

## FRANCHISE DISCLOSURE DOCUMENT

Purchase Green Franchising, LLC  
1925 Wright Avenue, Suite A & B  
La Verne, California 91750  
(909) 321-2969; www.purchasegreen.com



The franchise is a business that sells, installs and maintains artificial grass, artificial putting greens, artificial ivy, artificial sports turfs, golf products, solar lights and related installation accessories.

The total investment necessary to begin ~~the operation of a Purchase Green business~~Business is \$119,920 ~~to~~ \$588,620. This includes ~~\$55,420~~55,000 ~~to~~ ~~\$200,420~~200,000 that must be paid to the franchisor or its affiliate.

The total investment necessary to begin operations of ~~the first 2a~~ Business Purchase Green ~~businesses~~Business under a Multi-Unit Development Agreement to develop 2 Purchase Green Businesses is \$125,920 ~~to~~ \$597,120. This includes ~~\$60,420~~60,000 ~~to~~ ~~\$205,420~~205,000 that must be paid to the franchisor or its affiliate.

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

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

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

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

Issuance Date: ~~March~~April 25, 2024, ~~as amended May 20, 2024~~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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	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 Exhibit <u>L</u> <u>M</u> .
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Purchase Green Business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Purchase Green franchisee?</b>	Exhibit <u>L</u> <u>M</u> lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## 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 ~~K~~L.

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 be highlighted:

- 1. Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with us by litigation only in California. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in California than in your home state.
- 2. Short Operating History:** We are at an early stage of development and have a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
- 3. General Financial Condition:** Our financial condition as reflected in our financial statements (see Item 21) calls into question our financial ability to provide services and support to you.
- 4. Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in termination of your franchise and loss of your investment.
- 5. Inventory Control:** You must make minimum inventory and supply purchases, even if you do not need or are unable to sell that quantity of inventory. Your inability to make these purchases may result in termination of your franchise and loss of your investment.
- 6. Supplier Control:** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from us, our affiliates, or suppliers that we designate, at prices we or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
- 7. Spousal Liability:** Your spouse must sign a guarantee 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.

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.

**THE FOLLOWING APPLY ONLY TO TRANSACTIONS GOVERNED BY THE  
MICHIGAN FRANCHISE INVESTMENT LAW**

**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.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (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 I.
- (i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding the notice should be directed to the State of Michigan Consumer Protection Division, Attn: Franchise Section, 670 G. Mennen Williams Building, 525 West Ottawa, Lansing, Michigan 48933, telephone (517) 335-7567.

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written, and you will agree in the Franchise Agreement to abide by its terms.

TABLE OF CONTENTS

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	1
ITEM 2: BUSINESS EXPERIENCE .....	<u>34</u>
ITEM 3: LITIGATION.....	<u>35</u>
ITEM 4: BANKRUPTCY.....	<u>45</u>
ITEM 5: INITIAL FEES.....	<u>45</u>
ITEM 6: OTHER FEES .....	<u>57</u>
ITEM 7: ESTIMATED INITIAL INVESTMENT.....	<u>710</u>
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	<u>1114</u>
ITEM 9: FRANCHISEE’S OBLIGATIONS.....	<u>1418</u>
ITEM 10: FINANCING.....	<u>1619</u>
ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	<u>1619</u>
ITEM 12: TERRITORY .....	<u>2426</u>
ITEM 13: TRADEMARKS .....	<u>2931</u>
ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	<u>3133</u>
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	<u>3335</u>
ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	<u>3436</u>
ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	<u>3437</u>
ITEM 18: PUBLIC FIGURES.....	<u>4342</u>
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS .....	<u>4342</u>
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION.....	<u>4445</u>
ITEM 21: FINANCIAL STATEMENTS .....	<u>50</u>
ITEM 22: CONTRACTS .....	<u>50</u>
ITEM 23: RECEIPTS .....	<u>5051</u>

## TABLE OF EXHIBITS

- EXHIBIT A – FINANCIAL STATEMENTS
- EXHIBIT B~~1~~ – FRANCHISE AGREEMENT
- EXHIBIT B-2 – TILE ADDENDUM TO FRANCHISE AGREEMENT
- EXHIBIT C – MULTI-UNIT DEVELOPMENT AGREEMENT
- EXHIBIT D – BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE
- EXHIBIT E – EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT
- EXHIBIT F – TELEPHONE NUMBER ASSIGNMENT AND POWER OF ATTORNEY
- EXHIBIT G – GUARANTY
- EXHIBIT H – GENERAL RELEASE
- EXHIBIT I – OPERATING MANUAL TABLE OF CONTENTS
- EXHIBIT IJ – STATE ADDENDA
- EXHIBIT JK – SBA ADDENDUM TO FRANCHISE AGREEMENT
- EXHIBIT KL – STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
- EXHIBIT LM – LIST OF FRANCHISEES AND TERRITORY HOLDERS
- EXHIBIT MN – RECEIPTS



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

~~Purchase Green Franchising, LLC is the franchisor. We refer to us as “Company,” “Franchisor,”~~To simplify the language in this franchise disclosure document (the “**Disclosure Document**”), “we,” “us” “our,” or “PGF:” means Purchase Green Franchising, LLC. “You” means the person who buys the franchise whether you are an individual, sole proprietorship, corporation, partnership, limited liability company or other entity. ~~“If you are an entity, owners holding 20% or more of the ownership interests in you must execute a Guaranty, which means that the provisions of the Franchise Agreement attached to this Disclosure Document” means this~~ as Exhibit B-1 (the “**Franchise Disclosure Document Agreement**”) also will apply to them.

We are a Delaware limited liability company organized on July 24, 2020. Our principal business address is 1925 Wright Avenue, Suite A & B, La Verne, California 91750. We do business under our company name and “Purchase Green.” We have offered franchises for Purchase Green Businesses (defined below) since our formation in July 2020. We have not offered franchises in any other line of business and have never operated a Purchase Green Business, and, except as otherwise stated below, have no other business activities.

~~We organized on July 24, 2020, in the State of Delaware. Our agent for service of process is Cogency Global Inc., whose address is 850 New Burton Road, Suite 201, Dover, Delaware 19904. Additional agents for service of process are listed in Exhibit K. Our principal business dress is 1925 Wright Avenue, Suite A & B, La Verne, California 91750.~~

The Purchase Green Franchise Opportunity

We (together with our predecessor) have developed and own a unique system (the “System”) for establishing, developing and operating businesses (“Purchase Green Businesses”) which sell, install and maintain artificial grass, putting greens, artificial ivy and sports turfs, golf products associated with putting greens, solar lights and related installation accessories (“Products”), using the trademark Purchase Green and related marks we specify. We call the franchised Purchase Green Business you will own and operate under the Franchise Agreement the “Business.” You must operate the showroom, office and warehouse at the location we approve (the “Location”). You will offer the Products and services to residential, commercial, golf courses, other sport facilities, schools and other types of customers.

~~We are wholly owned by Path to Prosperity, LLC (“PTP”), a Delaware limited liability company. PTP’s principal business address is 1925 Wright Avenue, Suite A & B, Laverne, California 91750. PTP is wholly owned by Controlled Products Acquisition Corporation (“CPAC”), a Delaware corporation. CPAC is wholly owned by CP Turf Parent, LLC (“CPTP”), a Delaware limited liability company. CPTP is wholly owned by CP Turf TopCo, LLC, a Delaware limited liability company (“CPTT”). The principal business address of each of these entities is 200 Howell Drive, Dalton, Georgia 30721 CPT is majority owned by Sentinel Capital Partners VI, L.P., a Delaware limited partnership. Sentinel Capital Partners VI, L.P. (together with parallel funds) is a private investment fund. Sentinel Capital partners principal business address is one Vanderbilt Avenue, 53rd Floor, New York, New York 10017.~~

~~Other than PTP, we do not have a predecessor in the sense of an entity from which we acquired most of our assets.~~

~~Our affiliate, Controlled Products, LLC, a Delaware limited liability company, was organized in 2005. Its address is 200 Howell Drive, Dalton, GA 30721. It is wholly owned by CPAC. Controlled Products, LLC is a manufacturer of synthetic turfs and may be a supplier of products to PTP. Our affiliate, The Recreational Group, LLC, a Georgia limited liability company, was organized in 2013. Its address is 205 Boring Drive, Dalton, GA 30721. In December 2021, its ultimate parent entity was acquired by CPTP. The Recreational Group designs, manufactures and installs premier surfacing solutions and may be a supplier to PTP. Additional affiliates that may be suppliers to PTP, all with the address of 205 Boring Drive, Dalton, GA 30721 and organized as Georgia limited liability companies are Engineered Turf Manufacturing, LLC, organized in 2020; Ch3 Solutions, LLC organized in 2015, Poly Green Foam Holdings, LLC organized in 2018; Swisstrax, LLC organized in 2019; and Turf Factory Direct Distributing, LLC organized in 2020. PTP will supply many products to you as a franchisee.~~

~~We grant franchises for Purchase Green® businesses (“Purchase Green Business”) that sell, install and maintain artificial grass, artificial putting greens, artificial ivy, artificial sports turfs, golf products, solar lights, and related products and installation accessories (the “Products”). The franchise is for a single Purchase Green Business.~~

~~We also offer acertain qualified prospects the right to develop and operate multiple Purchase Green Businesses under the Multi-Unit Development Agreement which attached to this Disclosure Document as Exhibit C (the “Development Agreement”). The Development Agreement grants you the right to enter into a minimum of 2 individual franchise agreements and thus establish multiple Purchase Green Businesses in a defined area over an agreed period of time. For each individual franchise, you and we will sign our then-current form Franchise Agreement (as defined below) (the form we use at the time you and we sign.) franchise agreement. If you sign a Development Agreement, you must open and operate within a defined territory the number of Purchase Green Businesses by the timeframes identified on Exhibit 2 of the Development Agreement (the “Development Quota”).~~

### Tile Businesses

~~We have an arrangement with our affiliate, CH3 Solutions, LLC (“CH3”), under which our affiliate may offer certain qualified franchisees the right to purchase and distribute Swisstrax Tiles and/or VersaCourt tiles using the applicable brand’s trademark on the terms and conditions our affiliate requires. The resale business for Swisstrax products is referred to as the “Swisstrax Tile Business” and the resale business for VersaCourt products is referred to as the “VersaCourt Tile Business.” “Tile Business” refers to the Swisstrax Tile Business or VersaCourt Tile Business.~~

~~To operate a Tile Business in connection with the Franchised Business, you must (1) enter into a PGF Franchise Agreement and the attached Tile Business Addendum attached to this Disclosure Document as Exhibit B-2 (the “Tile Addendum”); and (2) enter into an arrangement with our affiliate that sets forth the terms and conditions for your participation in the Tile Business (each a “Reseller Arrangement”). As of December 31, 2024, 6 franchised Purchase Green Businesses operated Swisstrax Tile Businesses, 9 franchised Purchase Green Businesses operated VersaCourt Tile Businesses, and 3 Purchase Green Businesses operated both Swisstrax Tile Businesses and VersaCourt Tile Businesses. Unless otherwise noted, the disclosures in this disclosure document apply to Businesses that operate a Tile Business at the Location.~~

### The Market and Competition

~~Between 2014 and 2020, PTP entered into Product Supply and Territory Holder Agreements with territory holders (“Territory Holders”). At the issuance date of this FDD, 7 Territory Holders have agreements with PTP for similar businesses in 9 locations in California and Nevada; those 7 Territory Holders have been in business for time periods ranging from approximately 4 to 9 years. Since 2020, PTP no longer offers Product Supply and Territory Holder Agreements. The business of the Territory Holders is similar to a Purchase Green Business. As franchisor, we never offered those agreements. As of the issuance date, PTP operated 19 Purchase Green showrooms and 2 support offices. They are located in Arizona, California, Colorado, Florida, New Mexico, Nevada, Texas, Utah and Beijing, China.~~

~~We have not offered franchises in any other business. Our direct and indirect parent companies identified above have not offered franchises in any business. Except as otherwise described in Item 17 of this Disclosure Document, nothing restricts them or us from offering franchises in any business in the future.~~

~~Your franchised Purchase Green Business (the “Business”) will use a system developed by PTP and us. A franchised Purchase Green Business is independently owned and operated by you. You will use the name Purchase Green and other trademarks we specify. You will offer the Products and services to residential, commercial, golf courses, other sport facilities, schools and other types of customers. Customers are people, facilities and businesses that can benefit from using one or more of the Products.~~

The market for Products and services are homeowners, homebuilders, property owners, businesses, hotels, resorts, condominium projects, schools, colleges, golf and other sport facilities. These are owners of properties that can benefit by using one or more of the Products. The market continues to develop and evolve. Weather (such as rain or snow) may be a factor in sales and timing of sales. You may compete with other artificial turf companies, other suppliers of artificial turf and suppliers of grass, ivy and other landscape products and services.

### Laws, Rules, and Regulations

You must comply with federal, state and local laws. Among these are licensing or regulatory requirements, for example, laws that pertain to landscaping or construction. In some states, you need a contractor’s license to operate ~~your Purchase Green~~the Franchised Business. You will have retail facilities, including a showroom, office space and warehousing. There may be requirements for construction, design and maintenance of these, also zoning, parking, access for disabled persons and other requirements. You must comply with laws and regulations on health, safety and welfare of customers, workers and the public, sanitation; inspections by government agencies; restrictions on hiring persons not authorized to work in the United States; minimum wage; restrictions on smoking; insurance for employees; taxes and withholding; collection and payment of sales tax; use, storage and disposal of waste and hazardous materials; and nondiscrimination as to customers, employees and others; and any other applicable laws. You must investigate which laws, regulations and requirements apply in the area where you are interested to locate your franchise and determine their effects, requirements and costs of compliance. It is your sole responsibility to obtain and keep in force all necessary licenses and permits that public authorities require.

### Stocking Dealers and Dropship Dealers

We have offered certain qualified, existing business operators the nonexclusive right to stock, and serve as resellers of, Purchase Green products (“**Stocking Dealers**”) pursuant to stocking dealer agreements (each a “**PGF Stocking Dealer Agreement**”) since our formation in July 2020. Under the PGF Stocking Dealer Agreement, a Stocking Dealer will market and sell certain products and service offered at Purchase Green Businesses to consumers. A PGF Stocking Dealer Agreement substantially differs from the offering under this Disclosure Document and Territory Holder Agreements (described below) because a Stocking Dealer will not operate an independent Purchase Green Business or pay initial or ongoing fees to us. Rather they operate existing retail and/or service businesses (e.g., landscaping, building, pool and flooring supply companies) of which the resale of Purchase Green products will constitute a small part. As of December 31, 2024, there were 7 Stocking Dealers.

We also have offered certain qualified, existing business operators the nonexclusive right to serve as dropship dealers of Purchase Green products (“**Dropship Dealers**”) since our formation in July 2020. This arrangement substantially differs from the offering under this Disclosure Document and Territory Holder Agreements (described below) because a Dropship Dealer will not operate an independent Purchase Green Business or pay initial or ongoing fees to us. Rather they operate existing businesses (e.g., hardware stores) of which the resale of Purchase Green products will constitute a small part. Unlike Stocking Dealers that enter into a PGF Stocking Dealer Agreements, Dropship Dealers do not stock products but will order products on an as-needed basis. As of December 31, 2024, there were 36 Dropship Dealers.

If a Stocking Dealer and/or Dropship Dealer is located within the territory of an existing franchisee, they may purchase Purchase Green products from that franchisee.

#### Parents, Predecessors, and Affiliates

We are wholly-owned subsidiary of our predecessor, Path to Prosperity, LLC (“**PTP**”), a Delaware limited liability company. PTP’s principal business address is 1925 Wright Avenue, Suite A & B, Laverne, California 91750. From 2014 to 2020, PTP entered into product supply and territory holder agreements (“**Territory Holder Agreements**”) with territory holders (“**Territory Holders**”) under which PTP granted Territory Holders the right to operate Purchase Green Businesses under the Purchase Green brand (the “**Territory Holder Locations**”). As of December 31, 2024, there are 7 Territory Holder Locations. Territory Holder Locations are materially the same as Purchase Green Businesses offered under this Disclosure Document. PTP no longer offers Territory Holder Agreements. Additionally, PTP has operated Purchase Green Businesses and support offices since 2009. As of December 31, 2024, PTP operates 22 Purchase Green Businesses.

PTP is wholly-owned by Controlled Products Acquisition Corporation (“**CPAC**”), a Delaware corporation. CPAC is wholly-owned by CP Turf Parent, LLC (“**CPTP**”), a Delaware limited liability company. CPTP is wholly-owned by CP Turf TopCo, LLC, a Delaware limited liability company (“**CPTT**”). The principal business address of each of these entities is 200 Howell Drive, Dalton, Georgia 30721. CPTT is majority-owned by an investment fund, Sentinel Capital Partners VI, L.P., a Delaware limited partnership. Sentinel Capital Partners VI, L.P. (together with parallel funds) is a private investment fund managed by Sentinel Capital Partners, LLC, a private investment firm with its principal business address at One Vanderbilt Avenue, 53rd Floor, New York, New York 10017.

Our affiliate, Controlled Products, LLC, a Delaware limited liability company, was organized in 2005. Its address is 200 Howell Drive, Dalton, GA 30721. It is wholly-owned by CPAC. Controlled

Products, LLC is a manufacturer of synthetic turfs and may be a supplier of products to PTP. Our affiliate, The Recreational Group, LLC, a Georgia limited liability company, was organized in 2013. Its address is 205 Boring Drive, Dalton, GA 30721. In December 2021, its ultimate parent entity was acquired by CPTP. The Recreational Group designs, manufactures and installs premier surfacing solutions and may be a supplier to PTP. Additional affiliates that may be suppliers to PTP, all with the address of 205 Boring Drive, Dalton, GA 30721 and organized as Georgia limited liability companies are Engineered Turf Manufacturing, LLC, organized in 2020; CH3 organized in 2015, Poly-Green Foam Holdings, LLC organized in 2018; Swisstrax, LLC organized in 2019; and Turf Factory Direct Distributing, LLC organized in 2020. PTP will supply many products to you as a franchisee.

Finally, we expect that our affiliate, Turf Wash Distributing, LLC (“TurfWash”), will sell turf cleaning products to franchisees for use in Purchase Green Businesses and/or resale to customers beginning in 2025. TurfWash’s address is 200 Howell Dr Dalton, Georgia 30721.

