the $2,612,000 of identified intangible assets, $2,029,000 was assigned to franchise agreements (10-year life) and $583,000 was assigned to trade names (20-year life).

Note 2. Acquisition of Businesses (Continued)

Granite Garage: Effective May 13, 2022, the Company acquired 100% of the membership interest in GGFF and GGFA for total consideration of $15,488,411.

The acquisition was funded through equity contributions, and the issuance of member units to the sellers.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce being subsumed into goodwill, the Company's presence in the marketplace, and its long-term expected revenue growth. A tax election was filed; therefore, goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and the assets acquired, and liabilities assumed recognized at preliminary fair value at the date of acquisition:

Consideration:	
Cash	$ 13,970,942
Due to seller	17,469
835 Class A Units of HS Group Holding Company, LLC	1,500,000
Total invested capital	$ 15,488,411
Recognized amount of net assets of the Company:	
Cash	$ 129,606
Receivables	227,163
Inventory	92,885
Other current assets	154,809
Contract assets	31,395
Fixed assets	23,852
Right-of-use asset	43,701
Tradename	1,038,000
Franchise agreements	1,797,000
Accounts payable and accruals	(101,868)
Lease liability	(45,540)
Deferred revenue	(330,806)
Total identifiable net assets acquired	3,060,197
Goodwill	12,428,214
	$ 15,488,411

The fair value of the 835 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $884,988 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

Of the $2,830,000 of identified intangible assets, $1,792,000 was assigned to franchise agreements (10-year life) and $1,038,000 was assigned to trade names (20-year life).

Certain current and prior year amounts were reclassed to discontinued operations as of December 31, 2023 and 2022.

Note 2. Acquisition of Businesses (Continued)

Mold Medics: Effective May 3, 2023, the Company acquired 100% of the membership interest in Mold Medics for total consideration of $3,505,567.

The acquisition was funded through equity contributions and the issuance of member units to the sellers.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, the Company's presence in the marketplace and its long-term expected revenue growth. A tax election was filed; therefore, goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 1,684,344
810 Class A Units of HS Group Holding Company, LLC	1,800,000
Due to seller	21,223
Total invested capital	$ 3,505,567
Recognized amount of net assets of the Company:	
Cash	$ 111,888
Receivables	113,800
Fixed assets	16,082
Tradename	290,000
Accounts payable and accruals	(83,162)
Other liability	(35,000)
Total identifiable net assets acquired	413,608
Goodwill	3,091,959
	$ 3,505,567

The fair value of the 810 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $853,553 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

Identified intangible assets included $290,000 which was assigned to trade names (20-year life).

Certain current and prior year amounts were reclassed to discontinued operations as of December 31, 2023.

Note 2. Acquisition of Businesses (Continued)

Miracle Methods: Effective November 22, 2023, the Company acquired 100% of the membership interest in Miracle Methods for total consideration of $22,638,133.

The acquisition was funded through equity contributions and the issuance of member units to the sellers. The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, the Company's presence in the marketplace and its long-term expected revenue growth. A tax election was filed; therefore, goodwill is deductible for income tax purposes.

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 21,830,802
476 Class A Units of HS Group Holding Company, LLC	1,000,000
Due to seller	(192,669)
Total invested capital	$ 22,638,133
Recognized amount of net assets of the Company:	
Cash	$ 613,988
Receivables	574,979
Prepaid and other assets	243,452
Fixed assets	97,187
Other assets - noncurrent	56,682
Intangible assets	10,470,000
Accounts payable and accruals	(468,693)
Deferred revenue	(976,207)
Total identifiable net assets acquired	10,611,388
Goodwill	12,026,745
	$ 22,638,133

The fair value of the 476 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

In connection with the transaction, the Company incurred $1,274,098 of transaction expenses, which were expensed as incurred in the accompanying consolidated statement of operations.

Of the $10,470,000 of identified intangible assets, $7,595,000 was assigned to franchise agreements (5-year life), $1,958,000 was assigned to trade names (20-year life), and $917,000 was assigned to software (5-year life).

Note 3. Property and Equipment

Property and equipment consisted of the following at December 31:

	2023	2022
Equipment	$ 486,658	$ 569,313
Vehicles	2,155,872	1,343,729
Furniture and fixtures	72,192	80,268
Leasehold improvements	93,224	604,580
Work in process	62,630	68,915
Software development costs	72,357	133,357
Total property and equipment	2,942,933	2,800,162
Less accumulated depreciation and amortization	(1,192,825)	(747,158)
Property and equipment, net	$ 1,750,108	$ 2,053,004

Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was approximately $352,000, $436,000 and $316,000, respectively.

Certain current and prior year amounts were reclassed to discontinued operations as of December 31, 2023 and 2022.

Note 4. Intangible Assets and Goodwill

Following is a summary of intangible assets:

	December 31, 2023			
	Weighted-Average Remaining Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	6.33	$ 22,963,548	$ 4,744,640	$ 18,218,908
Trade names	17.72	8,966,637	1,000,436	7,966,201
Software	4.07	2,683,000	886,959	1,796,041
Trade secrets	21.98	1,081,000	130,668	950,332
		$ 35,694,185	$ 6,762,703	$ 28,931,482
Goodwill	7.74	$ 75,107,177	$ 16,784,506	$ 58,322,671

Note 4. Intangible Assets and Goodwill (Continued)

	December 31, 2022			
	Weighted-Average Remaining Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	8.04	$ 15,351,284	$ 3,023,790	$ 12,327,494
Trade names	18.12	6,716,407	643,944	6,072,463
Software	4.62	1,776,300	599,008	1,177,292
Trade secrets	22.98	1,081,000	87,428	993,572
		$ 24,924,991	$ 4,354,170	$ 20,570,821
Goodwill	8.26	$ 59,870,481	$ 10,449,414	$ 49,421,067

Certain current and prior year amounts were reclassed to discontinued operations as of December 31, 2023 and 2022.

The change in the carrying value of goodwill for the years ended December 31, 2023 and 2022 , is as follows:

Balance at December 31, 2021	$ 42,520,675
Additions of goodwill	12,438,859
Amortization expense	(5,538,467)
Balance at December 31, 2022	49,421,067
Additions of goodwill	15,223,753
Amortization expense	(6,322,149)
Balance at December 31, 2023	$ 58,322,671

Amortization expense recognized on intangible assets and goodwill as of December 31, 2023, 2022, and 2021 totaled approximately $8,744,000, $7,594,000,and $5,751,000, respectively.

The future estimated aggregate amortization expense for intangibles and goodwill as of December 31, 2023, is as follows:

	Goodwill	Intangibles
Years ending December 31:		
2024	$ 7,500,213	$ 2,436,746
2025	7,500,213	2,436,746
2026	7,500,213	2,436,746
2027	7,500,213	2,347,857
2028	7,500,213	2,189,890

Note 5. Long-Term Debt

In connection with the Company's acquisition of USA on December 23, 2020, the Company entered into a credit agreement with a financial institution. Maximum borrowings under the credit agreement allow for $2,000,000 of a revolving loan, $12,500,000 of a senior secured term loan and $20,000,000 of additional term loans, which are secured by substantially all of the assets of the Company. The available borrowings on the revolver are limited to a borrowing base, calculated from the adjusted senior debt to earnings before interest, taxes, depreciation and amortization (EBITDA) as further defined in the credit agreement. In connection with the agreement, the Company incurred debt issuance costs of $410,323, which are amortized over the term of the credit agreement.

In connection with the Company's Acquisition of PHP on May 7, 2021, the Company signed the First Amendment to the Loan Agreement (the First Amendment) which provided an additional term loan of $4,000,000. The Company incurred debt issuance costs of $100,000, which are amortized over the term of the credit agreement.

On September 13, 2021, the Company signed the Second Amendment to the Loan Agreement (the Second Amendment), which granted approval for the acquisition of Sir Grout, LLC, and provided an additional term loan of $12,000,000. The Company incurred debt issuance costs of $451,094, which are amortized over the term of the credit agreement.

The interest rate is a floating rate equal to the lesser of Secured Overnight Financing Rate (SOFR) plus the applicable margin as defined in the credit agreement, which is 11.04% as of December 31, 2023. Principal payments are due quarterly on the first day of each quarter in an amount equal to $102,344 and with a balloon payment on December 23, 2025. There is $27,716,562 outstanding on the senior secured term loan at December 31, 2023, and $1,300,000 drawn down on the revolving loan and nothing drawn down on the additional term loans.

The credit agreement includes certain ratios and excess cash flow payments. The credit agreement is collateralized by all business assets of the Company. As of December 31, 2023, the Company was in compliance with its debt covenants.

Amortization expense recognized on debt issuance costs was approximately $210,000, $210,000, and $123,000 as of December 31, 2023, 2022,and 2021, respectively.