Except as otherwise stated, the entities listed above have not offered franchises in any line of business, have never operated a Purchase Green Business, and have no other business activities.

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

Chief Executive Officer and Director (PGF) and President (PTP): Ronald Bennett

Mr. Bennett has been our Chief Executive Officer and member of our Board of Directors since December 2021. Mr. Bennett also has been president served as the President of PTP since December 2021. Since January 2022, Mr. Bennett has been and Chief Executive Officer of the The Recreational Group, LLC and Controlled Products since January 2022 in Dalton, Georgia. From Before that, he served as Chief Executive Officer of The Recreational Group from June 2018 to January 2022, Mr. Bennett was Chief Executive Officer and from 2007 to May 2018, he was President of The Recreational Group in Dalton, Georgia.

President (PGF): ~~Joshua Pressnell~~ Andrew Eaton

Mr. Eaton has been our President since July 2024. From October 2012 to July 2024, he was Head of Store Experience & Development of LL Flooring in Richmond, Virginia.

Chief Operating Officer: Joshua Pressnell

Mr. Pressnell has been our President since August 1, 2023. Since May 2021, Mr. Pressnell Chief Operating Officer since July 2024. He also has served as Chief Operating Officer of The Recreational Group, LLC in Dalton, Georgia. From April 2020 to March 2022, he was since May 2021. Before that, he was our President from August 2023 to July 2024 and Senior Vice President of Tile Division of The Recreational Group, LLC in Dalton, Georgia. From July 2016 to from April 2020, he was Director of International Sales of The Recreational Group, LLC in Dalton, Georgia to March 2022.

Chief Financial Officer (PGF): Amanda Todd

Ms. Todd has been our Chief Financial Officer since December 2021. Since August 2018, Ms. Todd has been She also has served as Chief Financial Officer of the The Recreational Group, LLC.

From 2002 to July 2018, Ms. Todd was a CPA and from 2014 to since August 2018, an owner, with Morehouse Group in Dalton, Georgia.

Director of Franchise OperationsVice President of Sales: Joshua Turcotte

Mr. Turcotte has been our Vice President of Sales since November 2024. He previously served as our Vice President of Marketing and Franchise from January 2024 to November 2024, Director of Franchise Operations since from April 2023. From to November 2024, Franchise Operations Manager from March 2022 to April 2023, he was Franchise Sales Operations Manager. From from February 2021 to March 2022, Mr. Turcotte was Sales Operations and Innovations and Efficiencies Manager, from May 2020 to February 2021 was Innovations & Efficiencies. Before that, he served as Call Center Manager and for PTP in Pomona, California from November 2014 to May 2020 was Call Center Manager for Path to Prosperity, LLC, located in Pomona, California.

### **ITEM 3:** **LITIGATION**

Hyden v. Versacourt, LLC, et al. (U.S. District Court, Eastern District of Tennessee, 1:20-CV-00119, filed April 7, 2020). Recreational Group, LLC, CH3 Solutions, LLC (as subsidiary to Versacourt), Ron Bennett and Amanda Todd were Defendants in the case. Hyden claimed he entered into a Purchase Agreement with Versacourt to sell his business and inventory of garage floor tiles. He claimed fraud, negligent misrepresentation, reformation, securities fraud, and unjust enrichment, for Versacourt's alleged return of inventory and non-payment of the purchase price agreed. Defendants counterclaimed for breach of contract/breach of warranty and indemnification. The case was settled. A Stipulation of Dismissal was filed on December 13, 2021, and the case was closed by the court without the individual Defendants paying anything to the Plaintiff or providing anything of benefit to the Plaintiff.

In the Matter of the Commissioner of Financial Protection and Innovation v. Path to Prosperity, LLC doing business as Purchase Green. In March 2022, PTP entered into a Consent Order with the California Department of Financial Protection and Innovation. The Department determined that between 2013 and 2018, 9 Territory Holder Agreements were entered into without complying with the state's Franchise Investment Law. The Department found Path to Prosperity sold unregistered franchises, failed to provide a FDD and made various misrepresentations to the Department in violation of the state's Franchise Investment Law. PTP was obligated to pay a fine and costs of investigation totaling \$47,000. PTP was ordered not to violate certain provisions of the state's Franchise Investment Law.

Other than as stated above, no litigation is required to be disclosed in this Item.

### **ITEM 4:** **BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

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

Under the Franchise Agreement, you must pay the following non-refundable initial fees to us or our affiliates:

<u><b>Franchise Agreement</b></u>		
<u><b>Fee Type</b></u>		<u><b>Amount</b></u>
<u><b>Initial Franchise Fee</b></u>	<u>24 months on pay-per-click platforms for Google &amp; Bing; search engine optimization (“SEO”); marketing automation software (“<b>Online Component</b>”)</u>	<u>\$5,000 to \$48,000</u>
	<u>Territory Size/Population Density (“<b>Population Component</b>”)</u>	<u>\$5,000 to \$37,000</u>
	<u>Training, content creation and use of our learning management system (“<b>Training Component</b>”)</u>	<u>\$15,000</u>
<u><b>Initial Franchise Fee Total</b></u>		<u><b>\$25,000 to \$100,000</b></u>
<u><b>Initial Inventory Purchase</b></u>		<u>\$30,000 to \$100,000</u>
<u><b>Grand Total</b></u>		<u><b>\$55,000 to \$200,000</b></u>

YouAs reflected in the table below, you must pay us an initial fee, which upon signing the Franchise Agreement. The Initial Franchise Fee ranges from as low as \$25,000 and will not exceed to \$100,000 (the “Initial Franchise Fee”). We set the Initial Franchise Fee equal to the total of our projected expenditure for (i) 24 months on pay per click platforms for Google & Bing, (ii) search engine optimization (“SEO”); (iii) marketing automation software, and (iv) \$15,000 on account of training, content creation and use of our learning management system and is comprised of the 3 components—the Online Component, the Population Component, and the Training Component. We project the first three elementsOnline Element based on information we obtain in pay-per-click platforms and from consulting agencies that provide SEO and marketing automation services. When you sign a franchise agreement with us (the “Franchise Agreement”) you pay 50% of the Initial Franchise Fee. You pay the balance of the Initial Franchise Fee over 12 months beginning on the first day of the month that is two (2) full months after the signing of the Franchise Agreement. See Item 10 for details. In fiscal year ended 2022, the Initial Franchise Fee ranged from \$35,000 to \$100,000. With respect to the Population Element, you will incur an amount closer to the low estimate if your territory has a sparser population density or you obtain a smaller territory. You will incur an initial fee closer to the high estimate in a territory with a higher density or in a larger territory.

During 2024, we collected Initial Franchise Fees ranging from \$0 to \$35,000. We waived the Initial Franchise Fee for certain multi-unit operators that agreed to develop multiple Purchase Green Businesses under Development Agreements with us.

In addition to the Initial Franchise Fee, you must purchase an initial inventory of Products from us or our affiliate at an estimated cost of \$30,000 to \$100,000 (the “**Initial Inventory Purchase**”).

For a Multi-Unit Development Agreement, you sign a Franchise Agreement, pay an initial franchisee fee between \$25,000 and \$100,000 (see above explanation) at that time, and pay a territory rights fee of \$5,000 multiplied by the number of units provided for, other than the first Franchise Agreement (total units minus one).

If we and you enter into a Development Agreement, you must pay us a fee of \$5,000 multiplied by the number of Franchised Businesses to be developed, excluding the first Franchise Agreement (total units minus one) (the “Development Fee”). The Development Fee is based on a uniform calculation and is not refundable under any circumstances. When you sign the Development Agreement, you must also sign the first Franchise Agreement and pay the Initial Franchise Fee due under that Franchise Agreement. To begin operations of one Purchase Green Business under a Development Agreement for 2 Purchase Green Businesses the following initial fees must be paid to us or our affiliates:

<u>Development Agreement</u>	
<u>Fee Type</u>	<u>Amount</u>
<u>Development Fee</u>	<u>\$5,000 per additional unit</u> <u>(estimate for 2 units)</u>
<u>Initial Franchise Fee</u>	<u>\$25,000 to \$100,000</u> <u>(see breakdown in table above)</u>
<u>Initial Inventory Purchase</u>	<u>\$30,000 to \$100,000</u>
<u><b>Grand Total of Initial Fees</b></u> <i>(including initial fees due under the first Franchise Agreement)</i>	<u><b>\$60,000 to \$205,000</b></u>

The Initial Franchise Fee and Initial Inventory Purchase are non-refundable.

**ITEM 6:**  
**OTHER FEES**

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Minimum Product Purchases</u>	<u>\$10,000 -to \$30,000 per month</u>	<u>In advance until Initial Franchise Fee is paid in full; thereafter, within 15 days of invoice date</u>	<u>After the Initial Inventory Purchase, you will continue to buy Products for resale from us or our affiliate. This range is only an estimate, your actual purchases could also be less or more than this range depending on actual and anticipated volumes of sales and your decisions on inventory. You pay by check, credit card or ACH. Credit card incurs a 3% convenience fee. <u>You must buy the minimum quantities of Products set forth in Exhibit B of the</u></u>



Type of Fee	Amount	Due Date	Remarks
			<u>Franchise Agreement (the “Minimum Quantities”). The Minimum Quantities will increase on an annual basis and may exceed the estimate provided. Product purchases for the first year will be at least \$10,000 per month. The formula for year 2 and on will equal the prior year minimum quantity (from year 1) multiplied by average growth from Year X to Year X+1 across all Purchase Green Businesses, discounted by 10%. You pay by check, credit card or ACH. Credit cards incur a 3% convenience fee.</u>
Local Advertising/ Marketing Fund	Lesser of 2% of Gross Revenues or \$7,500	Quarterly	You pay others (not us) for <u>local advertising in for the area of Franchised Business in your business area</u> . Alternatively, <u>we may require you may to contribute the required amount these amounts to the Marketing Fund, if established.</u>
Brochures	Varies	After order	You can buy printed ad materials from us.
Adtrack/Key Performance Indicators (KPI) and GROW Dashboard	\$140 per month	Monthly	Your Adtrack phone number is used for call recording, roll-over call support, GROW business intelligence dashboard, and key performance indicators (KPI). <u>The base year cost is \$10 per phone number, \$.08 per minute, and \$30 per month per business intelligence dashboard.</u>
Insurance	\$10,000	On demand	If you don't get/maintain required insurance, we may choose to get some or all insurance. You pay charges we incur, which are likely to be more than the premium if you purchased your own insurance. This is just an estimate; particular coverage(s), insurer(s), loss history, market conditions, timing and possibly other factors will affect the cost.
Inspection/Audit	\$1,000 - \$3,000	On demand	You pay us (or for local advertising, you spend) the amount of understatement or underpayment we identify. If understatement/underpayment was 2% or more for a period, or due to failure to report or other irregularity, you also pay us the inspection/audit cost.
Us Operating <del>Your</del> <u>Purchase Green the Franchised Business</u>	Reasonable fee as determined by us, not to exceed \$500 per day.	As needed	We may operate your franchised business if you die or are absent for any reason or are incapacitated by reason of illness or other reason and are unable, in our judgment, to operate the <u>Franchised Business</u> satisfactorily.
Late/Dishonored/ Returned Payment	\$50 plus 1% of the check or other late/dishonored/returned payment	On demand	Applies to amounts not paid on time or dishonored.

Type of Fee	Amount	Due Date	Remarks
Supplier or Product Review	\$1,000 - \$3,000	As needed	This is only an estimate. We may charge you our costs to review a proposed supplier or product.
Sales or Other Tax	As determined by taxing authority	On demand	If any government authority imposes a sales or other tax, we can charge you for and collect this tax from you.
Transfer Fee (Franchise Agreement)	Greater of 2% of sale price or \$7,500; for transfer to controlled entity \$2,500	On your request to transfer Franchise Agreement	You pay this to us as part of transfer of Franchise Agreement, <u>subject to state law.</u>
Transfer Fee (Multi-Unit Development Agreement)	10% of <del>Territory-Rights</del> <u>Development Fee</u> if approved; 5% of <del>Territory-Rights</del> <u>Development Fee</u> if denied	On your request to transfer your Multi-Unit Development Agreement	You pay this fee for a transfer of the <del>Multi-Unit</del> <u>Development Agreement</u> , <u>in addition to the transfer fee(s) due under any Franchise Agreement(s), subject to state law.</u>
Renewal Fee	10% of then-current Initial Franchise Fee	Before expiration of term.	You pay this to enter into renewal agreement.
Additional Training or Assistance	\$500 per day plus travel, lodging and meal expenses	At least 60 days prior to the expiration of the Term	We can charge this if we provide additional training or assistance.
Indemnification; Defense Costs	All costs including attorneys' fees	On demand	You must indemnify, defend and hold us harmless for various types of claims arising out of your operation of the <u>Franchised Business</u> . You must reimburse our costs and expenses to cure your deficiency or default under your lease. You must pay our costs and reasonable attorney fees arising out of these claims.
<del>Non-compliance-Fee</del> <u>Shortfall Amount</u>	<del>Varies</del> <u>Amount of shortfall between Minimum Product Quantity and actual amount ordered</u>	<del>On-demand</del> <u>Within 90 days after the end of the Minimum Quantities annual period</u>	<del>For an uncured breach, one of our available remedies is to charge a non-compliance fee</del> <u>Payable if you fail to purchase the Minimum Quantities of product and we or the Designated Supplier(s) would have been able to deliver such products.</u>
Post-Term De-Identification	Varies	On demand	After termination, you must stop representing yourself as our franchisee, stop using our marks and trade dress. If you don't, and we do this at your location, you pay our costs.
Early Termination-Payment	The amount you were required to pay for the full year minimum order quantity through the period of time until the next anniversary of the Franchise Agreement.	At time of requesting-termination.	<del>These damages are payable to us from you for terminating early.</del>

Type of Fee	Amount	Due Date	Remarks
Attorney Fees	Varies	On demand	In litigation, the party who prevails recovers reasonable attorney fees and expenses from the other party. If you breach or default, you pay our attorney fees.
Securities Review Fee ( <del>Multi Unit Development Agreement</del> )	Our expenses for review of your securities offering or registration materials, up to \$25,000	On demand	You reimburse our expenses if the issuance, offer or sale of the Developer's securities is subject to registration, or a private placement memorandum is required.
Guaranty	Varies	On breach of Agreement	Your owners personally guarantee and comply with all terms and are liable for performance and breach of Franchise Agreement.

All fees are uniformly imposed by and payable to us unless otherwise noted. Fees are non-refundable. Fees paid to third parties may be refundable based on your agreements with or policies of the third parties. **“Gross Revenues”** means the total of all receipts and revenues derived from the sale or delivery of merchandise and/or services, receipts and revenues from any source and of any other kind or nature, whether in cash, credit, check, credit card, electronic currency of any kind, gift certificate, services, property, or other means of exchange. Gross Revenue excludes sales tax receipts that you must by law collect from customers, that are separately identified on invoices and that you actually pay to the taxing authority. We can increase fees and charges set as an amount, for inflation or costs or other reasonable basis.

**ITEM 7:**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT (1)**

**FRANCHISE AGREEMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee (2)	\$25,000 - \$100,000	Check; ACH	<del>1/2 on signing, 1/2 in 12 equal installments over 12 months starting 2 months after the showroom opening</del> <u>the Franchise Agreement</u>	Us
Real Estate (3)	\$15,500 – 64,500	ACH; Check	Before opening; then monthly	Landlord or Owner

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Office Equipment (4)	\$2,500 - \$5,000	Cash/Credit Card	Before opening	Supplier of office equipment
Utilities and Deposits (5)	\$1,000 - \$2,500	ACH; Check	Before opening, then monthly	Utility companies
Initial Inventory Purchase (6)	\$30,000 - \$100,000	Lump Sum	As arranged, before delivery	Us or our affiliate
Cutting Machine (7)	\$0 - \$75,000	As arranged	As arranged	Machine manufacturer/distributor
Delivery truck (8)	\$0 - \$85,000	As arranged	Before opening	Vehicle seller
Forklift & carpet pole (9)	\$10,000 - \$57,500	As arranged	As arranged	Forklift seller
Insurance (10)	\$2,500 - \$9,500	As Arranged	As arranged	Insurance Companies
Travel & living expenses while training (11)	\$1,500 - \$5,700	As Incurred	As incurred	Transportation, hotel, restaurant; personnel
Advertising (brochures, bus. cards, local advertising) (12)	\$920 - \$5,420	As Arranged	As incurred	Us and Approved Suppliers
Licenses/Permits (13)	\$500 - \$2,000	As arranged	As arranged	Licensing Authorities
Prof. Advisors (14)	\$1,500 - \$5,500	As arranged	As arranged	Professional advisors
Personnel Salaries (15)	\$9,000 - \$21,000	Payroll Check(s)	Twice a month or every other week.	Your personnel
Additional Funds/ Capital, 3 months (16)	\$20,000 - \$50,000	As Arranged	As required	You Determine
Total (17) (18)	\$119,920-\$588,620			

#### Notes

(1) This table estimates your investment from the time of signing the Franchise Agreement until about three months later.

(2) The Initial Fee is between \$25,000 and \$100,000. ~~You pay half on signing the Franchise Agreement and half in twelve (12) equal monthly installments, which will start on the first day of the month that is two (2) full months after the official showroom opening. See Item 10 for further information on the financing we offer.~~

(3) You will lease space for your office, showroom and warehouse. This may be in a business park, light industrial campus or stand-alone facility. ~~You~~If the Location is unknown when you sign the

Franchise Agreement, you must get our written consent to the site before you execute the lease for a proposed site. This estimate includes three months' rent and security deposit equal to one month rent, costs of improvements including shelving, lobby and office décor, signage, and set up of your showroom, warehouse and office. The low estimate is for about 3,500 sq. ft. of office and warehouse space at monthly rent of about 75¢/sq. ft. and an unlit channel letter sign on the building costing approximately \$5,000. The high estimate is for about 7,500 sq. ft. at monthly rent of about \$1.85/sq. ft with a lit channel letter sign and possibly an additional location sign costing approximately \$9,000. If you buy real estate, lease large space or pay higher rent, or pay more for improvements, signage or décor or have other costs, your cost would exceed the high estimate.

(4) Estimates for purchase of desk, chairs, cabinets, computer, printer, desk items and office supplies, and your cost to use the cloud version of QuickBooks for 3 months at about \$75 - \$150 per month.

(5) Utility suppliers like water, electric, gas and internet services provider, may require deposits to establish an account.

(6) You buy from us or our affiliate an opening inventory of the Products at an estimated cost of \$30,000 to \$100,000. The opening inventory is based on the size of the warehouse and its capacity to hold the maximum amount of inventory. The low estimate is based on a smaller footprint of 3,500 square feet, and the high estimate is based on a footprint of 10,000 square feet. We suggest and will try to recommend an inventory for about thirty (30) days of sales, but any approximation is imprecise for your new franchise and you must not view this as any projection of sales. ~~The low estimate is based on a smaller market; the high estimate is based on a larger market.~~

(7) We recommend you buy or lease a carpet cutting machine. Currently, we recommend the Accu-Cut Q-9 or the EZ Cut MK7/MK10 Hybrid. The high estimate of \$75,000 assumes you buy and pay in full for a new machine. Your initial cost may be lower if you buy a used machine or if you lease. We estimate first three months lease payments for a used or new machine meeting our specifications at about \$1,200 to \$3,600 (\$400 to \$1,200 per month). The low estimate of zero assumes you elect to do manual cutting and do not buy or lease a carpet cutting machine.

(8) This estimate is for a flat-bed or stake-bed trailer delivery truck. The high estimate of \$85,000 assumes you buy a new truck. Your initial cost may be lower if you buy a used truck or if you lease a truck. The low estimate of zero assumes you do not buy or lease a delivery truck, which is possible but not recommended because not having a vehicle limits your ability to deliver merchandise and requires you to use a third-party delivery contractor or service.

(9) You need a forklift truck with carpet pole to receive, move and handle merchandise. The high estimate of \$57,500 assumes you buy a new vehicle and pole accessory. Your initial cost may be lower if you buy a used vehicle and accessory or if you lease these items. The low estimate of \$10,000 assumes you buy a used forklift and used pole accessory.

(10) You must obtain and maintain, at a minimum: (1) general and professional liability, \$1 million per occurrence and \$2 million aggregate; (2) employment practices liability insurance of at least \$1 million; (3) workers' compensation or other employer's liability; (4) insurance required by law where ~~your business~~ the Franchised Business is located; (5) auto, including non-owned auto liability, at least \$1 million; (6) insurance required by any property or equipment lease; (7) property insurance, at greater of your fixed assets, equipment and usual inventory value, or \$100,000; and (8) Cyber security and data privacy coverage, at least \$5 million. Insurers must have a Best rating of "A" or better and be satisfactory to us. Policies must name us and our owners, members, managers, directors, officers and employees as additional insureds and provide us with 45 days' notice of material modification, cancellation, termination or nonrenewal. Policies must not exclude claims between insureds. The

lower estimate represents a less expensive package of insurance or a quarterly payment of premium. The higher estimate represents an approximate annual premium and assumes you pay in full in a lump sum. It is possible to buy additional or more costly insurance. Doing so may exceed the high estimate. If you don't get/maintain the required insurance, we may choose to obtain some or all insurance. You pay charges we incur, which are likely to be more than the premium if you purchased your own insurance. The cost depends on what kind of coverage(s) is needed, insurer(s), loss history, market conditions, timing and possibly other factors to affect the amount of the insurance cost stated herein.

(11) You will have costs to attend training we provide, like transportation, lodging, meals for you and your personnel and wages of your personnel. Amounts depend on distance you travel, type of travel, lodging and meals you choose and rate of compensation. You come to our headquarters or other location we designate for about 10 days. The low estimate of \$1500 assumes you are close to our offices, do not have travel, lodging or meal expenses, and you pay one person for about 80 hours at about \$15 per hour and have only modest additional costs of \$300 associated with attendance at such training. The high estimate assumes about \$600 per person for round trip travel for you and one other person, about \$150 per person per day for meals and lodging for 10 days, wages described above for one person and no wages for yourself.

(12) The estimates assume you will conduct initial advertising before and during the first 3 months of operation in a combination of local newspaper, outdoor signage, internet, social media, network marketing, chamber of commerce, e-mail and community education outreach. Some of these involve charges. Some can be done at minimal out-of-pocket cost. This range also includes your first 3 months of Adtrack platform fees in the amount of \$140 per month payable to us. Your local advertising is subject to our prior approval.

(13) These are estimated costs for local required licenses and permits, also including a contractor's license if required. Requirements vary depending upon the area or market. You must investigate requirements where you will be located.

(14) The low estimate assumes you consult only one professional at a very modest fee. The higher estimate assumes a more in-depth analysis and consultation with your lawyer, accountant or both. It is possible you could consult in more depth or have advisors whose fees are higher, and the high estimate could be exceeded.

(15) You will have expenses for personnel and taxes associated with their salaries. These estimates are for approximately 3 months. The low estimate assumes one customer service associate (one employee at \$3,000 per month). The high estimate assumes one manager at \$4,000 per month and one warehouse/delivery person at \$3,000 per month. Both estimates assume you or an owner do not receive payment of an hourly wage or salary.

(16) Some time will be needed to generate revenues and there can be unexpected expenses. You may need additional working capital if business is slow or costs are higher. We relied on our officers' experience of more than ~~11~~13 years, and experience of those operating under a Territory Holder Agreement for these estimates. ~~You should review the estimates carefully with a business advisor before making any decision to invest in a franchise.~~

(17) You may have additional expenses, or other categories of expenses. If you operate one or more Tile Businesses, you may incur additional expenses to establish that Tile Business, such as initial inventory costs. You should not plan to draw income from operations during the start-up and development stage, which could substantially exceed 3 months. You should have reserves to cover other expenses, losses or unanticipated events. Generally, none of the expenses is refundable, except

security deposits may be refundable and some premium may be refunded when an insurance policy is cancelled before its term ends. We do not provide direct or indirect financing.

**MULTI-UNIT DEVELOPMENT AGREEMENT**  
**(FOR 2 PURCHASE GREEN BUSINESSES)**

<b>Type of Expenditures</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is Made</b>
<del>Territory Rights</del> <u>Development Fee</u> (1)	\$5,000	Check	On Signing <del>Multi-Unit</del> <u>the Development Agreement</u>	Us
Franchise Agreement signed for first unit (2)	\$119,920- <del>to</del> \$588,620	See above	See above	See above
Professional Advisors (3)	\$1,000 <del>to</del> \$3,500	As arranged	As arranged	Professional advisors
<b>TOTAL</b>	\$125,920- <del>to</del> \$597,120			

(1) ~~Territory Rights~~ Development Fee. ~~You pay us~~ The Development Fee is equal to \$5,000 multiplied by the number of units to be developed under the Development Agreement, minus one. You must pay us the Development Fee when you sign the Multi-Unit Development Agreement. The estimate is Development Fee under a Development Agreement for 2 units: 1 x is \$5,000 (\$5,000 x (2 units – 1 unit) = \$5,000). If your ~~Multi-Unit~~ Development Agreement is for more than 2 units, your territory rights fee will be higher the Development Fee will increase by \$5,000 for each additional unit.

(2) Franchise Agreement for first unit. The low and high amounts are based on the first table above representing estimated initial investment ~~associated with~~ required to develop a single Purchase Green Business under the Franchise Agreement. For each Purchase Green Business that you develop under the Development Agreement, you will execute a Franchise Agreement and incur initial investment expenses.

(3) Professional Advisors. This estimate is for review and consultation on the ~~Multi-Unit~~ Development Agreement.

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

Location of Your Showroom/Sales Office/Warehouse

You must get our prior written consent to the facility where you will operate your showroom, office, and warehouse, and to open any additional business location(s) in your territory for the sale or service or products or to display products.

The ~~location~~Location will be stated in the Franchise Agreement. If the ~~location is not known~~Location is unknown when the Franchise Agreement is signed, a general area will be stated, and you will identify a location within the stated area. When the ~~location~~Location is identified and approved by us, it will be ~~filled in~~added to the Franchise Agreement.

You must operate the Purchase Green Business only at the agreed ~~location~~Location. If the lease ends or the ~~location~~Location is destroyed, then we will consent to you changing to a new location that meets our requirements. You will locate, lease or purchase the location for your showroom/ office/warehouse.

The ~~location~~Location and all operations and activities must ~~meet~~comply with our requirements, ~~that we outline in the Confidential Operating Manual, Training Manual, Standard Operating Procedures and other policies and procedures we provide to you periodically (collectively, the “Operating Manual”).~~ Before leasing (or buying) you give us a description of the proposed location and letter from the landlord indicating you will be able to lease the location. We will try to notify you within 10 days ~~if~~whether we approve or not or need more information. Failure to respond within 10 days should not be deemed as an approval of the proposed location.

After getting our consent, you will enter into a lease with the landlord. Our consent may be conditioned on the lease including terms we require. Here are examples of terms we require:

- (i) Right for us to receive assignment of the lease on termination or expiration of the franchise;
- (ii) Lessor must provide us with a copy of any written notice of deficiency or default and giving us the right (but not obligation) to cure within 30 days after expiration your time to cure;
- (iii) Provision that you can display our signs according to our specifications;
- (iv) Provision allowing construction of improvements and use meeting our requirements;
- (v) Provision that you will be free from disturbance/interference by the lessor’s lender or lienholder;
- (vi) Our Conditional Lease Assignment or equivalent, signed by the landlord and you; and
- (vii) Other provisions we deem reasonable to require.

Our review of a proposed lease, and our consent are not an endorsement or approval of terms or assurance of any particular results in the lease or location.

You must find a site within 45 days and enter into a lease within 60 days from signing the Franchise Agreement and start operating the ~~business~~Franchised Business within 90 days from the date of the Franchise Agreement. Failure to meet these timelines may result in termination of the Franchise Agreement.

We have the right to require you to equip and redecorate and display signage and other indicia of a Purchase Green Business and remove and/or avoid signage and displays we deem unsuitable for the Franchised Business. All the foregoing must be according to our standards and specifications as



set forth in the Operations Manual. All replacements must conform to our quality standards and specifications and must be consented to by us in writing.

Maintenance of the ~~location~~Location and minor and/or major modification or replacement of equipment may be required from time to time and may require significant expenditures. We estimate these costs will be between \$1,000 and \$5,000 annually.

If we and you enter into the Tile Addendum, we, at our option, may modify any of the terms of the Purchase Green system applicable to the Franchised Business, including any system standards, layout and design requirements, products and services offered, marketing and promotional programs, and other standards, specifications and requirements, in a manner that is different from the manner in which those terms apply to other Purchase Green Businesses. If you operate a Tile Business in connection with the Franchised Business, you must comply with all of these modifications. The design and layout of the Location shall reflect, in the manner we periodically specify, that the operation of the Tile Business is separate from and independent of the Franchised Business. At our option, you may use certain areas of the Location only for the business associated with the Franchised Business and not the Tile Business. Likewise, at our option, you may use certain areas of the Location only for the business associated with the Tile Business and not the Franchised Business.

### Products and Services

You must purchase all Products, and other products (we provide you a list with our confidential price sheet), essentially all resalable merchandise, from us or our affiliates, as we determine. You cannot obtain these products from anyone else, without our consent. This includes anything we consider to be equivalent or substitute products. Packing materials may be obtained from us or from third parties.

We provide you with a list of approved suppliers and products for ~~you~~the Franchised Business. This could be on our website or provided by other means. You will be required to purchase such approved products from our approved suppliers, which may be us or our affiliate, unless otherwise approved by us. Beginning in 2025, we will require franchisees to purchase certain turf cleaning products from our affiliate, TurfWash. As noted above, the Products must be purchased from us or our affiliate.

If you propose to use or obtain items or services not approved by us, or from a source not designated by us as an approved supplier, you must request our approval and submit specifications, photos, samples and other information we request. We will determine if the item, service or supplier meets our specifications and standards and notify you. We estimate the time for our review and notification to you to be 3 to 6 months. We may charge you our costs to review a proposed supplier or product. Some suppliers may possibly be willing to reimburse you some of the cost we require you to pay us. This approval process does not apply to the Products.

We may withdraw authorization for you to offer and sell certain products at any time but if you object to the withdrawal, you may ask to continue to offer and sell such products, and we will consider the request in good faith.

~~Suppliers may offer or be willing to pay reasonable rebates, commissions, or other consideration to us in connection with your purchase of products or services. We can receive and keep these without obligation to account or other restrictions.~~

All other inventory, products, materials and other items and supplies used in operating ~~your~~the Franchised Business, which are not specifically required by us to be purchased according to lists we provide, must meet specifications and quality standards we establish.

If you operate a Tile Business, we and/or our affiliates may be an approved supplier from whom you must purchase the required products. Currently, we are the approved supplier for certain Swisstrax products for Swisstrax Tile Businesses, and our affiliate is the approved supplier for VersaCourt products for VersaCourt Tile Businesses.

### Advertising

Your advertising and promotion must use only materials, concepts, content and programs provided by us or approved in advance by us. Our approval won't be unreasonably withheld or delayed. You must submit for our review any proposed materials we have not approved. We have 5 days to notify you if we approve. Unless we provide approval, they are not approved.

If you operate a Tile Business, unless we otherwise specify or approve, none of the advertising, marketing or promotional materials associated with the Franchised Business may reference the Tile Business or the products and brand associated with the Tile Business.

### Software

We require you to get a QuickBooks (cloud-based with inventory module) license and use this and other software we specify. You pay for this directly to the vendor and/or other suppliers. You must grant us administrative and accounting access.

### Insurance

You must get at least this insurance: (1) general and professional liability, \$1 million per occurrence and \$2 million aggregate; (2) employment practices liability insurance of at least \$1 million; (3) workers' compensation or other employer's liability; (4) insurance required by law where ~~your business~~the Franchised Business is located; (5) auto, including non-owned auto liability, at least \$1 million; (6) insurance required by any property or equipment lease; (7) property insurance, at greater of your fixed assets, equipment and usual inventory value, or \$100,000; and (8) cyber security and data privacy coverage, at least \$5 million. Insurers must have a Best rating of "A" or better and be satisfactory to us. Policies must name us and our owners, members, managers, directors, officers and employees as additional insureds and provide us with 45 days' notice of material modification, cancellation, termination or nonrenewal. Policies must not exclude claims between insureds.

### Other Matters Regarding Sources of Products and Services

We (or our affiliates) will derive revenue from purchases you are required to make from us (or our affiliates) of the Products for resale. The revenue will equal amounts you pay us (or our affiliates) for such items.

~~In the year ending December 2023, we did not derive any revenue from required purchases or leases by Franchisees and Territory Holders. PTP's revenue from required purchases or leases by Franchisees and Territory Holders in 2023 was \$17,106,740.76, or about 28.4% of its total revenue of \$60,285,616.98.~~

In 2024, we received \$16,111.88 in revenue, or about 2% of our total revenue of \$885,580, from the sale of Swisstrax products to franchisees operating Swisstrax Tile Businesses. Except as stated above, we did not derive any revenue from required purchases or leases by Franchisees and Territory Holders. PTP's revenue from franchisees' and Territory Holders' purchase of Products in 2024 was \$14,358,023.00. In 2024, CH3 received \$101,213.29 in revenue from selling VersaCourt products to franchisees operating VersaCourt Tile Businesses. None of our affiliates received revenue from leasing required products to franchisees in 2024.

Our officers and/or our ultimate parent entity own an interest in our designated suppliers, including PTP and Controlled Products, LLC., which are suppliers, directly or indirectly, of the Products.

We could designate supplies or products from companies that are publicly traded. Any of our officers could own stock in publicly traded companies.

We are not obligated to make our criteria for approving suppliers available to you.

We may negotiate purchase arrangements with some suppliers. These may require that our system meet minimum volume, percentage of purchase and other requirements. Some suppliers may pay us rebates, commissions or other consideration based on sales to you. ~~If we receive these payments, we will have the option to pay all or a portion of the funds to you (and/or other franchisees) and/or keep them for ourselves, as we determine~~We may receive and keep such payments without obligation to account or other restrictions. There currently are no such arrangements ~~at present~~ specifically for the Purchase Green System. However, for franchisees operating a VersaCourt Tile Business, we currently receive a rebate from CH3 based on franchisees' purchases of court tiles equal to percentage of the total sales.

We could seek to negotiate group rates for purchases of products and materials with suppliers in our discretion. We have not done so yet.

There are no purchasing or distribution cooperatives at this time.

We estimate that between 60% and 70% of your expenditures in establishing ~~your~~the Franchised Business will be from us, our affiliates or on account of required leases and purchases for which suppliers must be approved by us, or which must meet our standards or specifications, or must be leased or purchased from us or our affiliate, and between 30% and 65% of your ongoing operational expenditures will be on account of goods and services purchased from us, our affiliates or suppliers approved by us, or which must meet our standards or specifications or which must be leased or purchased from us or our affiliate. These estimates assume you purchase a delivery vehicle, forklift and carpet cutting machine. If you do not purchase these, or if you save money by buying lower priced used equipment or by leasing, then the above percentages could be higher than the high estimates. We include inventory purchases in the above figures.

We do not provide or withhold material benefits to you (like renewal rights or right to open additional franchised Purchase Green Businesses) based on whether or not you buy through the sources we designate or approve. However, purchases of unapproved products or services or from unapproved suppliers violates the Franchise Agreement, for which we could terminate the franchise and seek damages.

**ITEM 9:**  
**FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the Franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of the Disclosure Document.