A summary of long-term debt is as follows as of December 31, 2023:

	2023	2022
Term loan	$ 27,716,562	$ 28,072,031
Revolver	1,300,000	-
Less unamortized debt issuance costs	(419,266)	(628,999)
Less current portion	(409,376)	(355,469)
	$ 28,187,920	$ 27,087,563

Future maturities of long-term debt are as follows:

2024	$ 409,375
2025	28,607,187
	$ 29,016,562

Note 6. Leases

Operating lease: The Company leases real estate and vehicles, under operating lease agreements that have initial term of four to 15 years. Some leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease five times up to a term of five years each. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The components of lease expense are as follows for the years ended December 31:

	2023	2022
Operating lease cost	$ 1,246,219	$ 1,426,819
Short-term lease cost	12,400	-
Total lease cost	$ 1,258,619	$ 1,426,819

Supplemental cash flow information related to leases is as follows for the year ended December 31:

	2023	2022
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	$ 1,235,137	$ 1,379,117
Right-of-use assets in exchange for new lease obligations:		
Operating leases	$ 322,159	$ 6,670,560
Weighted-average remaining lease term:		
Operating leases	4.5	5.4
Weighted-average discount rate:		
Operating leases	1.4%	1.0%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2023:

	Operating Leases
Years ending December 31:	
2024	$ 1,294,982
2025	1,225,158
2026	584,634
2027	324,249
2028	311,964
Thereafter	570,128
Total lease payments	4,311,115
Less imputed interest	199,015
Total present value of lease liabilities	$ 4,112,100

Note 7. Commitments and Contingencies

Legal matters: From time to time, the Company may be involved in legal actions arising in the ordinary course of business or, conditions may exist that may result in a loss but will only be resolved when one or more future events occur or fail to occur. Each of these actions or matters is assessed by the Company's management and legal counsel to evaluate the perceived merits of any proceeding or claim, as well as any relief sought or expected to be sought. Such assessment involves the exercise of judgment. The Company establishes accruals for losses that management deems to be probable and subject to reasonable estimate. If the assessment indicates that a potentially material loss contingency is not probable but reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Related-party transaction: A company related to the Company's majority member charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expense on the accompanying consolidated statements of operations. The total expense for the years ended December 31, 2023, 2022, and 2021, is approximately $530,000, $295,000, and $294,000, respectively.

Note 8. Members' Equity

Members' equity consisted of the following membership units:

	2023	
	Units Authorized	Units Outstanding
Class A Units	1,000,000	88,117
Class B Units	11,431	5,250

	2022	
	Units Authorized	Units Outstanding
Class A Units	1,000,000	72,224
Class B Units	7,524	4,184

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are profit interests that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units.

Note 8. Members' Equity (Continued)

The Company has issued 11,431, 8,415, and 6,452 units to certain management employees as of December 31, 2023, 2022, and 2021, respectively. The units substantially vest upon a change in control of the Company, if still employed. The fair value of the awards at the date of grant is estimated using option pricing models. The expected terms assumption reflects the period for which the Company believes the awards will remain outstanding and is based on the expected behavior of the award holders. The Company determined the volatility of the fair value of its units through comparison to similar entities considering such characteristics as industry, stage of life cycle, size, and financial leverage. The risk free rate reflects the U.S. Treasury yield curve for similar expected life instruments in effect at the time of grant. During the years ended December 31, 2023 and 2022, and 2021 there were 6,181, 4,231, and 1,314 cumulative units forfeited, respectively. Class B units have no compensation expense recorded as their vesting condition is not considered probably until a change in control occurs.

Note 9. Discontinued Operations

GGFA was sold by the Company on December 31, 2023, in exchange of 300 Class A units owned by the buyer that were valued at $221,000. This entity operated as a separate business. In addition, on January 31, 2024, the Company sold PHP in exchange of 300 Class A units owned by the buyer that were valued at $630,000. Finally, MM is being marketed for sale and it is probable that a transaction will occur in the next year. PHP and MM are classified as held-for-sale.

The sale of GGFA, subsequent sale of PHP and the anticipated sale of MM businesses are considered to be a strategic change in operations as they are all non-franchisors so the Company can focus on the franchisor business. GGFA, PHP, and MM are therefore being accounted for as discontinued operations. The results of the operations and sale GGFA business are being presented as loss from discontinued operations in the accompanying consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021.

Note 9. Discontinued Operations (Continued)

The results of operation of GGFA, PHP, and MM included in loss from discontinued operations in the consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021, is as follows:

	2023	2022	2021
Revenues:			
Recurring revenue	**$ 8,798,202**	$ 7,518,439	$ 3,914,103
Total revenues	**8,798,202**	7,518,439	3,914,103
Operating expenses:			
Cost of services	**3,131,846**	2,654,396	938,042
General and administrative expenses	**2,039,743**	1,558,587	1,915,405
Payroll and benefits	**4,519,254**	3,545,276	1,496,810
Depreciation and amortization expenses	**610,410**	598,952	384,722
Total operating expenses	**10,301,253**	8,357,211	4,734,979
Loss from operations	**(1,503,051)**	(838,772)	(820,876)
Other expense (income):			
Interest expense	**896**	-	-
Other expense (income)	**(34,104)**	(7,348)	9,853
Other expense	**(33,208)**	(7,348)	9,853
Loss from discontinuing operations	**(1,469,843)**	(831,424)	(830,729)
Gain on sale from discontinued operations	**9,972**	-	-
Net loss	**$ (1,459,871)**	$ (831,424)	$ (830,729)

Note 9. Discontinued Operations (Continued)

The balance sheets of GGFA, PHP, and MM included in loss from discontinued operations in the consolidated balance sheets for the year ended December 31, 2023 and 2022, are summarized as follows:

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 213,960**	$ 291,909
Accounts receivable, net of allowance for credit losses	**133,321**	121,528
Inventory	**80,754**	188,288
Prepaid expenses and other current assets	**28,437**	89,816
Total current assets	**456,472**	691,541
Property and equipment, net	**434,145**	269,191
Other assets:		
Goodwill, net	**3,316,651**	3,880,688
Intangibles, net	**957,667**	1,012,917
Right of use asset - operating leases, net	**391,489**	484,613
Other assets	**-**	1,900
Total other assets	**4,665,807**	5,380,118
Total assets	**$ 5,556,424**	$ 6,340,850
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	**$ 428,289**	$ 163,164
Accrued expenses	**1,097,308**	1,118,275
Other liabilities	**59,154**	77,727
Operating lease liabilities, current	**102,862**	145,189
Total current liabilities	**1,687,613**	1,504,355
Other long-term liabilities	**133,484**	1,833
Operating lease liabilities noncurrent	**299,883**	355,482
	433,367	357,315
Total liabilities	**2,120,980**	1,861,670
Members' equity	**3,435,444**	4,479,180
Total liabilities and members' equity	**$ 5,556,424**	$ 6,340,850

UNAUDITED FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS AS OF, AND FOR THE PERIOD ENDED, MARCH 31, 2025 ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

HS Group Holding Company, LLC (Consolidated)

Balance Sheet
As of March 31, 2025

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
10000 - Cash & Cash Equivalents	$3,462,801.25
Total Bank	$3,462,801.25
Accounts Receivable	
11000 - Accounts Receivable	$4,581,135.64
Total Accounts Receivable	$4,581,135.64
Unbilled Receivable	$2,528,179.61
Other Current Asset	$2,542,242.99
Total Current Assets	$13,114,359.48
Fixed Assets	
15000 - Fixed Assets	$1,442,621.57
Total Fixed Assets	$1,442,621.57
Other Assets	
16000 - Intangible Assets	$77,411,167.94
17000 - Other Assets	$8,339,151.73
Total Other Assets	$85,750,319.67
Total ASSETS	$100,307,300.72
Liabilities & Equity	
Current Liabilities	
Accounts Payable	$2,617,718.10
Credit Card	($186,285.94)
Other Current Liability	$4,782,962.35
Total Current Liabilities	$7,214,394.51
Long Term Liabilities	
26000 - Deferred Revenue - Long Term	$6,489,826.05
27000 - Long Term Liabilities	$31,902,762.46
Total Long Term Liabilities	$38,392,588.52
Equity	$54,700,317.69
Total Liabilities & Equity	$100,307,300.72

HS Group Holding Company (Consolidated)
Income Statement - Jan. to Mar. 2025

Financial Row	Amount
Ordinary Income/Expense	
Income	
Franchise Royalties	$4,547,623.62
Franchise Fees	$384,646.88
Service Revenue	$1,432,913.80
Company Store Revenue	$2,032,980.10
Products, Parts, & Service Revenue	$1,488,150.73
Other Revenue	$1,473,966.23
Total Income	**$11,360,281.36**
Cost Of Sales	
Labor	$769,019.82
Freight	$64,091.88
Product & Materials	$787,898.48
Vehicle	$147,896.91
Miscellaneous	$415,066.02
Total - Cost Of Sales	**$2,183,973.11**
Gross Profit	**$9,176,308.25**
Expense	
Compensation & Benefits	$4,540,762.62
Rent & Utilities	$433,283.27
Information Technology	$723,664.35
Professional Services	$1,045,534.04
Marketing & Advertising	$1,437,040.58
Travel & Entertainment	$249,326.76
Vehicle	$15,478.07
Office & Administrative	$345,759.04
Total - Expense	**$8,790,848.73**
Net Ordinary Income	**$385,459.52**
Other Income and Expenses	
Other Income	$441.06
Other Expense	
Depreciation & Amortization Expense	$2,264,200.27
Taxes	($5,407.22)
Other Expense	$1,159,948.36
Rounding Gain/Loss	($0.02)
Realized Gain/Loss	$1,028.90
Unrealized Gain/Loss	($2,820.51)
Total - Other Expense	**$3,416,949.79**
Net Other Income	**($3,416,508.73)**
Net Income	**($3,031,049.20)**

GUARANTEE OF PERFORMANCE

For value received, **HS GROUP HOLDING COMPANY, LLC**, a Delaware limited liability company (the "Guarantor"), located at Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, New York 10111, absolutely and unconditionally guarantees to assume the duties and obligations of **MIRACLE METHOD, LLC**, located at 215 Sutton Lane, Colorado Springs, CO 80907 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Frisco, Texas on the 28 day of April, 2025.

GUARANTOR:

HS GROUP HOLDING COMPANY, LLC

By: _____
Name: Theodore DeMarino
Its: Chief Executive Officerr

EXHIBIT C(1)

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2024:

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Mike Ragle	3	Integrity Refinishing Inc.	33 E. Comstock Dr. Unit 7	Chandler	AZ	85225	480-507-7463
Blake Heaton	4	Heaton Refinishing Corporation	1635 W. University Dr., Ste. 126	Tempe	AZ	85281	480-912-5555
Jaime Munoz	3	Cielo Legacy Corporation	200 Valley Dr., #48	Brisbane	CA	94005	415-673-4211
Frank Clark	2	Miracle Method of Glendale/Burbank, LLC	2441 Honolulu Ave., #140	Montrose	CA	91020	818-957-2177
Ryan & Tyler Murphy	9	Refinishing Systems LLC	5702 Marsh Dr., #J	Pacheco	CA	94553	925-685-4411
Tyler Murphy	1	MG World Wide, LLC	1240 Palmyrita Ave., Suite L	Riverside	CA	92507	951-684-4563
Del Murphy	3	Del Murphy, individually	5750 Roseville Rd., #2	Sacramento	CA	95842	916-332-3575
Tyler Murphy	1	MG World Wide LLC	7343 Ronson Rd., Suite #A	San Diego	CA	92111	858-877-9473
Scott Wendland	1	Wendland & Associates, Inc.	1421 E. Borchard Ave.	Santa Ana	CA	92705	714-564-0632
Vachik & Christine Sarkissian	2	Sark VC, Inc.	400 Martin Ave.	Santa Clara	CA	95050	408-866-4898
Dennis Morrison	2	D.W. Morrison, Inc.	3200 Dutton Ave., Suite 325	Santa Rosa	CA	95407	707-575-0313
Jay Kutchinski	2	Miracle Method of Pinellas County, Inc.	1215 Lakeview Road	Clearwater	FL	33756	727-786-5669
Jaime & Ryan Gladhill	3	GEL Unlimited, LLC	5098 NW 37th Avenue, Unit C	Ft. Lauderdale	FL	33309	954-890-0806
Stephen Morrissey	1	CCC Surface Refinishing LLC	12651 Metro Pkwy, Unit 2	Fort Myers	FL	33966	941-257-9868
Eddie, Jeff, Tim & Thomas Naro	1	Jacktex Inc.	3728 Philips Highway, Suite 219	Jacksonville	FL	32207	904-274-5057
Tim Bent	1	TSTC Refinishing, Inc.	700 W. Eau Gallie Blvd.	Melbourne	FL	32935	321-222-6522
Eddie Naro	5	Ortex Enterprises, Inc	6828 Hanging Moss Rd.	Orlando	FL	32807	407-658-1824
Eddie Naro & Eric Stacy	2	TampaTx, Inc.	5909 Breckenridge Pkwy., Suite G	Tampa	FL	33610	813-359-1416

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Steve Tague & Denise Martin	6	McDonough Refinishers, LLC	161 Racetrack Rd.	McDonough	GA	30253	678-833-5886
Moctar & Leslie Gaye	1	Moctar Leslie, Inc.	115 Enterprise Dr., Suite B	Pendergrass	GA	30567	706-813-4338
Todd Smith	1	TDS Enterprises, Inc.	219 W. 1st St.	Mackinaw	IL	61755	309-657-2252
David Haas	2	Fred Haas & Associates, Inc.	629 N. Addison Rd.	Villa Park	IL	60181	630-984-6846
Phil & Dede Panarisi	4	D&F Associates, Limited	3827 W. Troy Ave.	Indianapolis	IN	42641	317-202-1305
Eddie Naro	3	Kentex Refinishing, Inc.	11216A Bluegrass Pkwy.	Louisville	KY	40299	502-410-3685
Ryan Gladhill	7*	CTH Ventures, LLC	5713 Industry Lane, Unit 51	Frederick	MD	21704	301-733-1117
Jim Kenney	2	Kenney Remodeling Group Inc.	33 Grattan St.	Chicopee	MA	01020	413-589-0769
Eddie Naro & Eric Stacy	1	Texas Fox, Inc.	33272 Groesbecj Highway	Fraser	MI	48026	810-355-4895
Justin Jurek	6	MM Minnesota, LLC	9401 James Avenue S., #155	Minneapolis	MN	55431	763-307-2150
Meagan Jasper & Ted Fisher	7**	Stone House Surface Specialists	36 Littleworth Rd., Unit #1	Dover	NH	03820	508-655-2044
Scott Allis	4	SL Associates of Rochester, Inc.	645 Ling Rd.	Rochester	NY	14612	585-252-1805
Eddie Naro & Eric Stacy	3	Raleigh TNT, Inc.	1600 Olive Chapel Rd., Unit 232	Apex	NC	27502	919-999-8212
Armando Garcia	2	Garcia Village, Inc.	4119 Rose Lake Dr., Suite C	Charlotte	NC	28217	704-676-4976
Ray Baker	2	Best Way to Resurface, Inc.	311 9D Judges Rd.	Wilmington	NC	28405	910-397-2999
Leo Sayles	9	The Sayles Company, LLC	1575 Integrity Dr. East	Grove City	OH	43209	614-801-0432
Jim & Mary Beth Hudek	5	JAM Endeavor, Inc.	833 Williams Ave., Suite B	Hamilton	OH	45015	513-808-4866
Andrew Gorski	3	Gorski Enterprises, LLC	31383 Lorain Rd.	North Olmsted	OH	44070	440-777-2284
Todd Mattoon	2	PTM Enterprises, LLC	4229 Royal Ave., Suite 110	Oklahoma City	OK	73108	405-888-5390
Robert Klein	1	Burning Mountain, LLC	9511 E. 55th Place, Suite B	Tulsa	OK	74145	918-216-9480
Ron & Jenn Hartley	1	Ronald Hartley, individually	3370 Progress Dr., Suite E	Bensalem	PA	19020	215-638-9800

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Ryan Gladhill	2	NRT Endeavors, Inc.	2200 Castor Avenue, Unit E	Philadelphia	PA	19134	215-543-3684
Tom & Christine Kaine	2	TC Enterprises, Inc.	35A Oakdale Ave.	Johnston	RI	02919	401-751-0487
Ryan Gladhill	1	RMP Investments, LLC	1038 Jenkins Rd., Suite 106	Charleston	SC	29407	843-719-8827
Bill & Lisa Jackson	2	Janico Enterprises, Inc.	1049 Sunset Blvd.	West Columbia	SC	29169	803-307-4139
Eric Stacy & Chris Stacy	1	AARC & Associates, Inc.	1219 Hilton Rd.	Knoxville	TN	37921	865-693-5522
Paris Birchfield & Calvin Xiao	1	Xiao & Birch, LLC	6047 Executive Center Dr., Suite 7	Memphis	TN	38134	901-791-2629
Eric & Alison Stacy	7	Stacy Ventures, LLC	1070 Courier Pl., Suite 201	Smyrna	TN	37167	615-223-1768
Eddie, Jeff, Tim & Thomas Naro	3	Fairtex Refinishing Inc.	8128 Flannery Ct.	Manassas	VA	20109	703-774-3100
David & Elizabeth Dowdy	3	Dowdy Ventures, LLC	2410 Granite Ridge Rd., Suite 1	Rockville	VA	23146	804-749-8990
Jeff & Emily Behr	2	JFEMBEHR INC.	4125 Terminal Dr., Suite #120	McFarland	WI	53558	608-669-7424
Eddie Naro	3	WISTEX	W182 S8365 Racine Ave.	Muskego	WI	53150	262-232-7621

* One Territory is located in Virginia; One Territory is located in Washington D.C.

**Four Territories are located in Massachusetts.

Franchisees of Franchisor with Unopened Outlets as of December 31, 2024:

None

Former Franchisees of Franchisor:

The name and last known address of every franchisee who had a Miracle Method Business terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the one year period ended December 31, 2024, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below.