	Obligation	Section in Franchise Agreement*	Section in Multi-Unit Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/ lease	<u>3 of FA; 4 of DA</u>	4	8
b.	Pre-opening purchases/leases	<u>6.c., and 8 of FA</u>	Not Applicable	7, 8, 11
c.	Site development and other pre-opening requirements	<u>3.5., and 6.g. of FA; 4 of DA; 3(a) of TA</u>	4	11
d.	Initial and ongoing training	<u>4.b.(v), 6.m., and 29; 6 of DA; 3(c) of TA</u>	6	11
e.	Opening	<u>2., 6.m., and 26 of FA</u>	Not Applicable	11
f.	Fees	<u>1., 3.b., 6.p., 13.g., 13.h, 21.d., 30, 31.c., and 46 of FA; and 1.2., 4.2.2, 8.4.1, 8.4.7, and 8.5 of DA</u>	<del>1.2, 4.2.2, 8.4.1, 8.4.7, and 8.5</del>	5, 6,7
g.	Compliance with standards and policies/operating manuals	<u>3.c., 3.d.(iv), 6.a., 6.g., 6.h., 6.l., 7.a., 15, 19.d., 21.f.(iii), and 23.a.(iii) of FA; 3 of DA</u>	Not Applicable	11
h.	Trademarks and proprietary information	<u>14, 19.c., 19.d., 21.f.(iii), 23.a., and 34. of FA; and 1.6 and 5 of DA</u>	<del>1.6 and 5</del>	13, 14
i.	Restrictions on products/services offered	<u>5.c., 8.e., 21.f.(iv), (v), (xiv), (ix), and 35 of FA</u>	Not Applicable	8, 16
j.	Warranty and customer service requirements	<u>6.i., and 12 of FA</u>	Not Applicable	Not Applicable
k.	Territory development and sales quotas	<u>5.g-f., 6.c., 6.d., 9, and 10 of FA; 1, 3 and Exhibit 2 of DA</u>	<del>1, 3 and Exhibit 2</del>	Not Applicable

	Obligation	Section in Franchise Agreement*	Section in Multi-Unit Development Agreement	Disclosure Document Item
l.	Ongoing product/service purchases	<u>6 of FA</u>	Not Applicable	8
m.	Maintenance, appearance and remodeling requirements	6.f., 6.g., and <u>6.y of FA</u>	Not Applicable	Not Applicable
n.	Insurance	<u>21.f.(vii); and 26 of FA</u>	Not Applicable	6, 7, 8
o.	Advertising	5.d., 6.c., 6.u., 14.d., 17., and <u>19.c. of FA</u>	Not Applicable	8, 11
p.	Indemnification	<u>20 of FA; and 9.3 of DA</u>	9.3	6, 8
q.	Owner's participation/management/staffing	6.h., 6.i., 6.l., and <u>6.m. of FA; 6 of DA</u>	6	15
r.	Records and reports	<u>18., and 19 of FA</u>	Not Applicable	Not Applicable
s.	Inspection and audits	<u>19. of FA; 4 of TA</u>	Not Applicable	6
t.	Transfer	<u>27 of FA; 8 of DA</u>	8	17
u.	Renewal	<u>4.b of FA</u>	Not Applicable	17
v.	Post-termination obligations	<u>23 of FA; 7.2 of DA</u>	7.2	17
w.	Non-competition covenants	<u>25 of FA</u>	Not Applicable	17
x.	Dispute resolution	<u>37, 38, and 46 of FA; 11 of DA</u>	11	17
y.	Other (Personal Guaranty)	<u>44.c. of FA; 10 of DA</u>	10	<u>15</u>

**ITEM 10:-  
FINANCING**

The\* "**FA**" means the Franchise Agreement provides for payment of one half of the Initial Franchise Fee on signing and the remainder in twelve (12) monthly installments. We do not provide any other financing or financing arrangements. "**DA**" means the Development Agreement, and "**TA**" means the Tile Addendum.

Item Financed (Source)	Amount Financed	Down Payment	Term (MOS)	APR%	Monthly Payment (1)	Prepay Penalty	Security Required (2)	Liability on Default	Loss of Legal Right on Default
Initial Franchise Fee	\$12,500— \$50,000	50%	12 mos	No interest	Varies	None	None	Individual Liability	Not applicable

~~You do not sign a promissory note, so there is no waiver of defenses. We do not have any practice or intent to sell, assign or discount the financing arrangements to any third party.~~

**ITEM 10:**  
**FINANCING**

We do not offer ~~other~~ direct or indirect financing. We do not finance any debt to a third party. We do not guarantee your note, lease or obligation.

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

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

(a) **Our Obligations Before You Start Operating the Purchase Green Franchised Business:**

1. In the Franchise Agreement, we will designate the area where you must locate the ~~business that you will operate under the Franchise Agreement~~Franchised Business. (Franchise Agreement Section 3.).

2. We will evaluate sites you propose. (Franchise Agreement Section 3.c.). We do not locate potential sites or assist in negotiating to lease or purchase a site; and we do not generally own the sites where our franchisees are located. Our criteria and requirements for the site are in the Operating Manual and concern such matters as nature of facility, suitability of facility to the Purchase Green Business, size, zoning and accessibility. (Franchise Agreement Section 6.a). You must ensure the Location complies with local ordinances and zoning requirements.

We and our employees do not claim to have expertise in selecting sites or more knowledge than you about the area where you will operate.

We require that your lease contain certain provisions. Examples include that landlord provide us 30 days' notice of breach, letting us cure your breach and letting us assume your lease rights and obligations if you breach or on termination. We will not unreasonably withhold approval, but we can refuse to approve the lease if it does not contain provisions we require.

We will try to approve or disapprove a proposed site within 10 days after you submit all the information we require. If we do not approve a proposed site and if you and we cannot agree on a site that is satisfactory to us within 45 days of the effective date of the Franchise Agreement, then we have the right to terminate the Franchise Agreement. (Franchise Agreement Sections 3.c and 3.e).

~~You must make sure the location of your business complies with local ordinances and zoning requirements.~~

~~3. We will construct a paid search internet advertising campaign for the territory of your franchise. We will build, manage and cover costs associated with a pay per click campaign for the area of your franchise. (Franchise Agreement Section 7.h.).~~

~~4. We will provide initial training for up to three (3) persons. (Franchise Agreement Section 7.1.). More information on training is provided below in this Item 11.~~

~~3.~~ 5. We will provide you with electronic access to our Operating Manual, Standard Operating Procedures and our Learning & Management library. These contain specifications, standards, operating procedures and rules for the Purchase Green Business and information relative to your obligations. We can add to and modify these documents. You must keep these documents confidential. (Franchise Agreement Section 15.). You must operate ~~your Purchase Green~~ the Franchised Business in compliance with the terms of your Franchise Agreement and these Manuals.

~~4.~~ 6. We will identify approved inventory for ~~your Purchase Green~~ the Franchised Business. We can revise what is approved from time to time. For some or potentially all items, we could designate ourself or our affiliate as an approved supplier or sole approved supplier. (Franchise Agreement Section 8.).

~~5.~~ 7. We will build, host & manage a page for your store on our website, [www.purchasegreen.com](http://www.purchasegreen.com). Your store page will be hosted as a subdomain, subfolder or equivalent. (Franchise Agreement Section 7.d.).

~~6.~~ 8. We create and manage local business listing(s). (Franchise Agreement Section 7.e.).

~~7.~~ 9. We set you up with Adtrack, a digital phone support platform. You will have two phone numbers (owned by us), one for voice calls for ~~your Purchase Green~~ the Franchised Business and another for Internet marketing, call recording for quality control and roll-over call support so no call goes unanswered. You pay us a monthly fee for this service, currently \$140. (Franchise Agreement Section 7.i.).

~~8.~~ 10. We provide you with a marketing automation platform user account for lead and call management. We have the option to change or upgrade that platform. (Franchise Agreement Section 7.j.).

~~9.~~ 11. We will provide training & support for up to three (3) persons to include: warehouse requirements and setup; product display; accounting setup and administrative support; inventory management; suggested pricing structures; continuing training on product knowledge; continuing training on installation procedures. (Franchise Agreement Section 7.l.).

(b) Our Obligations to You After You Start Operating:

1. We will pay, build and manage an initial pay-per-click search campaign covering your territory. (Franchise Agreement Section 7.f.).

2. We will make goods and services available to you either directly or through approved suppliers. (Franchise Agreement Section 8.a.).

3. We provide operational assistance in the form of additional and remedial training programs for new or replacement supervisory or managerial personnel. (Franchise Agreement Section 7.l.).

4. You will not be authorized to create a separate website for ~~your business~~ the Franchised Business. We will establish your Internet domain name and website, which could be a page or portion within our website, or a website separate from our website with a distinct domain name. We will have sole authority to establish the domain name and website. You will assist us in customizing the website for the Franchised Business. We will have the rights, at all times to own the website and domain name for the Franchised Business, edit its contents and/or suspend its accessibility in whole or in part. (Franchise Agreement Section 17.b.).

5. We or our agent will manage and control appropriate local business listings and citations. You must provide us with information to update the listings. You will not be authorized to create or manage separate local business listings or citations. (Franchise Agreement Section 7.e.).

6. We will provide access to select corporate web analytics data. (Franchise Agreement Section 7.g.).

7. We will forward to you consumer leads that reside in your territory, generated from our website, your hosted website or web page, the pay-per-click campaign we manage on your behalf, and other forms of advertising we or you may choose to participate in. (Franchise Agreement Section 7.h.).

8. We or our affiliates will supply products listed on our website to you for sales within the territory. We can make changes, introducing new product, discontinuing products and changing prices, as examples. We will try to give you 30 days' notice of any changes in supply products, but we aren't obligated to. (Franchise Agreement Sections 8.a-c.)

9. We will provide roll-over call support. (Franchise Agreement Section 7.i.).

10. We will try to keep a sufficient inventory of products to be able to fulfill your purchase orders in a reasonable time in most instances; keep you informed of our inventory levels and provide reasonable advance notice of potential out-of-stock conditions; and try to provide you 30 days' notice where possible of any changes in our product line (Franchise Agreement Section 8.c.).

11. We will provide guidance on product knowledge and installation procedures (Franchise Agreement Section 7.l.).

12. We will provide you a promotional material packet. If you ask, we will provide, at your expense, additional copies of promotion, marketing, advertising and related reference and assistance in generating those materials for use in your territory. (Franchise Agreement Section 17.c.).

13. You must get our approval of all advertising materials you will use. (Franchise Agreement Section 17.a.).

(c) Products and Pricing:

A Purchase Green Business offers turf and accessory products we authorize for sale at a Purchase Green Business We will identify or develop products we view as anticipating or being responsive to market conditions. We may recommend prices. You decide and set your prices for products and services.



If we establish a national or regional account program and invite you to assist in providing products or services to a national or regional account we have arrangements with, then as a condition of participating, you must comply with any pricing arrangement we have reached with the account.

(d) Advertising:

To use your own advertising, you must first get our written approval. You submit to us or our designated agency, for consent, promotion materials and advertising you propose to use. We will try to respond within 5 business days, but proposed material is not approved unless and until we tell you in writing they are approved. (Franchise Agreement Section 17.a.).

Each quarter, you must spend the lesser of 2% of gross revenues or \$7,500 on advertising in any medium. This can include internet advertising approved by us. On request, you will provide us accountings and proof of your expenditures. (Franchise Agreement Section 17.d.).

Alternatively, you can contribute an amount we specify, not exceeding the above to the PGF Marketing Fund (if established). These payments will be credited toward amounts you are required to spend on local advertising.

If and when we establish the Marketing Fund, we or our designee will direct all advertising programs with sole discretion over the creative concepts, materials, media, placement and allocation. We will administer the Marketing Fund. We don't promise that the fund's expenditures will be equivalent or proportionate to your contribution, nor that you or any franchisee will benefit directly or pro rata from our use of the Marketing Fund.

Monies in the Marketing Fund may be used to for a wide range of purposes, among them to maintain, administer, direct, produce and prepare promotions and advertising, costs of conducting public relations, advertising and producing promotion brochures and other marketing materials. These monies may be commingled with our other funds or kept in a separate account from our other monies.

The Marketing Fund will not be used to solicit selling franchises or to defray our general operating expenses, except for reasonable administrative costs and overhead (which will not to exceed 20% of the amounts contributed to the Marketing Fund) that we incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs including, without limitation, market research, preparing marketing and advertising materials and collecting and accounting for assessments for the Marketing Fund.

We can terminate the Marketing Fund. We will not terminate the Marketing Fund until all monies in the Marketing Fund have been expended for advertising and promotion purposes or returned to franchisees. If terminated, we can restart the fund or a new marketing fund.

An accounting of the Marketing Fund will be prepared annually and made available to you on request. We can require that the annual accounting include an audit prepared by an independent CPA, prepared at the expense of the Marketing Fund.

You must register for, attend, and advertise at least 2 trade or home shows per year, at least 1 in the Spring and 1 in the Fall. You submit to us for our approval a list of trade shows you wish to attend and at which you want to advertise. (Franchise Agreement Section 6.e.)

We do not have an obligation to do particular advertising, whether in a particular amount, geography or media. At the effective date of this Disclosure Document, we have not established the Marketing Fund, so no monies were contributed to a fund and no fund monies were used. As of the issuance date of this Disclosure Document, we anticipate that franchisees will contribute similar amounts to the Marketing Fund. For each location we operate, we anticipate that we will contribute to the Marketing Fund on a pro-rata basis, but there is no contractual requirement for us to do so. We are not required to spend any amount on advertising in any particular area or at all. There is no franchisee council that advises us on advertising.

(e) Website and Internet:

We will establish one or more websites to advertise, market and promote the Purchase Green brand and Purchase Green Businesses. These may include the Purchase Green franchise opportunity. You must not maintain an internet website or a presence or advertise on the internet or other computer network without our prior written consent.

We will establish your internet presence. This will be a page or portion in our website, or separate website with a distinct domain name. We will have sole authority to establish the domain name and website. We will have the rights for us or our designee to own the website and domain name, edit its contents and/or suspend its accessibility in whole or in part. (Franchise Agreement Section 17.b.).

If we grant you a right to operate a separate website or splash page, maintain an internet presence or presence through any social networking site, you must follow our standards and policies stated in the Manual or otherwise. We can modify or supplement our policies.

We have an internet website, [www.purchasegreen.com](http://www.purchasegreen.com), that provides information about Purchase Green products, services and programs. We have the sole right to market on the internet, including use of websites, domain names, uniform resource locators, keywords, linking, search engines, search engine optimization techniques, banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding. We have the sole right to use the marks on the internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and linking, marketing, co-branding and other arrangements. We have the sole right to approve linking to or other use of the Purchase Green website.

(f) Computer Hardware/Software:

You are required to use a cloud-based version of QuickBooks or an approved substitute (at the issuance date of this Disclosure Document, NetSuite is an approved substitute) for bookkeeping and as your point of sale (POS) system. You will need a computer and printer. We do not currently require you to use a specific computer or printer. Estimated cost to purchase a suitable computer and printer is \$750 to \$2,500 and it is estimated that these will need to be replaced about every 3 years. You must provide us at all times, with on-line access to your POS system and all data and information. There is no contractual limit on us accessing your POS data and information.

We designated/approved the cloud version of QuickBooks. Your estimated cost for this is about \$75 - \$150 per month. We require you to grant us administrator level access for electronically collected information and data.

We can require you to pay us and third party suppliers, recurring and nonrecurring fees for hardware and software.

We can change the required software. You must, at your cost, update and modify the computer hardware/systems to meet changes in our specifications. (Franchise Agreement Section 18.) There is no restriction on how often we may require this. You are responsible for maintenance, repairs or updates to your computer system. Your cost may be minimal such as if you or an employee are capable of performing system maintenance and support. If you work with an outside provider on a per-incident basis, we would expect charges for attention to a maintenance or support need to typically involve 1 – 2 hours at about \$100 - \$150 per hour for outside support.

(g) Manuals: The table of contents for the Operating Manual is attached as Exhibit H to this Disclosure Document. As of the date of this Disclosure Document, the Operating Manual was 90 pages. The Operating Manual is online and multi-media. (Franchise Agreement Section 15.).

(h) Training: Before opening ~~your business~~ the Franchised Business, we provide an initial training program. (Franchise Agreement Section 7.1) The topics are listed in the chart below. You must designate a manager and you and that person must successfully complete the initial training, according to our then-current training requirements. (Franchise Agreement Section 6.m.).

**TRAINING PROGRAM**

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Learning Management System	.5		LMS System (digital learning)
Products	3		LMS System (digital learning)
Tools & Accessories	1		LMS System (digital learning)
Installation Basics	1		LMS System (digital learning)
Store Operations	1.5		LMS System (digital learning)
Lead Management	1.5		LMS System (digital learning)
Accounting	2*		Corporate Training Office
Installation	7		Corporate Training Office
Support Systems	2.5		Corporate Training Office

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Operations	9		Corporate Training Office
Order Processing and Supply Chain	3		Corporate Training Office
Sales & Marketing	2.5		LMS System (digital learning)
Store Operations – Manager shadowing		40	Corporate Training Office
<b>Total</b>	<b>34.5*</b>	<b>40</b>	

\*With regard to accounting training, if you ask, we can provide additional training up to 6 additional hours.

The initial training will include a combination of on-site training at one or more of our facilities, some by video conference, and digital training classes on our learning management system (LMS) platform. We may waive or modify all or some training requirements for personnel we determine, in our discretion, already has skill, experience and/or training to operate according to the System.

You must successfully complete the initial training before opening for business. You can do this any time that you and we schedule training, after entering into the Franchise Agreement and before opening for business. Usually, it is preferable to complete training closer in time to, but several days ahead of opening. Training programs will be made available as needed.

As of the issuance date of this Disclosure Document training is supervised by Joshua Turcotte. Mr. Turcotte has 8 years’ experience in the artificial grass industry. The person supervising training may be assisted by team members from our Franchising team, Learning & Development team, and New Store Coordinator. These personnel generally have over 5 years of experience in the subject(s) taught.

If we determine you or a person associated with you is unable to satisfactorily complete any part of training, we can require attendance at additional training until you or a person associated with you has completed 80 hours of training to prove the ability to operate the Purchase Green Business or require you or a new approved designee to complete the training subject to our then-current training requirements or terminate the Franchise Agreement.

We can require you and your personnel to attend and successfully complete new or refresher training. These may be at locations we designate. These may be conducted specifically for such persons or for a broader range of persons. While you are in full compliance with the Franchise Agreement, attendance will not be mandatory at more than one such additional or refresher training program in any calendar year and any such program shall not exceed 5 business days in a calendar year. You bear all expenses, including, without limitation, travel, lodging, meals and salaries.

The services, guidance and assistance that we provide, including any training, is intended for Purchase Green Businesses and not tailored or specific to Purchase Green Businesses that also operate a Tile Business. We have no obligation to provide any training, services or other assistance with respect to any Tile Business.