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone	Reason
Ryan & Jaime Gladhill	1	GEL Unlimited, LLC.	205 Main Street, Rainbow Plaza, Shop 15	Norwalk	CT	06851	475-209-7928	Termination
Mike Shoemaker	2	Whirlwind Family Corp	5909 Breckenridge Pkwy., Suite G	Tampa	FL	33610	813-359-1416	Transfer
Jaime & Ryan Gladhill	1	GEL Unlimited, LLC	4945 Beech Rd.	Temple Hills	MD	20748	301-571-4200	Transfer
Keith Lund	3	Brooklund, Inc.	1600 Oliver Chapel Rd., Unit 232	Apex	NC	27502	919-999-8212	Transfer

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

EXHIBIT C(2)

LIST OF CURRENT AND FORMER FRANCHISEES OF FRANCHISOR AND THIRD-PARTY SUBFRANCHISEES OF THE MASTER FRANCHISEES

Current Franchisees and Subfranchisees as of December 31, 2024:

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Mike Ragle	3	Integrity Refinishing Inc.	33 E. Comstock Dr. Unit 7	Chandler	AZ	85225	480-507-7463
Blake Heaton	4	Heaton Refinishing Corporation	1635 W. University Dr., Ste. 126	Tempe	AZ	85281	480-912-5555
Jaime Munoz	3	Cielo Legacy Corporation	200 Valley Dr., #48	Brisbane	CA	94005	415-673-4211
Frank Clark	2	Miracle Method of Glendale/Burbank, LLC	2441 Honolulu Ave., #140	Montrose	CA	91020	818-957-2177
Ryan & Tyler Murphy	9	Refinishing Systems LLC	5702 Marsh Dr., #J	Pacheco	CA	94553	925-685-4411
Tyler Murphy	1	MG World Wide, LLC	1240 Palmyrita Ave., Suite L	Riverside	CA	92507	951-684-4563
Del Murphy	3	Del Murphy, individually	5750 Roseville Rd., #2	Sacramento	CA	95842	916-332-3575
Tyler Murphy	1	MG World Wide LLC	7343 Ronson Rd., Suite #A	San Diego	CA	92111	858-877-9473
Scott Wendland	1	Wendland & Associates, Inc.	1421 E. Borchard Ave.	Santa Ana	CA	92705	714-564-0632
Vachik & Christine Sarkissian	2	Sark VC, Inc.	400 Martin Ave.	Santa Clara	CA	95050	408-866-4898
Dennis Morrison	2	D.W. Morrison, Inc.	3200 Dutton Ave., Suite 325	Santa Rosa	CA	95407	707-575-0313
Casey Slack	2	Slack 0215 Inc	1539 Paonia Street	Colorado Springs	CO	80915	719-594-9091
Daniel Rosenthal	4	DanMar Corp.	2120 S. Grape St.	Denver	CO	80222	303-789-3800
Robert Klein	1	Kleinstar, LLC	685 W. Gunnison Ave., Suite 110	Grand Junction	CO	81501	970-930-5156
Brian & Lynne Weber	4	Lynbri, Inc.	1822 Sunset Pl., Suite A	Longmont	CO	80501	303-776-3449
Jay Kutchinski	2	Miracle Method of Pinellas County, Inc.	1215 Lakeview Road	Clearwater	FL	33756	727-786-5669
Jaime & Ryan Gladhill	3	GEL Unlimited, LLC	5098 NW 37th Avenue, Unit C	Ft. Lauderdale	FL	33309	954-890-0806

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Stephen Morrissey	1	CCC Surface Refinishing LLC	12651 Metro Pkwy, Unit 2	Fort Myers	FL	33966	941-257-9868
Eddie, Jeff, Tim & Thomas Naro	1	Jacktex Inc.	3728 Philips Highway, Suite 219	Jacksonville	FL	32207	904-274-5057
Tim Bent	1	TSTC Refinishing, Inc.	700 W. Eau Gallie Blvd.	Melbourne	FL	32935	321-222-6522
Eddie Naro	5	Ortex Enterprises, Inc	6828 Hanging Moss Rd.	Orlando	FL	32807	407-658-1824
Eddie Naro & Eric Stacy	2	TampaTX inc	5909 Breckenridge Pkwy., Suite G	Tampa	FL	33610	813-359-1416
Steve Tague & Denise Martin	6	McDonough Refinishers, LLC	161 Racetrack Rd.	McDonough	GA	30253	678-833-5886
Moctar & Leslie Gaye	1	Moctar Leslie, Inc.	115 Enterprise Dr., Suite B	Pendergrass	GA	30567	706-813-4338
John Connell	1	Miracle Method of Quad Cities	1000 Trails Rd.	Eldridge	IA	52748	563-271-9327
Dave Aschoff & Mark Aschoff	1	Refinishing Solutions of Iowa, LLC	2869 104th Street	Urbandale	IA	50322	515-236-5724
Greg & Lisa Meier	1	Boise Bath Services, LLC	1580 W. 4th #102	Meridian	ID	83642	208-739-9503
Todd Smith	1	TDS Enterprises, Inc.	219 W. 1st St.	Mackinaw	IL	61755	309-657-2252
David Haas	2	Fred Haas & Associates, Inc.	629 N. Addison Rd.	Villa Park	IL	60181	630-984-6846
Phil & Dede Panarisi	4	D&F Associates, Limited	3827 W. Troy Ave.	Indianapolis	IN	42641	317-202-1305
Eddie Naro	2	Kentex Refinishing, Inc.	11216A Bluegrass Pkwy.	Louisville	KY	40299	502-410-3685
Ryan Gladhill	7***	CTH Ventures, LLC	5902 Enterprise Ct.	5713 Industry Lane, Unit 51	MD	21704	301-733-1117
Jim Kenney	2	Kenney Remodeling Group Inc.	33 Grattan St.	Chicopee	MA	01020	413-589-0769
Eddie Naro & Eric Stacy	1	Texas Fox, Inc.	33272 Groesbeck Highway	Fraser	MI	48026	810-355-4895
Justin Jurek	6	MM Minnesota LLC	9401 James Avenue, S., #155	Minneapolis	MN	55431	763-307-2150
Robert Veach	3*	Veach Refinishing, LLC.	4324 Telegraph Rd.	St. Louis	MO	63129	314-293-0074
Mike Young	3	Unbound Metric, LLC	9920 E. Truman Rd.	Independence	MO	64052	816-281-8935
Eddie Naro & Eric Stacy	3	Raleigh TNT Inc.	1600 Oliver Chapel Rd., Unit 232	Apex	NC	27502	919-999-8212

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Armando Garcia	2	Garcia Village, Inc.	4119 Rose Lake Dr., Suite C	Charlotte	NC	28217	704-676-4976
Ray Baker	2	Best Way to Resurface, Inc.	311 9D Judges Rd.	Wilmington	NC	28405	910-397-2999
Xenon (Zane) Varvel	1	Neighbor Refinishing, LLC	10711 Mockingbird Dr.	Omaha	NE	68127	402-204-3975
Meagan Jasper & Ted Fisher	7**	Stone House Surface Specialists	36 Littleworth Rd., Unit #1	Dover	NH	03820	508-655-2044
Scott Allis	4	SL Associates of Rochester, Inc.	645 Ling Rd.	Rochester	NY	14612	585-252-1805
Leo Sayles	9	The Sayles Company, LLC	1575 Integrity Dr. East	Grove City	OH	43209	614-801-0432
Jim & Mary Beth Hudek	5	JAM Endeavor, Inc.	833 Williams Ave., Suite B	Hamilton	OH	45015	513-808-4866
Andrew Gorski	3	Gorski Enterprises, LLC	31383 Lorain Rd.	North Olmsted	OH	44070	440-777-2284
Todd Mattoon	2	PTM Enterprises, LLC	4229 Royal Ave., Suite 110	Oklahoma City	OK	73108	405-888-5390
Robert Klein	1	Burning Mountain, LLC	9511 E. 55th Place, Suite B	Tulsa	OK	74145	918-216-9480
Mike Rabinovich	9	PDX Refinishers Inc.	6781 NE Columbia Blvd., Suite 24	Portland	OR	97218	503-256-3405
Ron & Jenn Hartley	1	Ronald Hartley, individually	3370 Progress Dr., Suite E	Bensalem	PA	19020	215-638-9800
Ryan Gladhill	2	NRT Endeavors, Inc.	2200 Castor Ave., Unit E	Philadelphia	PA	19134	215-543-3684
Tom & Christine Kaine	2	TC Enterprises, Inc.	35A Oakdale Ave.	Johnston	RI	02919	401-751-0487
Ryan Gladhill	1	RMP Investments, LLC	1038 Jenkins Rd., Suite 106	Charleston	SC	29407	843-719-8827
Bill & Lisa Jackson	2	Janico Enterprises, Inc.	1049 Sunset Blvd.	West Columbia	SC	29169	803-307-4139
Eric Stacy & Chris Stacy	1	AARC & Associates, Inc.	1219 Hilton Rd.	Knoxville	TN	37921	865-693-5522
Paris Birchfield & Calvin Xiao	1	Xiao & Birch, LLC	6047 Executive Center Dr., Suite 7	Memphis	TN	38134	901-791-2629
Eric & Alison Stacy	7	Stacy Ventures, LLC	1070 Courier Pl., Suite 201	Smyrna	TN	37167	615-223-1768
Eddie Naro	2	Nartor Inc.	8906 Wall St., Suite 501	Austin	TX	78745	512-960-4778
Eddie Naro	1	McMillan and Naro Properties, Inc.	5825 Patton St.	Corpus Christi	TX	78414	361-992-3072

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone
Mike Bledsoe	1	K&M Refinishing, Inc.	2118 Wall St., Suite #100	Garland	TX	75041	214-455-0336
Brandon Browder	3	BK Browder, Inc.	909 Enterprise Dr.	Hewitt	TX	76643	254-399-0299
Eddie Naro	2	Daltex Refinishing, Inc.	8430 Sterling St., Suite A	Irving	TX	75063	469-290-5807
Mark Cook & Jerry Anderson	1	Mark Cook & Jerry Anderson, individually	507 Hwy. 87 South	Orange	TX	77630	409-886-1270
Scott Miller	2	Harry Scott Miller, individually	847 Isom Rd.	San Antonio	TX	78216	210-735-2211
Jeff Naro	5	Naro & Naro LLC.	12621 Haynes Rd.	Houston	TX	77066	281-886-3492
Lisa & Cory Linton	3	Pink Sunshine Resurfacing, LLC	360 West Lawndale Drive	South Salt Lake	UT	84115	385-212-3281
Eddie, Jeff, Tim & Thomas Naro	3	Fairtex Refinishing Inc.	8128 Flannery Ct.	Manassas	VA	20109	703-774-3100
David & Elizabeth Dowdy	3	Dowdy Ventures, LLC	2410 Granite Ridge Rd., Suite 1	Rockville	VA	23146	804-749-8990
Tyler Murphy	5	Refinishing Solutions, LLC	25121 74th Ave. S., Suite #101	Kent	WA	98032	425-251-3745
Ryan Murphy	2	Murphy Refinishing, LLC	10508 19th Ave. Ct. E.	Tacoma	WA	98445	253-302-4714
Jeff & Emily Behr	2	JFEMBEHR INC.	4125 Terminal Dr., Suite #120	McFarland	WI	53558	608-669-7424
Eddie Naro	3	WISTEX	W182 S8365 Racine Ave.	Muskego	WI	53150	262-232-7621

*Two Territories are located in Kansas.

**Four Territories are located in Massachusetts.

*** One Territory is located in Virginia; One Territory is located in Washington D.C.

Franchisees and Subfranchisees with Unopened Outlets as of December 31, 2024:

None

Former Franchisees and Subfranchisees:

The name and last known address of every franchisee and subfranchisee who had a Miracle Method Business terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement (franchisees) or their subfranchise agreement with their Master Franchisee (subfranchisees) during the one year period ended December 31, 2023, or who has not communicated with us or the Master Franchisees, as applicable, within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below.

Name	Outlets	Entity Name	Address	City	State	Zip Code	Phone	Reason
Charles Pistor	1	Superior Refinishing, Inc.	4310 Arrowswest Dr.	Colorado Springs	CO	80907	719-594-9091	Transfer
Ryan & Jaime Gladhill	1	GEL Unlimited, LLC.	205 Main Street, Rainbow Plaza, Shop 15	Norwalk	CT	06851	475-209-7928	Termination
Mike Shoemaker	2	Whirlwind Family Corp	5909 Breckenridge Pkwy., Suite G	Tampa	FL	33610	813-359-1416	Transfer
Jaime & Ryan Gladhill	1	GEL Unlimited, LLC	4945 Beech Rd.	Temple Hills	MD	20748	301-571-4200	Transfer
Jim Shelton	1	Jim Shelton, individually	P.O. Box 11012	Reno	NV	89510	775-677-7778	Termination
Keith Lund	3	Brooklund, Inc.	1600 Oliver Chapel Rd., Unit 232	Apex	NC	27502	919-999-8212	Transfer
Wayne Adkison	1	David Wayne Adkison, individually	1007 McCann Rd., Suite 2	Longview	TX	75601	903-663-4254	Non-Renewal
Patrick McFaddin	1	McFaddin Inc.	8023 San Marino Dr.	San Antonio	TX	78250	210-960-4833	Non-Renewal

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

EXHIBIT D

MANUAL TABLE OF CONTENTS

MIRACLE METHOD
MANUAL
TABLE OF CONTENTS

Topic	Number of Pages
Administrative Manual	
Starting Your Business	7
Setting Up Your Office	4
Equipment Supplies & Vehicles	4
Operating Your Business	4
Customers	3
Employees	3
Employees - Technicians	3
Employees - Front Office	2
The Miracle Method Organization	4
Marketing Manual	
Surface Refinishing by Miracle Method	6
Pricing	3
Knowing Your Customers	4
Knowing Your Competition	3
Advertising	10
Broadcast Advertising	1
In-Person Advertising	7
Internet Advertising	11
Print Advertising	9
Signage	3
The Sales Process	6
Commercial Sales & Marketing	6
Technical Manual	
Purpose	1
The Technology of Surface Restoration	1
Job Preparation	6
Safety Equipment	7
Cleaners	4
Bonding Agent	2
Porcelain Tubs	2
Clawfoot Tubs	2
Ceramic Tile & Floors	3
Concrete Floors	2
Sinks & Cultured Marble	6

Topic	Number of Pages
Countertops - Laminate	7
Toilets	1
Appliances & Sheet Metal	1
Acrylic	2
Fiberglass	5
Chip Repairs & Custom Colors	22
Spraying Tips	4
Topcoating Materials	3
Detailing - Finishing the Job	4
Slip Resistant Surfaces	6
Repairs for Plumbing Manufactures	1
Safety Products	3
Additional Services	8
Vendors	2
Technical Quizzes	2
Safety Manual	
Safety Program	6
Hazardous Material Program	7
Respirator Program	8
Material Safety Data Sheets	2
Total	**233**

EXHIBIT E

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677
Website: www.dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 205
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62701
217-782-1090

INDIANA

Secretary of State
Securities Division
Room E111
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

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

MARYLAND CONTINUED

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48909
517-335-7622

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-2910

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, 2nd Floor
Pierre, SD 57501
(605) 773-3563

VIRGINIA

State Corporation Commission
Division of Securities and
Retail Franchising
1300 E. Main Street, Tyler Building, 9th fl.
Richmond, VA 23219
804-371-9051

Agent for Service of Process:
Clerk of the State Corporation Commission
1300 E. Main Street, Tyler Building
Richmond, VA 23219
804-371-9733

WASHINGTON

State Administrator:

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
360-902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705
608-266-2139

EXHIBIT F

CONTRACTS FOR USE WITH THE MIRACLE METHOD FRANCHISE

The following contracts contained in Exhibit F to this Franchise Disclosure Document are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Miracle Method Business. The following are the forms of contracts that we use as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT F-1

MIRACLE METHOD FRANCHISE

GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Miracle Method, LLC, a Texas limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Miracle Method business;

WHEREAS, (Franchisee has notified Franchisor of its desire to enter into a renewal franchise agreement/amend the Agreement) or **(the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release)**, and Franchisor has consented to such **(renewal franchise agreement/amendment/termination/other reason)**; and

WHEREAS, as a condition to Franchisor's consent to **(enter into a renewal franchise agreement/amend the Agreement/terminate the Agreement/other reason)**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Colorado.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and legal fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require consummating, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

(Signatures on Following Page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

_____

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

EXHIBIT F-2

MIRACLE METHOD FRANCHISE

SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of Miracle Method, LLC, a Texas limited liability company, and its successors and assigns ("us," "we" or "our"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Competitive Business" means: (1) any business that provides remodeling, restoration, renovation, surface refinishing or remodeling services; or any business granting franchises or licenses to others to operate such type of business; or (2) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (1); provided that a Miracle Method Business operated under a franchise agreement with us is not a Competitive Business.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Miracle Method business or the solicitation or offer of a Miracle Method Franchise, whether now in existence or created in the future.

"Franchisee" means the Miracle Method franchisee for which you are a manager or officer.

"Franchisee Territory" means the territory granted to you pursuant to a franchise agreement with us.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Miracle Method business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our franchise operations manual for the operation of a Miracle Method business, which may be periodically modified by us.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Miracle Method business, including "MIRACLE METHOD," and any other trademarks, service marks, or trade names that we designate for use by a Miracle Method business. The term "Marks" also includes any distinctive trade dress used to identify a Miracle Method business, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (1) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (2) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (3) inducing or attempting to induce: any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two (2)-year period after you cease to be a manager or officer of Franchisee's Miracle Method business.

"Restricted Territory" means the geographic area within: (1) a 20 mile radius from Franchisee's Miracle Method business (and including the premises of the approved location of Franchisee); and (2) a 20 mile radius from all other Miracle Method businesses that are operating or under construction as of the beginning of the Restricted Period.

"System" means our system for the establishment, development, operation, and management of a Miracle Method business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us or other franchisees of our System. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (1) you will not use the Know-how in any business or capacity other than the Miracle Method business operated by Franchisee; (2) you will maintain the confidentiality of the Know-how at all times; (3) you will not make unauthorized copies of documents containing any Know-how; (4) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (5) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Miracle Method business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Miracle Method business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (1) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (2) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (1) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (2) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement.

YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Miracle Method franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable legal fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on Following Page)

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

EXHIBIT F-3

MIRACLE METHOD FRANCHISE

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Miracle Method, LLC, a Texas limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Miracle Method franchisees to use, sell, or display in connection with the marketing and/or operation of a Miracle Method Business, whether now in existence or created in the future.