You must start to operate the Franchised Business within 90 days after signing the Franchise Agreement. If you fail to do so, we may terminate the Franchise Agreement and keep the Initial Franchise Fee. Factors that may affect this time for opening include obtaining, a location for the Franchised Business that meets with our approval, completing our initial training program, obtaining vehicle(s), equipment and inventory, availability of products and supplies and other relevant circumstances, that could cause delays. We estimate the typical length of time between signing the franchise agreement and opening the Franchised Business to be approximately 90 days.

If you sign a Development Agreement, you must open and operate within your territory number of Purchase Green Businesses by the timeframes identified in the Development Quota. If you do not satisfy the Development Quota, we may terminate the Development Agreement.

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

### **Franchise Agreement**

We grant a specific geographic area to operate ~~you~~ the Franchised Business as set forth in the Franchise Agreement. The proposed territory will be provided to you at least 7 days prior to you signing the Franchise Agreement. We will not grant another franchisee a territory that overlaps any portion of your territory or authorize someone else to open a Purchase Green franchised business using the Purchase Green marks, in that territory as long as you are in compliance with the Franchise Agreement. However, this protection does not extend to any business that is already in existence or development, and that sells or will sell the Products in the territory, when we and you enter into the Franchise Agreement. We anticipate designating your territory based on a combination of city boundaries, zip codes, major intersections, and the like, using demographic information, projected advertising spend, driving distances and to determine these zip codes and/or boundary lines. ~~Typically, territories are~~ There is no minimum or maximum size for territories. The size of your territory will depend on various market characteristics, such as nearby businesses, population density, drive times, and other physical and commercial characteristics of the market. However, we do not anticipate that a territory to have a radius of less than 10 to 25-miles or the equivalent in square miles since territories are not necessarily circular, or equivalent to approximately 1200-2000 square miles. Other factors are projected advertisement spending; number of clicks, and/or a combination of the number of people and popularity of the product in that market.

You must operate from a showroom and warehouse approved by us. The showroom is also a sales office and store. The warehouse is for storage and inventorying of product. ~~Normally this will~~ Your showroom and warehouse will typically be near the general center of your territory and not within 10 miles of a territory border. You may not relocate without our prior written approval.

You may sell Purchase Green products to any customer who comes to your showroom or service facility and wants to self-install the products, even if their location is outside your territory. Other franchisees, distributors and our affiliate-owned businesses may sell Purchase Green products

to any customer who enters their showrooms or service facilities and wants to self-install, even if their location is in your territory.

You can distribute, install and arrange for installation of Products outside your territory, but not market or sell outside the territory without specific written authorization from us, and in all instances marketing in a territory owned by another franchisee is prohibited. We can require you to cease activity outside the territory, in areas PGF grants to others as franchisees. We can grant territory(ies) outside your territory to others, including in geographic areas adjacent to the territory.

You are not allowed to market or solicit or use the Internet to market or solicit customers or sell to customers outside your territory; use other channels of distribution, such as telemarketing or other direct marketing, to solicit customers or make sales outside your territory; or advertise and market in media that circulates outside your territory.

We reserve the rights, regardless of the above exclusivity, to:

- (1) sell the same or related services, products and equipment outside your territory;
- (2) license others to sell the same or related services, products and equipment whether within or outside your territory (but not through Purchase Green Businesses), provided that if any such third party is licensed to operate within your territory after we and you sign the Franchise Agreement that third party may elect to purchase Products from you for resale in your territory;
- (3) ~~(2)~~ offer to the public separately, jointly or with others, all related services and/or products of every kind, using Purchase Green marks, copyrights, and know-how, all outside your territory;
- (4) ~~(3)~~ establish, operate and/or license others to establish and/or operate franchised businesses anywhere adjacent to or outside the territory granted to you~~;~~
- (5) ~~(4)~~ develop and establish other business systems based outside the territory, which could distribute products or services similar to those offered by ~~your business~~ the Franchised Business, using names or marks other than the Purchase Green marks, within or outside the territory, and to grant licenses to use those systems;
- (6) ~~(5)~~ advertise and promote the System anywhere, including the territory granted to you;
- (7) ~~(6)~~ acquire assets or minority or controlling ownership of businesses identical or similar to the franchised business, and/or franchise, license, and/or similar agreements for such businesses, some or all of which might be in or near the territory;
- (8) ~~(7)~~ acquire other businesses, and/or be acquired by a business, whether identical or similar to Purchase Green, even if the other business operates, franchises and/or licenses competitive businesses in or near your territory;
- (9) ~~(8)~~ contract with, sell to or enter into alliances or similar relationships with National Accounts (as defined below), which could have locations in your territory, to use for themselves or provide Purchase Green products and services to others;

(10) ~~(9)~~ use our marks in promotion and marketing to identify products and services distributed at any location, including sales through retail locations, home improvement and hardware stores, distributors, Internet, catalog sales, telemarketing, or other direct marketing sales;

(11) ~~(10)~~ use and license other marks (not “Purchase Green”) in the sale of products and services the same, similar to, or different from, those you sell, in alternative channels, businesses the same, or similar to, or different from Purchase Green Businesses, at any locations, on any terms, without granting you rights to them;

(12) ~~(11)~~ conduct any activities not prohibited in the Franchise Agreement;

(13) ~~(12)~~ use and license others to use the marks and system for operation of Purchase Green Businesses at any location other than in your territory;

(14) ~~(13)~~ use the marks in promotion and marketing to identify products and services distributed at any location, including sales through such channels as retail locations, home improvement and hardware stores, distributors, the Internet, catalog sales, telemarketing, or other direct marketing sales;

(15) ~~(14)~~ use and license the use of other marks (dissimilar from the “Purchase Green” marks) in the sale of products and services the same as, similar to, or different from, those you sell, whether in alternative channels of distribution in businesses the same, or similar to, or different from Purchase Green Businesses, at any location, and on any terms, without granting you any rights to them; and

(16) ~~(15)~~ engage in any other activities not expressly prohibited in the Franchise Agreement.

Neither we nor our affiliates must compensate you for soliciting or accepting orders from inside your territory.

A “**National Account**” is a business, organization, government or quasi-government entity or other entity that has operations or represents a customer-base, directly or through others, or is an architect, contractor, designer, installer, end user of products, reseller or consultant, operating in two or more franchise territories or with at least ten (10) locations, and has a National Account relationship with us or our Affiliate. A National Account relationship includes any contractual relationship, strategic alliance or similar relationship with us or our Affiliate to provide Purchase Green products and services to National Account locations for use or resale or to provide endorsements, assignments or referrals for Purchase Green products and services to customers.

We will provide you an opportunity to provide Purchase Green products and services to National Accounts at locations in your territory or to a customer in your territory endorsed, assigned or referred to us by the National Account on the terms in our National Account relationship (e.g. qualifications, conditions for availability, installation expertise, price, discounts, and other requirements.). If within 10 days of contacting you, you are unable to provide the Purchase Green products and services, or you do not elect to provide the products and services according to the terms, then we, our Affiliate or their designees, including other franchisees or distributors, can do so. Failure or refusal by you to serve a National Account with respect to one transaction will not be a failure or refusal by you to serve that National Account with respect to subsequent transactions but after we arrange for someone else to service a particular National Account, that provider may continue to do

so and so long as other person/entity services the National Account, we are not required to offer that opportunity to you. If you fail or refuse to serve a National Account, you will not be entitled to receive compensation from us or someone else providing products and services to that National Accounts or their designees, with respect to the specific underlying transaction. You do not receive compensation for any of the above activities we may do. We are not required to refer you to a National Account that expresses a preference for another provider, whether on its own initiative or in response to an inquiry.

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

Continuation of your territory does not depend on achieving a certain sales volume or market penetration or other contingency, but there will be minimum volume requirements to stay in compliance with the Franchise Agreement. The Franchise Agreement does not authorize us to modify your territory.

We do not have any current plans to operate or franchise a business under a different trademark that sells goods or services similar to those to be sold at ~~your Purchase Green~~ the Franchised Business but reserve the right to do so. However, as described in Item 1, we do offer certain qualified operators of existing businesses the nonexclusive right to serve as a reseller of Purchase Green products without operating a Purchase Green Business. If we permit a third-party to do so within the territory of an existing franchisee, that third party may elect to purchase the Purchase Green products from that franchisee.

~~Certain of our~~ Our affiliates operate businesses and sell similar goods and services as you will. ~~For example, our~~ to those offered by Purchase Green Businesses. Our affiliate Engineered Turf Manufacturing, LLC, which operates under the brand Engineered Turf, sells turf products. CH3 Solutions, LLC, which operates under the brands VersaCourt, Ultrabase, and Swisstrax, LLC sell ~~garage and~~ sells court tiles, turf sub-bases, garage tiles, and other tiles. Poly-Green Foam Holdings, LLC, which operates under the brand PolyGreen Foam, sells padding that goes under turf. ~~Our~~ The Franchised Business may carry and offer some or all of these products for sale in the future. Depending on your location, our affiliate, Turf Factory Direct Distributing, LLC, which operates under the brand Turf Factory Direct, may also sell turf in your territory, but any sales are done in connection with their distinct brand. The principal address for these affiliates is 205 Boring Drive, Dalton, Georgia 30721. None of these affiliates offer franchises, but they may enter into alternative contractual arrangements under which a third party can sell these products. Our affiliates are not restricted from soliciting or accepting orders in your territory. We do not anticipate any conflicts in our affiliates' activities in the territory as you and they will operate under different and distinct brands.

We do not have a specific plan for resolving conflicts between you and us. We do not anticipate any such conflict and would address any such conflict based on its own circumstances, if it occurred.

You do not receive any right of first refusal or other right to acquire additional franchises.

### **Multi-Unit Development Agreement**

You will be granted the right to develop an agreed number of Purchase Green Businesses in a defined geographic area, during an agreed period of time. We will not operate, or grant others the right to operate, a Purchase Green Business in your territory and/or operate, or grant others the right to operate, a business under a different name in your territory which predominantly offers products



similar to those of Purchase Green, except for a business that is already in existence or development at the time of entering into the ~~Multi-Unit Development Agreement~~ (the “Development Agreement”).

We reserve the rights, regardless of the above exclusivity, to:

- (1) sell the same or related services, products and equipment outside your territory;
- (2) license others to sell the same or related services, products and equipment whether within or outside your territory (but not through Purchase Green Businesses), provided that if any such third party is licensed to operate within the territory granted under a Franchise Agreement between you and us signed pursuant to the Development Agreement after the effective date of that Development Agreement, then that third party may elect to purchase Products from you for resale in that territory;
- (3) ~~(2)~~ offer to the public separately, jointly or with others, all related services and/or products of every kind, using Purchase Green marks, copyrights, and know-how, all outside your territory;
- (4) ~~(3)~~ establish, operate and/or license others to establish and/or operate franchised businesses anywhere adjacent to or outside the territory granted to you,
- (5) ~~(4)~~ develop and establish other business systems based outside the territory, which could distribute products or services similar to those offered by ~~your business~~ the Franchised Business, using names or marks other than the Purchase Green marks, within or outside the territory, and to grant licenses to use those systems;
- (6) ~~(5)~~ advertise and promote the System anywhere, including the territory granted to you;
- (7) ~~(6)~~ acquire assets or minority or controlling ownership of businesses identical or similar to the franchised business, and/or franchise, license, and/or similar agreements for such businesses, some or all of which might be in or near the territory;
- (8) ~~(7)~~ acquire other businesses, and/or be acquired by a business, whether identical or similar to Purchase Green, even if the other business operates, franchises and/or licenses competitive businesses in or near your territory;
- (9) ~~(8)~~ contract with, sell to or enter into alliances or similar relationships with National Accounts (as defined below), which could have locations in your territory, to use for themselves or provide Purchase Green products and services to others;
- (10) ~~(9)~~ use our marks in promotion and marketing to identify products and services distributed at any location, including sales through retail locations, home improvement and hardware stores, distributors, Internet, catalog sales, telemarketing, or other direct marketing sales;
- ~~(10) use and license other marks (not “Purchase Green”) in the sale of products and services the same, similar to, or different from, those you sell, in alternative channels, businesses the same, or similar to, or different from Purchase Green Businesses, at any locations, on any terms, without granting you rights to them;~~

~~(11) conduct any activities not prohibited in the Development Agreement;~~

~~(12) use and license others to use the marks and system for operation of Purchase Green Businesses at any location other than in your territory;~~

~~(13) use the marks in promotion and marketing to identify products and services distributed at any location, including sales through such channels as retail locations, home improvement and hardware stores, distributors, the Internet, catalog sales, telemarketing, or other direct marketing sales;~~

(11) ~~(14)~~ use and license the use of other marks (dissimilar from the “Purchase Green” marks) in the sale of products and services the same as, similar to, or different from, those you sell, whether in alternative channels of distribution in businesses the same, or similar to, or different from Purchase Green Businesses, at any location, and on any terms, without granting you any rights to them; and

(12) ~~(15)~~ engage in any other activities not expressly prohibited in the Development Agreement.


You will propose a site for each location to be developed and if we approve, we will identify the proposed territory for that Purchase Green Business. You may disapprove of the proposed territory within 5 days by written notice to us. We will then negotiate, trying to agree on a mutually acceptable boundary for the territory. If after 30 days, we do not agree, the proposed site will be deemed disapproved.

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

We are part of an organization that has many affiliated entities and may have additional and different affiliates from time to time. We may not be in a position to limit or control the activities of any such affiliates. Consequently, our affiliates may compete with you.

**ITEM 13:**  
**TRADEMARKS**

We grant you the right to operate under the name “Purchase Green” and may authorize you to use other marks we own or have the right to use. PTP owns the following marks which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
Purchase Green	5545105	August 21, 2018
	5544929	August 21, 2018

MARK	REGISTRATION NUMBER	REGISTRATION DATE
	5545573	August 21, 2018
	5540706	August 14, 2018
Cool Yarn	5861701	September 17, 2019
Hero Fill	5642888	January 1, 2019
Kickin' Grass	5545402	August 21, 2018
Mellow Fill	5931370	December 10, 2019
Turf Bomb	5654705	January 15, 2019
We're Happy, Helpful and Happy to Help!	5540882	August 14, 2018

At the appropriate time, PTP intends to renew its principal trademarks and to file all appropriate affidavits to maintain its principal trademarks.

The principal trademarks licensed to you as of the issuance date of this Disclosure Document are set forth above. There are currently no effective material determinations of the USPTO, Trademark Trial and Appeal Board, trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the marks.

We are not aware of anyone having superior rights in ~~the mark "Purchase Green"~~our marks or any infringing use or anyone making a claim regarding our use, that could materially affect the use of the marks in this state or any state in which the franchised business will be located.

A license from PTP authorizes us use and franchise you to use the marks. The license has no set term and can be terminated by either party at any time. Because PTP is our parent company, we do not expect they would terminate the license at any time that would be disruptive to us. Under the license, franchises granted prior to termination may continue to use the marks for the rest of their franchise term and any renewals. Other than this license and franchise agreements we enter into, no other agreement materially limits our right to use or license the use of the marks.

As between you and us, we own the trademarks. Your right to use the marks comes only from the Franchise Agreement and is limited to conducting business pursuant to and in compliance with the

Franchise Agreement. All your use of the marks and goodwill established by that use is for our benefit and does not confer in you any goodwill or other interest in the marks. You must not ever contest the validity or ownership of any of the marks or help anyone else to do so.

You will be identified as “Purchase Green [community name]” or mutually agreed equivalent, on our website, printed literature, and elsewhere that we identify you. You must use this identifier in marketing and sale of products. You must promptly obtain all approvals and make all filings required by any government authority to use this identifier. You must not use a different identifier without first obtaining our written consent. You must prominently state in all printed materials that identify you: “An Independently Owned, Authorized Purchase Green® Distributor.”

Any installation contract or contract for services that goes beyond retailing products must list your legal business name, the above listed DBA and must include the modifier listed in Section 17(i). Your contracts must not include or omit any term or phrase or content or disclosure, that may lead a customer to believe they are contracting with us.

All your use of the marks and goodwill established by that use is for our benefit and does not confer in you any goodwill or other interest in the marks. You must not ever contest the validity or ownership of any of the marks or help anyone else to do so.

You must not use any of the marks or portion of any mark as part of a corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols or any modified way. You must not use any of our marks in selling any unauthorized product or service or in any way not expressly authorized in writing by us. You must give notices of trademark and service mark registrations as we specify. You must obtain fictitious or assumed name registrations as required by law.

You must notify us if you become aware of or suspect third-party infringement of our intellectual property. You must provide enough details for us to identify the actual or potential infringement. ~~We can take or not may~~ take action as we deem appropriate ~~and, but we~~ will have no obligation to take any action or particular action against the identified infringer. You must not take action regarding a potential or actual infringement without prior written consent from us. ~~Y ou~~

In addition to third-party infringements, you must notify us of any action, claim or demand against you relating to our marks within 3 business days after you find out.

After we receive timely notice from you, we will have the right, but not the duty, to defend any such action. We can contest or bring action against a third party regarding ~~their~~the use of any of the marks. In the defense or prosecution of any litigation relating to the marks or parts of our system, you must cooperate with us and sign any documents and take actions that we ask. ~~We must indemnify you for any action against~~If you have used the marks as we require, and you are sued by a third party based solely on alleged infringement, unfair competition, or similar claims arising out of your ~~for~~ use of the marks, we will, at our cost, defend, indemnify and hold you harmless from all losses, costs and expenses arising from your alleged infringement.

If we think it advisable to modify or stop using any mark, and/or use one or more additional or substitute names or marks or symbols, you must comply with our direction to do so. We will not be liable with regard to such modification or discontinuance of any mark.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing the words “Purchase Green” or variation of “Purchase Green” or any term similar to “Purchase Green” without our prior written consent.

You must not do or permit anything to be done that conflicts with our rights in the trademarks or any of our intellectual property and must not contest or help anyone else contest our ownership.

There are no other agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to the franchise.

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

We do not claim to own any patent or registered copyrights which are material to the franchise. We claim common law copyright and trade secret protection for several aspects of our system, methods, techniques and operational procedures; products, product specifications, design, décor, signage, manuals and related materials including advertisement and promotion materials though such materials may not be registered in the Copyright Office. These materials are proprietary and confidential and are our property and may be used by you only as provided in your Franchise Agreement. We reserve the right to register any of our copyrighted materials any time we deem appropriate.