"Franchisee" means the Miracle Method franchisee for which you are an employee or agent.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Miracle Method Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our franchise operations manual for the operation of a Miracle Method Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Miracle Method Business, including "MIRACLE METHOD" and any other trademarks, service marks, or trade names that we designate for use by a Miracle Method Business. The term "Marks" also includes any distinctive trade dress used to identify a Miracle Method Business, whether now in existence or hereafter created.

"Miracle Method Business" means a business that restores bathtubs, sinks, showers, tile, countertops, and similar surfaces in homes and businesses and other related products and services using our Intellectual Property.

"System" means our system for the establishment, development, operation, and management of a Miracle Method Business, including Know-how, proprietary programs and products, Manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (a) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Miracle Method Business operated by Franchisee or in any way detrimental to us or to the Franchisee; you will maintain the confidentiality of the Intellectual Property at all times; (c) you will not make unauthorized copies of documents containing any Intellectual Property; (d) you will take such reasonable

steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (e) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than to perform your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Miracle Method, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Miracle Method franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

6. Miscellaneous.

a. Although this Agreement is entered into in favor of Miracle Method, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable legal fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date_____

_____
Signature

_____
Typed or Printed Name

EXHIBIT F-4

MIRACLE METHOD FRANCHISE

CONDITIONAL CONSENT TO TRANSFER AGREEMENT

This Conditional Consent to Transfer Agreement ("**Agreement**") is entered into this [Day] day of [Month, Year], between Miracle Method, LLC, a Texas limited liability company, ("**Franchisor**"), [Franchisee, d/b/a Trade Name] ("**Former Franchisee**"), and [New Franchisee, d/b/a Trade Name] ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated [Date of Former FA] ("**Former Franchise Agreement**") in which Franchisor granted Former Franchisee the right to operate a Miracle Method Business located at [Franchise Location Address] ("**Miracle Method Business**"); and

WHEREAS, Former Franchisee desires to transfer ("**Requested Transfer**") the Miracle Method Business to New Franchisee, and New Franchisee desires to accept the Requested Transfer and operate the Miracle Method Business, and Franchisor desires to approve the Requested Transfer of the Miracle Method Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**") contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

1. *Consent to Requested Transfer of Business*. Franchisor hereby consents to the Requested Transfer of the right to operate the Miracle Method Business from Former Franchisee to New Franchisee upon receipt of the transfer fee and the execution of the New Franchise Agreement by New Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

2. *Payment of Transfer Fee*. In consideration for the Requested Transfer, Former Franchisee acknowledges and agrees to pay Franchisor a transfer fee in the amount set forth in the Former Franchise Agreement of [$Transfer Fee Amount]. Effectiveness of this Agreement is expressly contingent upon payment thereof.

3. *Former Franchisee's Contact Information*. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the 3-year period following the execution of this Agreement.

4. *Termination of Rights to Operate the Miracle Method Business*. The parties acknowledge and agree that upon the effective date of this Agreement (a) the Former Franchise Agreement shall terminate (b) all of Former Franchisee's rights to operate the Miracle Method Business are hereby terminated and relinquished; and (c) only New Franchisee shall have any rights to operate the Miracle Method Business under the terms and conditions of the New Franchise Agreement. Former Franchisee agrees and acknowledges that it shall continue to be subject to the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement ("**Survival Provisions**"), which shall continue to apply and be enforceable from and after the effective date of this Agreement.

5. *New Franchise Agreement.* New Franchisee shall execute the New Franchise Agreement for the Miracle Method Business, and any other required addenda or contracts for the operation of a Miracle Method franchise as stated in Franchisor's Franchise Disclosure Document and New Franchisee's owners shall execute the Owners Agreement and any other documents required by Franchisor. New Franchisee understands and agrees that the New Franchise Agreement may contain materially different terms and conditions than the Former Franchise Agreement, including but not limited to having higher fees or a different Territory.

6. *Release by Former Franchisee and Franchisor*. Except for the Franchisor's obligations under this Agreement, as of the date of this Agreement, Former Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the "**Former Franchisee Releasing Parties**"), the Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the Former Franchise Agreement between Former Franchisee and Franchisor or any other contractual relation between Former Franchisee and Franchisor and/or any Affiliate of the Franchisor, which the Former Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Former Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

7. *Release by New Franchisee*. New Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, directors, shareholders, employees, partners, and Affiliates (collectively, the "**New Franchisee Releasing Parties**"), Franchisor and Franchisor Released Parties for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the purchase of the Miracle Method Business from Former Franchisee, Franchisor's Approval of the Requested Transfer, and the entry into the New Franchise Agreement between New Franchisee and Franchisor or any other contractual relation between New Franchisee and the Franchisor and/or any Affiliate of the Franchisor, which the New Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The New Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either

to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Notwithstanding anything in this Agreement to the contrary, the New Franchisee Releasing Parties are not releasing any claim which they may have resulting from Franchisor's violation of any federal or state franchise sales and disclosure laws.

8. *De-Identification.* In accordance with the Survival Provisions, Former Franchisee agrees to cease the use of any Mark, any colorable imitation of a Mark, or other indicia of a Miracle Method Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us.

9. *Covenants.* New Franchisee and Former Franchisee covenant to the following:

a. New Franchisee shall assume any and all job warranty obligations from Former Franchisee;
b. Former Franchisee cures any and all defaults under the Former Franchise Agreement.

10. *Payment of Fees and Expenses.* In accordance with the Survival Provisions, upon execution of this Agreement, Former Franchisee will report all sales and pay Franchisor all fees and expenses owed through the effective date of the Requested Transfer, including, but not limited to:

a. accrued and unpaid expenses owed to Franchisor;
b. accrued and unpaid Brand Fund contributions;
c. accrued and unpaid Royalty payments.

For any unreported fees through the effective date of the Requested Transfer, Former Franchisee will pay for Royalties and Brand Fund contributions based on the greater of actual or estimated Gross Income of [Estimated Monthly Gross Income – See Accounting] per month and both parties agree to a full reconciliation of payment of any other owed fees or payments within 30 days of the closing date.

11. *Acknowledgements*. Former Franchisee and New Franchisee each acknowledge and agree that the purchase of the rights to the Miracle Method Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. Former Franchisee and New Franchisee also each acknowledge and agree that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Transfer and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Miracle Method Business. Former Franchisee and New Franchisee each agree that any claims, disputes, or issues relating to New Franchisee's acquisition of the Miracle Method Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

12. *Representation*. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Miracle Method Business. Former Franchisee and New Franchisee each warrant and represent that they have not transferred any claim, cause of action or other right related to Franchisor.

13. *Further Actions*. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

14. *Notices*. Any notices given under this Agreement shall be in writing and if delivered by

hand or recognized overnight delivery courier, transmitted by United States Certified Mail, Return Receipt Requested, postage prepaid, or electronically submitted shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address appearing on the records of the sending party.

15. *Counterparts and Electronic Signatures*. This Agreement may be executed in counterparts or by electronic signatures in accordance with the Uniform Electronic Transactions Act (UETA) and transmitted via email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or digitally signed.

16. *Affiliates*. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

17. *Severability*. To the extent a provision of this Agreement is unenforceable, this Agreement will be construed as if the unenforceable provision were omitted.

18. *Binding Effect*. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

19. *Amendments*. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

20. *Governing Law*. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado. However, the releases set forth in Section 6 and 7 above, do not apply to claims arising under the Washington Franchise Investment Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

21. *Former Franchisee's Interest Upon New Franchisee's Default*. In the event of a default by New Franchisee under the New Franchise Agreement or in a situation where Former Franchisee is able to take over or acquire the Miracle Method Business from New Franchisee, Franchisor shall not unreasonably withhold its approval for Former Franchisee to become a Miracle Method franchisee if Former Franchisee is able to acquire the assets of New Franchisee, provided that Former Franchisee meets Franchisor's then applicable standards for a Miracle Method franchisee, cures all of New Franchisee's default and attends all requisite training programs for new Miracle Method franchisees.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:
MIRACLE METHOD, LLC

Date: _____

By: _____
Name:
Title:

FORMER FRANCHISEE:
ENTITY NAME d/b/a Miracle Method of LOCATION

Date: _____

By: _____
Name: (NAME)
Title: (TITLE)

NEW FRANCHISEE:
NEW ENTITY NAME

d/b/a Miracle Method of LOCATION

Date: _____

By: _____
Name: (Name)
Title: (TITLE)

EXHIBIT F-5

MIRACLE METHOD FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____("**Landlord**"), _____ ("**Tenant**") and _____ ("**Franchisor**"), collectively referred to herein as the "**Parties**."

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20___, and pertaining to the premises located at _____("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

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

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business ("**Franchise Assignee**") at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (a) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (b) Tenant or the Franchisee Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee

or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (c) recapture the Premises; (d) terminate the Lease; or (e) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (f) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (g) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, to the following address:

Miracle Method, LLC
215 Sutton Lane
Colorado Springs, CO 80907

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

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material 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.

5. Termination or Expiration.

a. 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 Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material

requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

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 Franchise Assignee, and that Landlord has entered into this Addendum with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. 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.

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

LANDLORD:	**TENANT:**
_____	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

FRANCHISOR:

_____

By: _____

Printed Name: _____

Title: _____

EXHIBIT F-5

ATTACHMENT 1 TO LEASE ADDENDUM

SAMPLE 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 _____(“**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 expressly 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 franchise 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, in Assignee’s sole discretion, to: (1) cure Assignor’s default of the Lease; (2) take possession of the premises demised by the Lease; (3) expel Assignor from the premises, either temporarily or permanently; (4) terminate Assignee’s rights, title, and interest in the Lease; and/or (5) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (2%) per month, or the highest rate allowed by law.

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 and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 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.

(Signatures on Following Page)

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

ASSIGNOR:

_____

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

_____

By: _____

Printed Name _____

Its: _____

EXHIBIT F-6

MIRACLE METHOD FRANCHISE

ADDENDUM TO FRANCHISE AGREEMENT FOR NATIONAL ACCOUNT PARTICIPATION

This Addendum to Franchise Agreement ("Addendum") is made and entered into as of [DATE], by and between Miracle Method, LLC ("Franchisor" or "MM US") and [Franchisee d/b/a] ("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into a franchise agreement ("Franchise Agreement") pursuant to which Franchisee was granted a license to use the Marks and System in the operation of a Franchise in a specific area ("Territory").

WHEREAS, Miracle Method, LLC and Surface Doctor, LLC, d/b/a MM Commercial Services ("MM Commercial Services") (hereinafter referred to as "Administrator") have entered into a contract ("Contract") under the National Accounts Program ("NAP") to provide refinishing services ("Services") in various locations to various National Accounts Program Customers ("NAP Customer").

WHEREAS, Administrator will utilize MM US's franchisees ("MM Franchisees") to provide the Services and Administrator desires to provide project management services related to the Contract for the Services.

NOW, for and in consideration of the mutual covenants, terms, and conditions herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Administrator represents that it is pursuing and attempting to negotiate national account contracts for products and services provided by MM Franchisees in the System. Franchisee acknowledges that Administrator is not required to pursue a national account contract with any particular customer or on any particular terms. Administrator, in its sole discretion, shall determine the best method of pursuing, negotiating with, and servicing national account customers, and shall establish the terms of each account, based on the customers' needs.

2. Franchisee is responsible for any and all expenses, including travel and lodging, associated with any NAP Customer work. Franchisee acknowledges that NAP Customer work is subject to all Franchisee's requirements under the Franchise Agreement, including, but not limited to, payment of Royalties and Brand Fund contributions, and indemnification, insurance, and warranty.

3. Franchisee understands and agrees that Franchisee has no right to any NAP Customer or jobs except as assigned by Franchisor to Franchisee in Franchisor's sole discretion. Franchisee shall automatically be disqualified from any NAP Customer work if any of the following occur:

   a. If a NAP Customer has notified administrator in writing that the customer does not want to deal with Franchisee for any reason.
   b. If Franchisee is not qualified or certified by Franchisor to perform a particular type of work;

c. If Franchisor has notified Administrator that Franchisee is in default or otherwise not in good standing under the Franchise Agreement;
d. If Franchisee does not meet minimum insurance requirements for a NAP contract;
e. If Administrator is unable to timely communicate with Franchisee about a customer work request despite making reasonable efforts to do so;
f. If Franchisee does not deliver or complete the work to the satisfaction of NAP Customer.

In any of the above instances, Franchisee will automatically be disqualified, and Administrator may contract the work to another Franchisee.

4. Franchisee agrees to accept the NAP prices ("NAP Prices") as set by the Administrator. Franchisee understands and agrees that all income received by Franchisee under the NAP is considered "Gross Revenue" within the definition set forth in the Franchise Agreement and is subject to all reporting, audit and fee requirements under the Franchise Agreement including but not limited to Royalty fees and Brand Fund payments. Franchisee further understands and agrees an Administrator Fee will be deducted from all payments for work performed for any NAP Customer. This will be paid to the Administrator for administering the NAP, servicing customers, and collecting from customers ("Administrator Fees"). Administrator will notify Franchisee within ten (10) business days of any changes to the NAP Prices and/or Administrator Fees and supply Franchisee with new NAP Prices. Franchisee is responsible for complying with all insurance and tax requirements, even if jobs are located outside Franchisee's Territory or state.

5. Franchisee's participation in the NAP is voluntary. Franchisee may terminate further participation in the NAP for any reason, by completing any assigned jobs or jobs in-process and giving at least ten (10) business days' written notice to Administrator and Franchisor.

6. Franchisee acknowledges that Section 15D of the Franchise Agreement is amended to include Administrator as one of the "Indemnified Parties," and Franchisee acknowledges that any NAP work is subject to Franchisee's indemnification obligations under the Franchise Agreement.

7. Franchisee understands and agrees that Franchisee must be and remain in good standing with Franchisor under the Franchise Agreement in order to participate in the NAP. Franchisee agrees to service national account customers when requested to do so in accordance with NAP standards and procedures, and any terms in the contract with the NAP Customer. Franchisee understands that at no time does the Franchisee have the ability to choose which NAP jobs they would like to participate in if they are part of the NAP. Franchisee specifically acknowledges that Administrator may represent to a NAP Customer that Franchisee will comply with terms and conditions negotiated between Administrator and the NAP Customer.

8. Franchisee acknowledges that NAP Customers may require the execution of additional documents or fulfillment of additional conditions prior to providing any Services. Franchisee acknowledges and agrees it is solely responsible for review and execution of any additional contracts, review and execution of any documents, and/or fulfillment of additional conditions required by NAP Customers for the Services.

9. Franchisee acknowledges that jobs with NAP Customers may not be assigned or subcontracted without written permission from Administrator, and that Franchisee's participation in the NAP is not assignable without the express written consent of Franchisor.

10. Administrator will pay Franchisee only upon receipt of funds from the NAP Customer and upon the receipt of all paperwork requested by Administrator. Such payment(s) will be provided to Franchisee promptly after receipt of funds by Administrator from NAP Customer. Typically, such payment should occur within 45-60 days after the invoice for the NAP Customer work invoice has been properly submitted and approved.

11. Franchisee acknowledges and agrees that any funds or payments received by Administrator for services provided by Franchisee to a NAP Customer may be first applied to any amounts owed to Administrator by Franchisee.

12. This Addendum will terminate:

a. Automatically if the Franchise Agreement terminates, expires, or is not renewed;
b. On written notice to Administrator and Franchisee if Franchisor decided for any reason to terminate its participation in the NAP;
c. On written notice to Franchisor and Franchisee if Administrator decides for any reason that it will no longer pursue or service NAP Customers needing products and services provided by MM Franchisees;
d. On written notice to Franchisee if Administrator terminates Franchisee's participation in the NAP for Franchisee's failure to comply with the written standards and procedures of the NAP.

13. Each party agrees that it shall take any necessary steps, sign and execute any and all necessary documents, agreements, or instruments which are required to implement the terms of this Addendum, and each party agrees to refrain from taking any action which would have the effect of prohibiting or hindering the performance of any other party.

14. Franchisee agrees to defend, indemnify, pay, save, and hold harmless Franchisor and Administrator from any liabilities, damages (including, without limitation, direct, special, and consequential damages), costs, expenses, suits, losses, claims, actions, fines, and penalties (including, without limitation, court costs, reasonable legal fees, and any other reasonable costs of litigation) (hereinafter, collectively, the "Claims") that Franchisor or Administrator may suffer, sustain, or incur arising out of or in connection with:

a. Franchisee's work, advice, or presence that gives rise to actual negligent acts, errors, or omissions; intentional misconduct or fraud of Franchisee, its employees, subcontractors, or agents, whether active or passive, whether in the provision of the services; failure to provide any or all of the Services or otherwise;
b. A material breach by Franchisee of this Addendum;
c. Proven assertions under workers' compensation or similar employee benefit acts by Franchisee or its employees or agents, and/or any failure by Franchisee to pay any employment benefits and any taxes required of it of any nature whatsoever;
d. Franchisee's failure to comply with any applicable Law.

The foregoing indemnification shall apply irrespective of whether Claims are asserted by a party, by its employees, agents, or subcontractors, or by unrelated third parties. Nothing contained herein shall relieve Franchisee of any responsibility for Claims regardless of whether Franchisee is required to provide insurance covering such Claims or whether the matter giving rise to the Claims is the responsibility of Franchisee's agents, employees, or subcontractors. The provisions of this section shall survive the termination of this Addendum.

15. Franchisee agrees that all insurance required by the Franchise Agreement will cover Franchisee's activities under the NAP and will name Administrator as an additional insured.

16. Franchisee agrees to notify Administrator of any change in Franchisee's ownership or management, business address, fax number, telephone number, email address, or any change in the Territory in which Franchisee is authorized to provide services, not less than seven (7) business days before such change is effective.

17. Except as specifically modified by this Addendum, all of the terms and conditions of the Franchise Agreement (including provisions for notice, construction, and dispute resolution) are reaffirmed in their entirety and will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Capitalized terms used herein but not defined herein shall have the meaning in the Franchise Agreement.