There are no effective determinations of the Copyright Office or any court regarding any materials as to which we claim copyright rights. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses known to us, which could materially affect your use of the copyrighted materials in any state.

We may authorize you to use certain works we claim copyright rights to. These include the Operating Manual, advertisements, promotion materials, packaging, posters and signs and may include all or parts of the marks, software, trade dress and other portions of the system. These are our property.

If you develop any methods, specification, process, procedure, program, project, work of art or other materials in the course of operating Business which we approve for use and/or sale in the ~~business~~ Franchised Business, it will be deemed to be a work-made-for-hire belonging to us, and automatically become our property. To the extent it is not deemed to be a work-made-for-hire, you assign all rights and ownership to us. At our request you must sign documents and take action we ask to enable us to secure all rights in us. If you don't, then we can sign and act on your behalf as your attorney-in-fact.

We will provide you proprietary, confidential and trade secret information. Any improvements you develop or customer lists and databases you obtain will be our proprietary information. Our trade secrets include methods, specifications, processes, procedures and/or improvements regarding a Purchase Green Business, our system and any information that is valuable and secret in the sense that it is not generally known to competitors of us. You must maintain absolute confidentiality of all such information during and after the term of the franchise and must not use any such information in any other business or in any manner not specifically authorized or consented to in writing by us.

You may provide confidential information only to the extent and only to those of your employees who must have access to that information to operate the Purchase Green Business.

The goodwill associated with all phone and fax numbers, email addresses, domain names and social media and other Internet addresses used ~~the business~~ in connection with the Franchised Business is an asset that belongs to us. On cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in these. You must sign instruments we request to further confirm the assignments and transfers to us. On our request you must notify the phone companies, internet service providers, listing agencies, websites and others whom we request that you notify, of the termination, cancellation or expiration and transfer to us of all right to use of these and any regular, classified or other phone directory listing associated with the marks and give notice of making the transfer to us.

We will be entitled to obtain restraining orders and injunctive relief to safeguard our proprietary and confidential information.

Your owners, directors, shareholders, partners of 5% or more ownership and employees having access to our confidential and proprietary information must sign our Non-Disclosure and Confidentiality Agreement attached to this Disclosure Document as Exhibit E. You must submit a copy of each signed non-disclosure agreement to us on signing and submit annual updates to us listing those individuals having access to our confidential and proprietary information.

~~We can change, update or modify the system, adopt and using new or modified trade names, trademarks, service marks or copyrighted materials, new menu items, products, equipment, computers, technologies, techniques, marketing, promotion and any other aspects or elements. We will notify you of modifications through the Operating Manual or other means we select. You must comply with modifications we make. You must not modify or alter our system.~~

If you have used the copyrights as we require, and you are sued by a third party for use of the copyright, we will, at our cost, defend, indemnify and hold you harmless from all losses, costs and expenses arising from your alleged infringement.

We periodically may make changes to any components or aspects of the operation of a Purchase Green business, including, products, programs, services, methods, standards, forms, policies and procedures; deleting from or modifying services, programs and products that the Franchised Business is authorized and required to offer; modifying or substituting products, equipment, signage, trade dress, décor, color schemes, specifications and other attributes which you are required to observe; and changing, improving, modifying or substituting the marks and other intellectual property. You must comply with these modifications, changes, additions, deletions, substitutions and alterations and must not modify or alter our system. We have no obligation to pay or reimburse you for expenses associated with these changes.

You must never, in perpetuity, divulge to any person or entity any information, trade secrets, and processes, used for a Purchase Green Business or any information stated in our Operating Manual. You must not do or permit anything to be done that conflict with our rights in any of our intellectual property and must not contest or help anyone else contest our ownership.

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

You are responsible for the operation of ~~your Purchase Green~~ the Franchised Business. The Purchase Green Business must always be under your direct supervision. You must devote full time and attention to managing and supervising activities of the Franchised Business.

If we consent to you having less than full time involvement, you must employ and retain an individual who will have authority and responsibility for day-to-day operations. The manager must: actively supervise and manage the Franchised Business full time and devote full time and best efforts to the Franchised Business and no other business; meet our education, experience, and other criteria for the position; be an individual acceptable to us; and successfully complete the initial training program.

If you are a business entity, you must designate a manager acceptable to us who will be responsible for communicating with us. We can require you to have your manager agree to restrictions against diverting business or having an interest in a competitive business.

If you operate more than one franchise, you must divide at least a 40-hour work week among all the Purchase Green Businesses you operate and employ at least the number of managers for each Purchase Green Business to meet our requirements for managers. We are not obligated to permit or consent to you operating more than one or any additional Purchase Green Businesses.

You must supervise the operation of the Franchised Business at all times. You must keep us informed at all times of the identity(s) of employee(s) acting as manager(s) of the Franchised Business. If you select a substitute or additional supervisory or managerial personnel, you must ~~make sure~~ ensure the supervisory or managerial personnel becomes a qualified manager by successfully completing our initial training. If your supervisory or managerial personnel fails to complete the initial training, you must designate a new supervisory or managerial personnel to become a manager. The manager need not hold any equitable or beneficial interest in the Franchised Business.

Employees you hire or employ will be your employees and only your employees. They are not our employees, or subject to our direct or indirect control, particularly with regard to mandated or other insurance coverage, taxes or contributions, or requirements regarding withholding. You will file your tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations.

Our authority under the Franchise Agreement to train and approve your supervisory or managerial personnel does not vest us with power or authority or right to hire, fire or control your personnel. You will be solely responsible for all hiring and employment decisions and functions relating to ~~your Purchase Green business~~ the Franchised Business, including hiring, firing, training, remuneration, wage and hour compliance, minimum wage compliance, personnel policies, benefits, recordkeeping, authorization of persons to work in the United States, supervision and discipline of employees, regardless of whether you received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible to establish and implement your own employment policies and should do so in consultation with local legal counsel experienced in employment law.

All holders of a legal and equitable, or beneficial interest in the ~~business~~ Franchised Business, along with their spouse if applicable, must personally guarantee performance of all your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty attached to the Franchise Agreement.

All personnel employed by you who receive training from us; any members, managers, directors, officers and holders of 5% or more of you, and of any entity directly or indirectly controlling you, and all general partners and limited partners must sign non-disclosure and confidentiality covenants in a form acceptable to us.

Certain individuals associated with ~~your business~~ the Franchised Business, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers, executives, employees and staff are required to sign nondisclosure and/or non-competition agreements with you in the same as or similar form as the Non-Disclosure and Non-Competition Agreement attached to ~~the Franchise Agreement~~ this Disclosure Document as Exhibit E. We will be a third-party beneficiary with the independent right to enforce the agreements.

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

You may sell only products, merchandise and services that are authorized by us, as described in the Operations Manual. Merchandise and services authorized by us may vary among franchisees based on specific market conditions, including any requirements of local laws and regulations that may restrict your ability to provide certain merchandise or services in the territory. We may change goods and services you must offer, on notice to you. There is no limit on the number or type of changes we may make. We may modify the Purchase Green Business specifications and authorized goods and services at any time and for any reason we believe will benefit the Purchase Green system. We will notify you of changes in writing.

The entity you must form to operate the Franchised Business may not engage in other business, except operation of other Purchase Green Businesses, if applicable. You may not use the office where you operate the Franchised Business for any other purpose without our prior written consent.

You may not maintain a website or presence or advertise using any public computer network or in any channel of distribution not specifically identified in the relevant agreements with the Franchised Business other than the website hosted by us or our affiliate.

If you operate a Tile Business and we and you enter into a Tile Addendum, you may offer VersaCourt and/or Swisstrax branded products (as applicable) at the Location.

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

#### **THE FRANCHISE RELATIONSHIP**

**This table list certain important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this Disclosure Document.**



## FRANCHISE AGREEMENT

	<b>Provision</b>	<b>Section in Franchise Agreement*</b>	<b>Summary</b>
a.	Length of the term of the franchise	4.a. <u>of FA</u> ; 2 of <u>DA</u>	<p><u>FA</u>: Initial term is 10 years.</p> <p><u>DA</u>: Term expires at the earlier of (i) the specified opening date for the last Purchase Green Business; or (ii) the date on which the last Purchase Green Business to be developed under the DA actually opens</p>
b.	Renewal or extension of term	4.b. <u>of FA</u>	<p><u>FA</u>: 5 years. Provision in the renewal agreement for further renewal may be limited to not exceed 5 years. Renewal agreement may materially differ also in other ways.</p>
c.	Requirements for you to renew or extend	4.b. <u>of FA</u>	<p><u>FA</u>: You must give us written notice of election to renew 180 – 270 days before expiration of term; you must have fully complied with <del>Franchise Agreement</del><u>FA</u>, including payments to us and our affiliates, you must prove you will keep the showroom and warehouse for the renewal term and satisfy specifications and standards for the showroom and warehouse; at least 60 days before expiration, sign <del>Franchise Agreement</del><u>FA</u> then being used by us; which may materially differ from current agreement; we can modify to omit or limit further renewal in excess of 5 years; sign a release in favor of us and our then and past affiliated persons and entities; we may ask you to attend re-orientation training; you must meet then-current requirements for new or renewal franchise, subject to state law.</p>
d.	Termination by you	21.a, and 21.b of <u>FA</u>	<p><u>FA</u>: You can terminate if we breach and fail to cure within 60 days of receiving written notice. The <del>agreement</del><u>FA</u> may be terminated by either party without notice if either party seeks relief under the Bankruptcy Code or similar law or admits in writing its inability to pay its debts before they become due. <u>You may also terminate under any ground permitted by applicable law.</u></p>
e.	Termination by us without cause	<del>None.</del> <u>Not Applicable</u>	<p><u>FA</u>: The <del>Franchise Agreement</del><u>FA</u> does not have a provision for us to terminate without cause.</p> <p><u>DA</u>: We don't have the right to terminate the <u>Development Agreement without cause.</u></p>
f.	Termination by us with cause	3.e., 21.a, 21.b., 21.c, 21.d, and 21.e of <u>FA</u> ; 7 of <u>DA</u> ; <u>5(c) of TA</u>	<p><u>FA</u>: We can terminate the <del>Franchise Agreement</del><u>FA</u> if we have cause. If you have not cured a default under this Agreement within the time allowed, we may temporarily or permanently reduce the size of the territory; temporarily or permanently suspend particular or any or all advertising, marketing and/or promotion of your showroom; <del>charge you a non-compliance fee;</del> and/or assume operation of the <u>Franchised Business.</u></p> <p><u>DA</u>: <u>We can terminate the Development Agreement upon notice to you if you are in default and you fail to cure such default within the specified cure period (if any), subject to state law.</u></p> <p><u>TA</u>: <u>In addition to the terminate rights under the FA, we can terminate the TA if you fail to operate the Tile Business at the Location in compliance with applicable law and you fail to cure such default within 5 days of receiving written notice from us.</u></p>

	Provision	Section in Franchise Agreement*	Summary
g.	"Cause" defined - curable defaults	3.e., 21.c, 21.d, and 21.e of FA; 7 of DA	<p><u>FA: You fail to cure breach within 60 days after notice; fail to pay amount due to us, our affiliate or your landlord within 10 days after notice; fail to cure the following within 30 days after notice: (i) failure to operate; (ii) failure to obtain our written approval or consent where required; (iii) misuse, or unauthorized use of our intellectual property; (iv) participate in a business or marketing service or product under a name or mark confusingly similar to our intellectual property; (v) offer or sell unapproved product or service or fail to offer or provide all authorized products and services; (vi) engage in or permit violation of law, ordinance, rule or regulation; (vii) fail to obtain/maintain all required insurance or name us and affiliates as additional insureds; (viii) your manager is not qualified or no longer qualified; (ix) acceptable <del>site</del> <u>Location</u> not found/agreed within 45 days, lease not signed within 60 days; you have not started operating within 90 days of signing <del>Franchise Agreement</del> <u>FA</u>. We can terminate if you fail to purchase the Minimum Quantities in a calendar year. We will provide written notice of intent to terminate by January 31 of the following year and you have until March 31 to cure. This cure (re minimum quantity) is available to you twice during the term-. <u>These termination rights are subject to state law.</u></u></p> <p><u>DA: You have 10 days to cure payment default; you have 60 days to cure a default of any other provision of the Agreement which is described in writing to you, subject to state law.</u></p> <p><u>TA: In addition to the terminate rights under the FA, we can terminate the TA if you fail to operate the Tile Business at the Location in compliance with applicable law and you fail to cure such default within 5 days of receiving written notice from us, subject to state law</u></p>
h.	"Cause" defined - non curable defaults	21.f. of FA; 7 of DA	<p><del>(i) you</del> <u>FA: You</u> abandon by failing to operate 10 days or shorter period and we conclude you do not intend to continue operating; (ii) you, or owner, shareholder, member, director, officer, manager, or partner is/are convicted of felony, fraud, crime involving moral turpitude or crime or offense we believe is likely to hurt our system, intellectual property or goodwill; (iii) you make misrepresentation relating to creation, acquisition or operation of the <del>business</del> <u>Franchised Business</u>; (iv) your conduct reflects materially and unfavorably on operation and reputation of the <del>business</del> <u>Franchised Business</u> or us or our intellectual property; (v) you fail, for 10 days after notice to comply with law, regulation or requirement, and fail to notify us; (vi) 3 or more material breaches in 12 months, even if cured; (vii) material breach of <del>Franchise Agreement</del> <u>FA</u> that is incapable of being cured; (viii) you or shareholder, director, officer, partner, member or employee acquire interest in similar business (except passive ownership of less than 3% of a public company is permitted); (ix) unauthorized use or duplication of our business, products or services; (x) unauthorized disclosure of confidential information; (xi) you sell, sublicense, assign or transfer any interest in the <del>Franchise Agreement</del> <u>FA</u> or the <del>business</del> <u>Franchised Business</u>; (xii) violate covenant not to compete; (xiii) fail to start operating in the time provided in the <del>Franchise</del></p>

	Provision	Section in Franchise Agreement*	Summary
			<p><del>Agreement</del>FA; (xiv) misrepresent, substitute or palm off non-authentic products or services; (xv) knowingly maintain false books or records or submit a false report to us; (xvi) violate law or ordinance that relates to or impacts providing or ability to provide products and services, or failure to notify us of notice of a violation; (xvii) fail to comply with all laws and ordinances, (xviii) you or owner’s assets, property or interests are blocked relating to terrorist activities, or (xviii) you seek relief under the Bankruptcy Code or similar law or admit in writing you inability to pay its debts before they become due-, <u>subject to state law.</u></p> <p><u>DA: Assignment for benefit of creditors; breach or failure to comply with any of the conditions governing transfer of rights; if you are an entity, then any order made or resolution passed for winding-up or liquidation judgment; material misrepresentations; conviction or no contest to felony, crime or offense that will likely hurt our reputation or business; failure to satisfy the development quota; after curing any default, engaging in the same noncompliance (notice not needed); failure to comply with one or more requirements 3 or more times in any 12 consecutive months; you become a subject of or there is a risk of media attention for any act, omission, statement, conduct or behavior which may injure the reputation or goodwill of the Marks, subject to state law.</u></p>
i.	Your obligations on termination/non-renewal	23 <u>of FA</u>	<p><u>FA:</u> Stop representing yourself as franchisee; stop use of our intellectual property, de-identify as franchisee; not operate or do business under any name or in any manner affiliated with us or any “Purchase Green;” return all copies of Operating Manual, and all forms, advertising matter, materials to us; cancel assumed name registrations; transfer or assign phone number to us; pay us all amounts owed to us or our affiliate within 10 days; upon termination of the <del>Franchise Agreement</del>FA, we will be deemed to be fully released from any and all claims or causes of action you may have or claim to have against us, our shareholders, directors, officers and personnel.</p>
j.	Assignment of contract by us	27.a: <u>of FA; 8.1 of DA</u>	<p><u>FA:</u> We are not restricted from assigning agreements with you.</p> <p><u>DA: We can assign and transfer the Development Agreement.</u></p>
k.	“Transfer” by you – defined	27.b: <u>of FA; 8.2 of DA</u>	<p><u>FA and DA: “Assignment”</u> includes actual or purported assignment, sale, transfer or other arrangement having purpose or effect of changing ownership or control in the <u>Franchised Business</u>. Actual or purported transfer aggregating 25% is an “assignment.”</p>
l.	Our approval of transfer by you	27.b: <u>of FA; 8.2.1 of DA</u>	<p><u>FA:</u> You may not transfer or assign interest without our prior written consent.</p> <p><u>DA: You may not transfer or assign interest without our prior written consent, subject to state law.</u></p>
m.	Conditions for our approval of transfer	27.c: <u>of FA; 8.3 of DA</u>	<p><u>FA:</u> Proposed assignee must apply, meet our requirements, consent to background/credit check and additional investigation, demonstrate skills, qualifications, licensing and economic resources necessary to conduct the <del>business</del><u>Franchised Business</u>; assume in writing all your obligations; you must have complied with all obligations to us;. You pay transfer fee equal to greater of \$7,500 or 2% of non-contingent consideration due you as of the closing date (for a transfer to</p>