(Signature on Following Page)

FRANCHISOR:

Miracle Method, LLC

By: _____
Name:
Title:

FRANCHISEE:

d/b/a Miracle Method of

By: _____
Name:
Title:

FRANCHISEE:

d/b/a Miracle Method of

By: _____
Name:
Title:

EXHIBIT F-7 TO THE FRANCHISE AGREEMENT

NOVATION AGREEMENT

THIS NOVATION AGREEMENT (the "Novation") is made and entered into this _____ day of _____ by and between: (i) Miracle Method, LLC ("Miracle"), a Texas limited liability company with its principal office at 215 Sutton Lane, Colorado Springs, CO, 80907, **[NAME],** an individual with a primary address at _____, ("Franchisee"), an individual with a primary address at [ADDRESS], and ENTITY, a ____ limited liability company with its principal office at _____ ("ENTITY")

RECITALS

A. Franchisee is a Miracle Method® franchisee under a franchise agreement with Miracle dated [DATE] (the "Franchise Agreement"); and

B. Franchisee desires to transfer all of its right, title and interest under the Franchise Agreement and ownership of the franchise to [ENTITY]; and

C. Franchisee will enter into Miracle's then-current Guaranty Agreement as a condition to Miracle's consent to the foregoing transfer; and

D. The parties agree that as and from the date of this Novation (the "Effective Date"), the Franchise Agreement shall be novated from Franchisee to Entity, so that from the Effective Date ENTITY shall be bound by the terms of the Franchise Agreement in place of Franchisee and ENTITY agrees to acknowledge and expressly assume in the name, place and stead of NAME all liabilities and obligations of Franchisee under the Franchise Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants contained in this Novation and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

AGREEMENT

1. As of the Effective Date, ENTITY agrees and undertakes to perform the obligations of Franchisee under the Franchise Agreement, whether arising prior to, on or subsequent to the Effective Date, and agrees to be bound by the terms and conditions of the Franchise Agreement in every way as if ENTITY were named as a party to the Franchise Agreement in place of Franchisee. ENTITY agrees to perform any and all past, present and future obligations of Franchisee under the Franchise Agreement and all other agreements executed in connection therewith.

2. As of the Effective Date, Franchisee releases Miracle from the various covenants, undertakings, warranties and other obligations contained in the Franchise Agreement and from all claims and demands whatsoever in respect of the Franchise Agreement whether arising prior to, on or subsequent to the Effective Date.

3. Miracle consents to the novation of ENTITY for Franchisee described in Section 1.

4. REPRESENTATIONS AND WARRANTIES OF ENTITY AND FRANCHISEE TO MIRACLE

(i) ENTITY is a [limited liability company/corporation/partnership] duly constituted and validly existing and is in good standing under the laws of its incorporating jurisdiction and is duly qualified to conduct the business in each jurisdiction where the nature and extent of their business and property require the same.

(ii) ENTITY and Franchisee possess all requisite authority and power to execute, deliver and comply with the terms of this Novation. This Novation has been duly authorized by all necessary action, has been duly executed and delivered by ENTITY and Franchisee and constitutes a valid and binding obligation of ENTITY and Franchisee enforceable in accordance with its terms.

(iii) Franchisee has the right to novate its rights and benefits under the Franchise Agreement to ENTITY, free and clear of any charge, lien, pledge, security interest or direct or indirect participation interest in favor of any other person, and as of the Effective Date, the Franchise Agreement is free and clear of all charges, liens, pledges, security interests or direct or indirect participation interests in favor of any other person.

5. Personal Guaranty. Notwithstanding any terms herein that may be construed to the contrary, Franchisee shall enter into and be bound to the terms of Miracle's then-current Guaranty Agreement, and that among the obligations guaranteed thereunder are the obligations of ENTITY to perform under the Franchise Agreement and Franchisee shall be personally bound by and personally liable for each and every obligation of ENTITY under the Franchise Agreement.

6. Successors and Assigns. ENTITY may not assign, transfer, convey or otherwise delegate any of its rights, title, interest or obligations under the Franchise Agreement without Miracle's prior written consent pursuant to the terms of the Franchise Agreement.

7. Governing Law, Venue and Dispute Resolution. This Novation shall be interpreted, construed and governed by and in accordance with the provisions of the Franchise Agreement.

8. Entire Agreement; Liability. This Novation shall constitute the entire integrated assignment between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties. The obligations of Franchisee and ENTITY hereunder are joint and several in each and every respect.

9. Right to Review and to Counsel. Each party declares that the terms of this Novation have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain, and confer with counsel.

10. Multiple Counterparts. This Novation may be executed in a number of identical counterparts, each of which, for all purposes, is to be deemed to be an original, and all of which constitute, collectively, one agreement, but in making proof of this Novation, it shall not be necessary to produce or account for more than one such counterpart.

[Remainder of page intentionally blank; signature page follows]

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

MIRACLE METHOD, LLC

_____

By:
Its:

ENTITY

_____

By: [NAME], [TITLE]

_____

BY: NAME, TITLE

FRANCHISEE:

_____

(in his individual capacity)

EXHIBIT G

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, Miracle Method, LLC, a Texas limited liability company ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Miracle Method Franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

1.	Yes___	No___	Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.	Yes___	No___	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes___	No___	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes___	No___	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes___	No___	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes___	No___	Have you had the opportunity to discuss the benefits and risks of developing and operating a Miracle Method Franchise with an existing Miracle Method franchisee?
7.	Yes___	No___	Do you understand the risks of developing and operating a Miracle Method Franchise?
8.	Yes___	No___	Do you understand the success or failure of your Miracle Method Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?

9. Yes___ No___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Colorado, if not resolved informally or by mediation (subject to state law)?

10. Yes___ No___ Do you understand that your required attendees must satisfactorily complete the initial training program before we will allow your Miracle Method Franchise to open or consent to a transfer of the Miracle Method Franchise to you?

11. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Miracle Method Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Miracle Method Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes___ No___ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Miracle Method Franchise?

15. Yes___ No___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Name (please print)	Name (please print)
Date	Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

EXHIBIT H

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

FRANCHISE DISCLOSURE DOCUMENT FOR THE STATES OF CONNECTICUT, GEORGIA, LOUISIANA, MAINE, NORTH CAROLINA AND SOUTH CAROLINA

Notwithstanding anything to the contrary set forth in the MIRACLE METHOD, LLC Franchise Disclosure Document, the following provision shall supersede and apply to all Miracle Method franchises offered and sold in the states of Connecticut, Georgia, Louisiana, Maine, North Carolina and South Carolina:

> If you are a new franchisee seeking to participate in the Franchise Option Program disclosed in Item 5, the refund of the Initial Franchise Fee will not apply to you if you reside in or are domiciled in, or your Miracle Method Business is located wholly or partly in, any of Connecticut, Georgia, Louisiana, Maine, North Carolina or South Carolina. However, you may otherwise participate in the Franchise Option Program and receive the same benefits as an existing franchisee under the Program

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR MIRACLE METHOD, LLC

The following modifications are made to the Miracle Method, LLC, a Texas limited liability company ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Colorado. When the term "Supplemental Agreements" is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in the State of Colorado. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Colorado. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

The highest interest rate allowed by law in California is 10% annually.

The second sentence of Section 8.1 of the Franchise Agreement is deleted in its entirety.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION

PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are:

   California, Illinois, Indiana, Maryland, Minnesota, New York, Rhode Island, Virginia, and Wisconsin

2. States which have refused, by order or otherwise, to register these Franchises are:

   None

3. States which have revoked or suspended the right to offer the Franchises are:

   None

4. States in which the proposed registration of these Franchises has been withdrawn are:

   None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

Item 8 of the FDD is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

> No competing business for two (2) years within the Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

> Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

> Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement

relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the FDD and Section 16M of the Franchise Agreement are amended to state: "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise."

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state: "All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MICHIGAN

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

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

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this Act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minnesota Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the

Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System Standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

> No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Item 6 of the FDD and Section 3D of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to $30 per occurrence pursuant to Minnesota Statute 604.113.

10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR**

HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**:"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**."

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**:"

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Sections 7 and 14 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within

the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Miracle Method, LLC. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** 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.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition 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 noncompetition 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signatures on Following Page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐	California	☐	Maryland	☐	Rhode Island
☐	Hawaii	☐	Michigan	☐	South Dakota
☐	Illinois	☐	Minnesota	☐	Virginia
☐	Indiana	☐	New York	☐	Washington
		☐	North Dakota	☐	Wisconsin

Dated: _____, 20____

FRANCHISOR:

MIRACLE METHOD, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	See Separate FDD
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Rhode Island	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller- assisted marketing plans.

RECEIPT
(Retain This Copy)

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

If Miracle Method, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires Miracle Method, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Miracle Method, LLC 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 E.

The franchisor is Miracle Method LLC, located at 215 Sutton Lane, Colorado Springs, CO, 80907. Its telephone number is (888) 508-1741.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Kelli Schroeder at 77 North Washington Street, Boston, Massachusetts 02114, Telephone (617) 997-4729

Issuance Date: April 29, 2025

I received a disclosure document issued April 29, 2025 which included the following exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of Current and Former Franchisees
Exhibit D	Manual Table of Contents
Exhibit E	List of State Administrators/Agents for Service of Process
Exhibit F	Contracts for use with the Miracle Method Franchise
Exhibit G	Franchise Disclosure Questionnaire
Exhibit H	State Addenda and Agreement Riders

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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

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Michigan requires Miracle Method, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten 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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Exhibit H	State Addenda and Agreement Riders

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Miracle Method, LLC, 215 Sutton Lane, Colorado Springs, CO, 80907.

4908-4438-2003, v. 9