	Provision	Section in Franchise Agreement*	Summary
			<p>controlled entity, \$2,500); proposed assignee complete training; you sign general release; you provide us agreements and other communications related to assignment; if transfer does not close, you reimburse our expenses in review of the proposed assignee.</p> <p><u>DA: Pay transfer fee; proposed transferee meets our requirements; you sign a general release and other documents we require; transferee owners holding 10% of ownership interests in the proposed transferee sign a guaranty; transfer proceeds are subordinate to obligations to us; any installment payments of purchase price to you are subordinate to proposed transferee's obligations to pay our affiliates service fees, advertising contributions and other payment obligations; you are not in default of the Development Agreement; if transfer does not close, you reimburse our expenses in review of the proposed assignee, subject to state law.</u></p>
n.	Our right of first refusal to acquire your business	<u>32 of FA; 8.4 of DA</u>	<p><u>FA: In a proposed transfer or offer to buy that you are interested to accept, you must provide us an executed written offer to buy. We have 21 days to notify you if we wish to purchase on the terms in the offer. We can substitute money for any nonmoney consideration. If you own more than 1 Purchase Green franchise, we must exercise our right of first refusal on all your franchises. The proposed transfer must close 60 days after we elect not to exercise our right of first refusal.</u></p> <p><u>DA: Within 5 days after receiving the offer and before accepting it, you must apply to us in writing for consent to the proposed assignment; submit an application with information relating to the proposed transferee's experience and qualifications, current financial statement, and other information we may require; we have 30 days from receiving the offer to inform you if we choose to purchase the Franchised Business and 60 days to close the purchase of the Franchised Business.</u></p>
o.	Our option to purchase your business	<u>24; and 32 of FA</u>	<p><u>FA: We have the right to buy any or all of your inventory on expiration or termination of Franchise AgreementFA, subject to state law. We will also pay you \$1,000 for the goodwill of the Franchised Business. Within 21 days of right of first refusal, we or our designee have the right to buy the Franchised Business.</u></p>
p.	Your death or disability	<u>28 of FA; 8.8 of DA</u>	<p><u>FA: Any transfer will be subject to our approval in accordance with the transfer and assignment provisions.</u></p> <p><u>DA: If you or someone owning over 40% in the equity or voting interest, die or become incapacitated, the spouse, heirs or personal representative have 180 days from date of death or incapacity to (i) purchase the interest of the deceased or incapacitated person, or (ii) sell or assign such interest to a qualified, approved third party. At the end of 180 days, if there has been no successor or you failed to get our consent to assignment to a third party, we can terminate the DA.</u></p>

	<b>Provision</b>	<b>Section in Franchise Agreement*</b>	<b>Summary</b>
q.	Non-competition covenants during the term of the franchise	25.a. <u>of FA</u>	<u>FA: You must not divert or try to divert any business or customer to any competitor, or knowingly do any other act harmful to the goodwill of our intellectual property. You must not own, maintain, advise, assist, consult, help, invest in, loan to, be employed by, engage in, or have interest in any competing business specializing offering, in whole or part, in activities of or authorized for Purchase Green Business the Franchised Business, including artificial grass, putting greens, artificial ivy and sports turfs, golf products associated with putting greens, solar light and related installation accessories. These obligations are subject to state law.</u>
r.	Non-competition covenants after the Franchise Agreement is terminated or expires	25.b. <u>of FA</u>	<u>FA: Starting on expiration or termination of Franchise Agreement FA and continuing for 24 months and within 60 miles of location of showroom/sales office/warehouse or within 60 miles of location of any Purchase Green showroom, you must not have an interest in any competing business specializing offering, in whole or part, in activities of or authorized for Purchase Green Business the Franchised Business, including artificial grass, putting greens, artificial ivy and sports turfs, golf products associated with putting greens, solar light and related installation accessories. The exception is providing installation services. These obligations are subject to state law.</u>
s.	Modification of the agreement	35; <u>and 44 of FA; 12.9 of DA</u>	<u>FA: We could need to change and develop products, services, procedures, advertising, brand usage and any other operational aspects of the operation under our intellectual property Franchised Business. You must accept, use and effectuate such changes or modifications to, or substitution as if part of the operation. Franchise Agreement FA can be modified only by mutual and written agreement between you and us.</u>  <u>DA: Any amendment, change, modification or variance must be in writing and executed by you and us.</u>
t.	Integration/merger clause	<u>49 of FA; 12.10 of DA</u>	<u>FA: Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. Nothing in the agreement FA or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.</u>  <u>DA: Nothing in the FA or related agreement is intended to disclaim representations made to you in this Disclosure Document. There are no representations, promises or inducements, either oral or written, except those in the DA.</u>
u.	Dispute resolution by arbitration or mediation	<u>37 of FA</u>	Disputes are decided by a single arbitrator, according to Commercial Rules of Arbitration of American Arbitration Association; any award is final and binding. Arbitration between only us; no class-wide arbitration or combining with other arbitration is permitted. A party may bring court action for injunctive relief in aid of arbitration. We may have temporary or preliminary injunctive relief without bond.
v.	Choice of forum	<u>37; of FA; 11 of DA</u>	<u>FA and DA: Arbitration, and any litigation, are in Los Angeles, California (subject to applicable state law).</u>

	<b>Provision</b>	<b>Section in Franchise Agreement*</b>	<b>Summary</b>
w.	Choice of law	38- of FA; 11 of DA	<u>FA and DA:</u> California law governs (subject to applicable state law), <u>subject to state law</u> . If a provision of the <del>agreement</del> <u>FA/DA</u> would not be enforceable under California law, <del>and if the business is outside California and the provision</del> <u>but</u> would be enforceable under laws of the state <del>where the franchised business is</del> <u>where you are</u> located, then the <del>provision will be interpreted and construed under the law</del> <u>laws</u> of that state <u>will apply</u> regarding that provision.

\* **“FA”** means the Franchise Agreement, **“DA”** means the Development Agreement, and **“TA”** means the Tile Addendum.

### **MULTI-UNIT DEVELOPMENT AGREEMENT**

<b>Provision</b>	<b>Section in Multi-Unit Development Agreement</b>	<b>Summary</b>
a. Length of the term of the Development	2	Term expires at the earlier of either (i) the date specified for opening the last Purchase Green Business or (ii) the date the last Purchase Green Business actually opens.
b. Renewal or extension of term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	None	We don't have the right to terminate the Agreement without cause.
f. Termination by us with cause	7	We can terminate the Agreement on delivering notice if you are in default.
g. “Cause” defined—curable defaults	7	You have 10 days to cure payment default; you have 60 days to cure a default of any other provision of the Agreement which is described in writing to you.

Provision	Section in Multi-Unit Development Agreement	Summary
h. <del>“Cause” defined — non-curable defaults</del>	7	<del>Assignment for benefit of creditors; breach or failure to comply with any of the conditions governing transfer of rights; if you are an entity, then any order made or resolution passed for winding up or liquidation judgment; material misrepresentations; conviction or no contest to felony, crime or offense that will likely hurt our reputation or business; failure to satisfy the development quota; after curing any default, engaging in the same noncompliance (notice not needed); failure to comply with one or more requirements 3 or more times in any 12 consecutive months; you become a subject of or there is a risk of media attention for any act,</del>
i. <del>Your obligations on termination/no n-renewal</del>	Not Applicable	Not Applicable
j. <del>Assignment of contract by us</del>	8.1	<del>We are not restricted from assigning agreements with you.</del>
k. <del>“Transfer” by you — defined</del>	8.2	<del>“Assignment” includes actual or purported assignment, sale, transfer or other arrangement having purpose or effect of changing ownership or control in the Business. Actual or purported transfer aggregating 25% is an “assignment.”</del>
l. <del>Our approval of transfer by you</del>	8.2.1	<del>You may not transfer or assign interest without our prior written consent.</del>

Provision	Section in Multi-Unit Development Agreement	Summary
m. Conditions for our approval of transfer	8.4	Proposed assignee must apply, meet our requirements, consent to background/credit check and additional investigation, demonstrate skills, qualifications, licensing and economic resources necessary to conduct the business; assume in writing all your obligations; you must have complied with all obligations to us;. You pay transfer fee equal to greater of \$7,500 or 2% of non-contingent consideration due you as of the closing date (for a transfer to controlled entity, \$2,500); proposed assignee complete training; you sign general release; you provide us agreements and other communications related to assignment; if transfer does not close, you
n. Our right of first refusal to acquire your business	8.3	Within 5 days after receiving the offer and before accepting it, you must apply to us in writing for consent to the proposed assignment; submit an application with information relating to the proposed transferee's experience and qualifications, current financial statement, and other information we may require; we have 30 days from receiving the offer to inform you if we
o. Our option to purchase your business	Not Applicable	Not Applicable



Provision	Section in Multi-Unit Development Agreement	Summary
p. <del>Your death or disability</del>	8.8	<p><del>If you or someone owning over 40% in the equity or voting interest, die or become incapacitated, the spouse, heirs or personal representative have 180 days from date of death or incapacity to (i) purchase the interest of the deceased or incapacitated person, or (ii) sell or assign such interest to a qualified, approved third party. At the end of 180 days, if there has been no successor or you failed to get our consent to assignment to a third party, we can terminate the Agreement.</del></p> <p><del>Incapacity means inability due to medical reasons to devote full time and attention to development obligations for at least 4 months in the aggregate during any consecutive 12 month period, based on the examination and findings of a physician we select. A period of incapacity continues without interruption unless and until the person suffering the incapacity resumes his or her duties under the agreement on a full-time basis for 30 consecutive business days.</del></p>
q. <del>Non-competition covenants during the term of the development</del>	Not Applicable	Not Applicable
r. <del>Non-competition covenants after the franchise is terminated or expires</del>	Not Applicable	Not Applicable
s. <del>Modification of the agreement</del>	12.9	<del>Any amendment, change, modification or variance must be in writing and executed by you and us.</del>
t. <del>Integration/merger clause</del>	12.10	<del>Nothing in this Agreement or related agreement is intended to disclaim representations made to you in this Disclosure Document. There are no</del>

Provision	Section in Multi-Unit Development Agreement	Summary
u. <del>Dispute resolution by arbitration or mediation</del>	Not Applicable	Not Applicable
v. Choice of forum	††	Any action must be brought in federal or state court in Los Angeles, California.
w. Choice of law	††	California law applies, subject to applicable law, but if a provision of the Agreement would not be enforceable under California law but would be enforceable where

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

We do not use any public figure to promote the franchise.

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

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

As of December 31, 2024, there were 25 franchised Purchase Green Businesses and 7 Territory Holder Locations open and in operation. This franchise performance representation discloses financial results of 21 franchised Purchase Green Businesses (collectively, the “Covered Businesses”) that were open and operating for the entire 2024 calendar year (the “Covered Period”). 4 franchised Purchase Green businesses were not open and operating for the full Covered Period and, as a result, were excluded from this financial performance representation. The financial performance representation does not include results of affiliate-owned Purchase Green Businesses or Territory Holder Locations that operate under Territory Holder Agreements with PTP.

The financial performance representation below provides the monthly Gross Revenues (defined below) during the Covered Period for the Covered Businesses. There are no material financial or operational characteristics of the Covered Businesses that we reasonably anticipate to differ from operational franchise outlets.

“Gross Revenues” means the total of all receipts and revenues derived from the sale of merchandise and/or services from operations, whether from cash, check or credit. Gross Revenues does not include any sales or other taxes that the Franchised Business collects from customers and pays directly to the appropriate taxing authority.

*[Remainder of Page Intentionally Blank]*

---

---

**Monthly Gross Revenues During Covered Period**

	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>
<b><u>Monthly Median Gross Revenue</u></b>	<u>\$34,531</u>	<u>\$55,402</u>	<u>\$78,971</u>	<u>\$73,944</u>	<u>\$102,753</u>	<u>\$96,723</u>	<u>\$89,931</u>	<u>\$85,512</u>	<u>\$61,166</u>	<u>\$57,143</u>	<u>\$42,673</u>	<u>\$41,805</u>
<b><u>Highest Monthly Gross Revenues</u></b>	<u>\$85,845</u>	<u>\$209,455</u>	<u>\$248,525</u>	<u>\$205,758</u>	<u>\$295,769</u>	<u>\$257,3212</u>	<u>\$224,331</u>	<u>\$202,233</u>	<u>\$158,809</u>	<u>\$184,228</u>	<u>\$107,381</u>	<u>\$129,157</u>
<b><u>Lowest Monthly Gross Revenues</u></b>	<u>\$0</u>	<u>\$6,166</u>	<u>\$6,166</u>	<u>\$26,124</u>	<u>\$29,368</u>	<u>\$8,949</u>	<u>\$24,753</u>	<u>\$14,112</u>	<u>\$17,823</u>	<u>\$1,330</u>	<u>\$7,664</u>	<u>\$3,770</u>
=												
<b><u>Monthly Average Gross Revenues</u></b>	<u>\$37,026</u>	<u>\$60,934</u>	<u>\$79,645</u>	<u>\$88,204</u>	<u>\$110,610</u>	<u>\$101,987</u>	<u>\$101,752</u>	<u>\$93,634</u>	<u>\$72,947</u>	<u>\$69,405</u>	<u>\$48,818</u>	<u>\$47,708</u>
<b><u># Exceeding Average Monthly Gross Revenues</u></b>	<u>10</u>	<u>8</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>8</u>	<u>9</u>
<b><u>% Exceeding Average Monthly Gross Revenues</u></b>	<u>48%</u>	<u>38%</u>	<u>48%</u>	<u>38%</u>	<u>38%</u>	<u>43%</u>	<u>43%</u>	<u>43%</u>	<u>43%</u>	<u>48%</u>	<u>38%</u>	<u>43%</u>

**[Remainder of Page Intentionally Blank]**

## Notes to Table

1. The 21 Covered Businesses included in this financial performance representation are located in the following states: California (2 franchised Purchase Green Businesses); Colorado (2 franchised Purchase Green Businesses); Florida (4 franchised Purchase Green Businesses); Georgia (2 franchised Purchase Green Businesses); Michigan (1 franchised Purchase Green Business); Missouri (1 franchised Purchase Green Business); Ohio (1 franchised Purchase Green Business); South Carolina (1 franchised Purchase Green Business); Texas (4 franchised Purchase Green Businesses); Utah (2 franchised Purchase Green Business); and Virginia (1 franchised Purchase Green Business). Additionally, 3 of these Covered Businesses have been open for at least 3 years; 8 have been open for 2 years but less than 3 years; 10 have been open for 1 year but less than 2 years.
2. The Covered Businesses also may operate one or more Tile Businesses. However, sales from the Tile Businesses are not included in Gross Revenues and, therefore, do not affect the financial performance representation above. The results from Covered Businesses operating Tile Businesses and Covered Businesses not operating Tile Businesses do not materially differ.
3. “Average Gross Revenues” is determined by taking the sum of the Covered Businesses’ Gross Revenues during the applicable month and dividing it by the number of Covered Businesses.
4. “Median Gross Revenues” is determined by sorting the Covered Businesses’ Gross Revenues during the applicable month in ascending order and identifying the point above and below which 50% of the data falls.
5. This financial performance representation does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Revenues figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised Purchase Green business. Franchisees listed in this disclosure document may be one source of this information.

We calculated the figures in the table above using information that Covered Businesses provided to us. Upon your reasonable request, we will provide written substantiation for these financial performance representations.

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll sell as much.**

We~~Other than the preceding financial performance representation, we~~ do not make any representations about a franchisee’s future financial performance or ~~the past financial performance of company-owned, affiliate-owned or Purchase Green Business~~ or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing ~~Purchase Green Business~~outlet, however, we may provide you with the actual records of that ~~Purchase Green Business~~outlet. If you receive any other financial performance information or projections of your future income, you should report it to

or the franchisor's management by contacting Joshua Turcotte, phone at (909) 321-2969, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2021-2022 to 2023-2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<del>Franchised</del>	<del>2021</del>	<del>1</del>	<del>3</del>	<del>+2</del>
<u>Franchised</u>	2022	3	10	+7
	2023	10	21	+11
<del>Company Owned*</del>	<del>2021-2024</del>	<del>11-21</del>	<del>14-25</del>	<del>+3-14</del>
<u>Company Owned*</u>	2022	14	18	+4
	2023	18	25	+7
<del>Total Outlets</del>	<del>2021-2024</del>	<del>12-25</del>	<del>17-22</del>	<del>+5-3</del>
<u>Total Outlets</u>	2022	17	28	+11
	2023	28	46	+18
	<u>2024</u>	<u>46</u>	<u>47</u>	<u>+1</u>

\*These outlets are owned and operated by our parent, PTP.

The following table ~~concerns~~ reflects Territory Holder Locations operating under Territory Holder Agreements, ~~which agreements with PTP that were entered into by PTP signed~~ between 2014 and 2020 ~~prior to us offering,~~ before we offered franchises:

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<del>Territory Holder Locations</del>	<del>2021</del>	<del>10</del>	<del>10</del>	<del>0</del>
<u>Territory Holder Locations</u>	2022	10	8	-2
	2023	8	8	0
<del>Total Outlets</del>	<del>2021-2024</del>	<del>10-8</del>	<del>10-7</del>	<del>0-1</del>
<u>Total Outlets</u>	2022	10	8	-2
	2023	8	8	0
	<u>2024</u>	<u>8</u>	<u>7</u>	<u>-1</u>



**Table No. 2**  
**Transfers of Outlets from Franchisees/Territory Holders/PTP**  
**to New Owners (other than the Franchisor to us)**  
**For years 2021-2022 to 2023-2024**

Year	Number of Transfers
2021	0
2022	0
2023	0

**Table No. 3**  
**Status of Franchise Outlets**  
**For years 2021-2022 to 2023-2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
California	2021	0	1	0	0	0	0	1
California	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Colorado	2021-2024	12	0	0	0	0	0	12
Colorado	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Florida	2021-2024	02	0	0	0	0	0	02
Florida	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	0	0	4
Georgia	2021-2024	04	01	0	0	0	0	05
Georgia	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Michigan	2021-2024	02	0	0	0	0	0	02
Michigan	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Minnesota</u>	<u>2023</u> <u>2022</u>	0	<u>10</u>	0	0	0	0	<u>10</u>
<u>Missouri</u>	<u>2021</u> <u>2023</u>	0	0	0	0	0	0	0
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Missouri</u>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<u>Ohio</u>	<u>2021</u> <u>2024</u>	<u>01</u>	0	0	0	0	0	<u>01</u>
<u>Ohio</u>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<u>South-Carolina</u>	<u>2021</u> <u>2024</u>	<u>01</u>	<u>01</u>	0	0	0	0	<u>02</u>
<u>South Carolina</u>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<u>Texas</u>	<u>2021</u> <u>2024</u>	<u>01</u>	<u>10</u>	0	0	0	0	1
<u>Texas</u>	2022	1	3	0	0	0	0	4
	2023	4	1	<u>01</u>	0	0	0	<u>54</u>
<u>Utah</u>	<u>2021</u> <u>2024</u>	<u>04</u>	0	0	0	0	0	<u>04</u>
<u>Utah</u>	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Virginia</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>2021</u> <u>2023</u>	<u>10</u>	<u>21</u>	0	0	0	0	<u>31</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Totals</u>	2022	3	7	0	0	0	0	10
	2023	10	<u>112</u>	<u>01</u>	0	0	0	21

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	<u>2024</u>	<u>21</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>

\*The above table is for franchises granted by us.

The following table concerns Territory Holder Locations:

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Calif.	<u>2021</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
<u>California</u>	2022	9	0	1	0	1	0	7
	2023	7	0	0	0	0	0	7
Nevada	<u>2021</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
	<u>2024</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
<u>Nevada</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	<u>2021</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
	<u>2024</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
<u>Totals</u>	2022	10	0	1	0	1	0	8
	2023	8	0	0	0	0	0	8
	<u>2024</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>7</u>

**Table No. 4**  
**Status of Company-Owned Outlets<sup>1</sup>**  
**For years 20212022 to 20232024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisees	Outlets at End of the Year
Ariz.	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Ariz.</u>	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
Calif.	<u>2021</u> <u>2024</u>	<u>62</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>71</u>

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisees	Outlets at End of the Year
<u>Calif.</u>	2022	7	0	1	0	0	8
	2023	8	1	0	0	0	9
<del>Colorado</del>	<del>2021-2024</del>	<del>19</del>	0	0	0	0	<del>19</del>
<u>Colorado</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
<del>Florida</del>	<del>2021-2024</del>	<del>01</del>	0	0	0	0	<del>01</del>
<u>Florida</u>	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
<del>Illinois</del>	<del>2021-2024</del>	<del>01</del>	0	0	0	0	<del>01</del>
<u>Illinois</u>	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
<del>North-Carolina</del>	<del>2021-2024</del>	<del>01</del>	0	0	0	0	<del>01</del>
<u>North Carolina</u>	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
<del>New-Mexico</del>	<del>2021-2024</del>	<del>02</del>	<del>10</del>	0	0	0	<del>12</del>
<u>New Mexico</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
<del>Nevada</del>	<del>2021-2024</del>	1	0	0	0	0	1
<u>Nevada</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
<del>Oklahoma</del>	<del>2021-2024</del>	<del>01</del>	0	0	0	0	<del>01</del>
<u>Oklahoma</u>	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisees	Outlets at End of the Year
Tennessee	<del>2021</del> <u>2024</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>0</del> <u>1</u>
<u>Tennessee</u>	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Texas	<del>2021</del> <u>2024</u>	<del>2</del> <u>1</u>	0	0	0	0	<del>2</del> <u>1</u>
<u>Texas</u>	2022	2	2	0	0	0	4
	2023	4	0	0	0	0	4
Utah	<del>2021</del> <u>2024</u>	<del>0</del> <u>4</u>	<del>1</del> <u>0</u>	0	<del>0</del> <u>2</u>	0	<del>1</del> <u>2</u>
<u>Utah</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Totals	<del>2021</del> <u>2024</u>	<del>11</del> <u>1</u>	<del>3</del> <u>0</u>	0	0	0	<del>14</del> <u>1</u>
<u>Totals</u>	2022	14	3	1	0	0	18
	2023	18	7	0	0	0	25
	<u>2024</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>22</u>

<sup>1</sup> We do not own or operate any outlets. The above table is for outlets owned by our parent, PTP.

**Table No. 5**  
**Projected Openings as of December 31, ~~2023~~2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
California <del>Colorado</del>	<del>0</del> <u>1</u>	<del>1</del> <u>0</u>	0
Florida	0	<u>2</u>	0
Michigan <del>Florida</del>	1	<del>1</del> <u>0</u>	0
Missouri <b>Total</b>	<del>0</del> <u>2</u>	0	0
Ohio	0	<u>2</u>	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Oklahoma	0	0	0
North Carolina	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Virginia	1	0	0
Any of the 50 states	0	7	0
<b>Total</b>	<b>2</b>	<b>13</b>	<b>0</b>

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

Exhibit ~~L-1M~~ lists (a) the names of all operating franchisees and the addresses and telephone numbers of their operating Purchase Green Business as of December 31, ~~2023~~. Exhibit ~~L-2~~ lists ~~2024~~; (b) the names, addresses and telephone numbers of franchisees whose Purchase Green Businesses were not yet opened as of December 31, ~~2023~~. Exhibit ~~L-3~~ lists the name ~~2024~~; and (c) the names, city, state, and business telephone number (or, if unknown, the last known home telephone number) of all franchisees who had a Purchase Green Business terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recent completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

During the last 3 fiscal years, no current or former franchisees signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time there are no trademark specific franchisee organizations representing Purchase Green franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

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

~~Attached as Exhibit A~~ contains our audited financial statements for the year ended December 31, ~~2024, 2023, and 2022 and 2021~~. Exhibit A also contains our unaudited balance sheet and statement of net income as of March 31, 2025. Our fiscal year end is December 31.

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

We have included a copy of the following contracts in this Disclosure Document. Nothing in the following agreements or in any related agreements is intended to disclaim the representations made in this Disclosure Document.

Exhibit <u>B-1</u>	Franchise Agreement
<u>Exhibit B-2</u>	<u>Tile Addendum to Franchise Agreement</u>
Exhibit C	Multi-Unit Development Agreement
Exhibit D	Bill of Sale, General Assignment and Conveyance
Exhibit E	Employee Non-Competition and Non-Disclosure Agreement
Exhibit F	Telephone Number Assignment and Power of Attorney
Exhibit G	Guaranty
<u>Exhibit H</u>	<u>General Release</u>
Exhibit <u>IJ</u>	State Addenda
Exhibit <u>JK</u>	SBA Addendum to Franchise Agreement

**ITEM 23:**  
**RECEIPTS**

Two (2) copies of a detachable receipt acknowledging your receipt of this disclosure (one copy is for you and the other is to be signed by you and given to us) appear as Exhibit MN.

**EXHIBIT A**  
**FINANCIAL STATEMENTS**

**PURCHASE GREEN FRANCHISING, LLC**  
Pomona, California

**FINANCIAL STATEMENTS**  
December 31, 2024



PURCHASE GREEN FRANCHISING, LLC  
Pomona, California

FINANCIAL STATEMENTS  
December 31, 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
BALANCE SHEET.....	3
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY .....	4
STATEMENT OF CASH FLOWS.....	5
NOTES TO FINANCIAL STATEMENTS .....	6

## INDEPENDENT AUDITOR'S REPORT

Member  
Purchase Green Franchising, LLC  
Dalton, Georgia

***Opinion***

We have audited the financial statements of Purchase Green Franchising, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations and member's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Purchase Green Franchising, LLC 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 Financial Statements section of our report. We are required to be independent of Purchase Green Franchising, LLC 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 the 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 Purchase Green Franchising, LLC's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

---

(Continued)

## ***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 Purchase Green Franchising, LLC'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 Purchase Green Franchising, LLC'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.

### ***Other Information***

Management is responsible for the other information included in the franchise disclosure document. The other information comprises the information included in the franchise disclosure document but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

  
Crowe LLP

Franklin, Tennessee  
April 25, 2025

PURCHASE GREEN FRANCHISING, LLC  
BALANCE SHEET  
December 31, 2024

---

**ASSETS**

Current assets

Cash	\$ 1,125,302
Related party receivable	256,595
Deferred contract costs, current	<u>14,121</u>
Total current assets	1,396,018

Deferred contract costs, long-term	<u>105,024</u>
------------------------------------	----------------

Total assets	<u>\$ 1,501,042</u>
--------------	---------------------

**LIABILITIES AND MEMBER'S EQUITY**

Current liabilities

Accounts payable	\$ 17,920
Deferred revenue, current	92,042
Accrued expenses	<u>15,000</u>
Total current liabilities	124,962

Long-term liabilities

Deferred revenue, long-term	<u>753,337</u>
Total liabilities	

Member's equity	<u>622,743</u>
-----------------	----------------

Total liabilities and member's equity	<u>\$ 1,501,042</u>
---------------------------------------	---------------------

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY  
For the year ended December 31, 2024

---

<b>Revenues</b>	\$ 885,580
Cost of sales	<u>(397,421)</u>
Gross loss	488,159
Operating expenses	<u>(16,182)</u>
<b>Net loss</b>	<u>\$ 471,977</u>
Member's equity, beginning	<u>150,766</u>
<b>Member's equity, ending</b>	<u>\$ 622,743</u>

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2024

---

<b>Cash flows from operating activities</b>	
Net income	\$ 471,977
Changes in operating assets and liabilities	
Deferred contract costs	(26,398)
Accounts receivable	2,203
Related party receivable	(256,595)
Accounts payable	17,920
Deferred revenue	146,649
Related party payable	(199,305)
Accrued expenses	15,000
Net cash from operating activities	<u>171,451</u>
<b>Net change in cash</b>	171,451
Cash and cash equivalents, beginning of year	<u>953,851</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,125,302</u>

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

---

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations: Purchase Green Franchising, LLC, the Company, is a limited liability company under Delaware laws and franchises exclusive areas of operation to sell Purchase Green products in the artificial grass industry. All franchised stores are operated by the franchisees under franchised arrangements.

Prior to establishing the Company to handle franchise agreements, the parent, Path to Prosperity, LLC (“PTP”) had purchase supplier agreements with territory holders. While the nature may be similar in terms of benefits with exclusive territories, competitive prices, and trademarks, the legacy territory holders deal directly with PTP and have no customer relationship with the Company.

Accounting Basis: The books and records of the Company are kept using the accrual method for financial reporting purposes.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash: Cash includes cash and investments with original maturities of three months or less. The Company has cash on deposit with one financial institution, which at times during the period is in excess of federally insured limits.

Deferred Contract Costs: Deferred contract costs are contract assets that consist of costs to obtain customer contracts, such as commissions paid to sales personnel. Sales commissions relating to recurring revenues are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized over the contract term. Amortization expense is included in revenue in the accompanying statement of operations. Contract assets were \$92,747 at January 1, 2024 and \$119,145 at December 31, 2024.

Deferred Revenue: As the franchise fees only cover the means of operation during the specific term, the franchise fees received are recognized as revenue on a straight-line basis over the contract term of each area agreement, subject to the cumulative amount of revenue recognized not exceeding the amount of cash received. Deferred revenue is a contract liability that represents the amount of cash received for franchise fees in excess of the revenue recognized. Contract liabilities were \$698,730 at January 1, 2024 and \$845,379 at December 31, 2024.

Revenue Recognition: The Company grants franchise rights to franchisees for a term of 10 to 15 years. In exchange for franchise fees, the Company is obligated by its franchise agreements to provide training, an operating manual, operational assistance, marketing and advertising, and other obligations. Franchise fee revenue for the sales of individual territories is recognized when the Company has satisfied performance obligations over the franchise term. The aggregate amount of deferred revenue as of December 31, 2024 expected to be recognized as revenue in the next year is \$92,042.

Topic 606, Subtopic 952-606 provides a practical expedient that permits private company franchisors to account for opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company elected not to apply the practical expedient and rather has applied the ASC 606 guidance on identifying performance obligations over the franchise term.

---

(Continued)

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In 2024, the Company began receiving a 5% commission from PTP. This commission was based on the amount of product sales to franchisees recognized each quarter at the parent level. The Company recognized \$752,136 commission revenue for the year ended December 31, 2024. Amounts outstanding as of December 31, 2024 are included in the related party receivable on the balance sheet. The Company intends to settle related party transactions on a quarterly to bi-annual basis.

Income Taxes: The Company is a Delaware limited liability company and is treated as a disregarded entity for federal and state income tax purposes. Accordingly, no provision has been made for federal or state income taxes in the accompanying financial statements. The Company's income and expenses are consolidated under the parent, Controlled Products Acquisition Corporation for a federal tax return. The Company is subject to minimum franchise taxes in certain states plus a limited liability company fee based on revenue. This fee is de minimis for the year ended December 31, 2024.

The Company's income tax filings are subject to audit by various taxing authorities. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company is no longer subject to examination by taxing authorities for tax years before 2021.

The Company has not recorded any interest or penalties related to unrecognized tax benefits. No amounts were accrued for interest or penalties as of December 31, 2024. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Advertising: The Company expenses all advertising costs as incurred. For the year ended December 31, 2024, advertising expense was \$58,317 and is recorded in cost of sales on the statement of operations and changes in member's equity.

**NOTE 2 – RELATED PARTY RECEIVABLE**

The Company shares certain expenses with its parent company, PTP. As of December 31, 2024, there was a receivable to the related party for \$256,595, reflected as related party receivable on the balance sheet.

**NOTE 3 – FRANCHISE ARRANGEMENTS**

Under the franchise arrangement, franchisees are granted the right to operate a store using the Purchase Green system, generally for a period of 10 to 15 years. See Note 1.

**NOTE 4 – SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date the financial statements were available to be issued on April 25, 2025. There were no subsequent events that required recognition or disclosure.



**PURCHASE GREEN FRANCHISING, LLC**  
Pomona, California

**FINANCIAL STATEMENTS**  
December 31, 2023

PURCHASE GREEN FRANCHISING, LLC  
Pomona, California

FINANCIAL STATEMENTS  
December 31, 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS	
BALANCE SHEET .....	3
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT) .....	4
STATEMENT OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS .....	6

## INDEPENDENT AUDITOR'S REPORT

Member  
Purchase Green Franchising, LLC  
Dalton, Georgia

***Opinion***

We have audited the financial statements of Purchase Green Franchising, LLC, which comprise the balance sheet as of December 31, 2023, and the related statements of operations and member's equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Purchase Green Franchising, LLC as of December 31, 2023, 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 Financial Statements section of our report. We are required to be independent of Purchase Green Franchising, LLC 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 the 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 Purchase Green Franchising, LLC's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

---

(Continued)

## ***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 Purchase Green Franchising, LLC'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 Purchase Green Franchising, LLC'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.

### ***Other Information***

Management is responsible for the other information included in the franchise disclosure document. The other information comprises the information included in the franchise disclosure document but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Crowe LLP*

Crowe LLP

Atlanta, Georgia  
March 25, 2024

PURCHASE GREEN FRANCHISING, LLC  
BALANCE SHEET  
December 31, 2023

---

**ASSETS**

Current assets

Cash	\$ 953,851
Accounts receivable	2,203
Deferred contract costs, current	<u>10,344</u>
Total current assets	966,398

Deferred contract costs, long-term	<u>82,403</u>
------------------------------------	---------------

Total assets	<u>\$ 1,048,801</u>
--------------	---------------------

**LIABILITIES AND MEMBER'S EQUITY**

Current liabilities

Deferred revenue, current	\$ 80,320
Related party payable	<u>199,305</u>
Total current liabilities	279,625

Long-term liabilities

Deferred revenue, long-term	<u>618,410</u>
Total liabilities	898,035

Member's equity

	<u>150,766</u>
--	----------------

Total liabilities and member's equity	<u>\$ 1,048,801</u>
---------------------------------------	---------------------

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)  
For the year ended December 31, 2023

---

<b>Revenues</b>	\$ 80,684
Cost of sales	<u>(243,901)</u>
Gross loss	(163,217)
Operating expenses	<u>(9,246)</u>
<b>Net loss</b>	<b><u>\$ (172,463)</u></b>
Member's deficit, beginning	\$ (166,771)
Contributions	490,000
Net loss	<u>(172,463)</u>
<b>Member's equity, ending</b>	<b><u>\$ 150,766</u></b>

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2023

---

<b>Cash flows from operating activities</b>	
Net loss	\$ (172,463)
Changes in operating assets and liabilities	
Deferred contract costs	(49,808)
Accounts receivable	(2,203)
Deferred revenue	300,706
Related party payable	115,614
Accrued expenses	<u>(20,992)</u>
Net cash from operating activities	170,854
<b>Cash flows from financing activities</b>	
Contributions	<u>490,000</u>
Net cash from financing activities	<u>490,000</u>
<b>Net change in cash</b>	660,854
Cash and cash equivalents, beginning of year	<u>292,997</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 953,851</u></u>

---

See accompanying notes to financial statements.

PURCHASE GREEN FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

---

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations: Purchase Green Franchising, LLC, the Company, is a limited liability company under Delaware laws and franchises exclusive areas of operation to sell Purchase Green products in the artificial grass industry. All franchised stores are operated by the franchisees under franchised arrangements.

Prior to establishing the Company to handle franchise agreements, the parent, Path to Prosperity, LLC (“PTP”) had purchase supplier agreements with territory holders. While the nature may be similar in terms of benefits with exclusive territories, competitive prices, and trademarks, the legacy territory holders deal directly with PTP and have no customer relationship with the Company.

Accounting Basis: The books and records of the Company are kept using the accrual method for financial reporting purposes.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash: Cash includes cash and investments with original maturities of three months or less. The Company has cash on deposit with one financial institution, which at times during the period is in excess of federally insured limits.

Deferred Contract Costs: Deferred contract costs are contract assets that consist of costs to obtain customer contracts, such as commissions paid to sales personnel. Sales commissions relating to recurring revenues are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized over the contract term. Amortization expense is included in revenue in the accompanying statement of operations. Contract assets were \$42,939 at January 1, 2023 and \$92,747 at December 31, 2023.

Deferred Revenue: As the franchise fees only cover the means of operation during the specific term, the franchise fees received are recognized as revenue on a straight-line basis over the contract term of each area agreement, subject to the cumulative amount of revenue recognized not exceeding the amount of cash received. Deferred revenue is a contract liability that represents the amount of cash received for franchise fees in excess of the revenue recognized. Contract liabilities were \$398,024 at January 1, 2023 and \$698,730 at December 31, 2023.

Revenue Recognition: The Company grants franchise rights to franchisees for a term of 10 to 15 years. In exchange for franchise fees, the Company is obligated by its franchise agreements to provide training, an operating manual, operational assistance, marketing and advertising, and other obligations. Franchise fee revenue for the sales of individual territories is recognized when the Company has satisfied performance obligations over the franchise term. The aggregate amount of deferred revenue as of December 31, 2023 expected to be recognized as revenue in the next year is \$80,320.

Topic 606, Subtopic 952-606 provides a practical expedient that permits private company franchisors to account for opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company elected not to apply the practical expedient and rather has applied the ASC 606 guidance on identifying performance obligations over the franchise term.

---

(Continued)



PURCHASE GREEN FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

---

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes: The Company is a Delaware limited liability company and is treated as a disregarded entity for federal and state income tax purposes. Accordingly, no provision has been made for federal or state income taxes in the accompanying financial statements. The Company's income and expenses are consolidated under the parent, Controlled Products Acquisition Corporation for a federal tax return. The Company is subject to minimum franchise taxes in certain states plus a limited liability company fee based on revenue. This fee is de minimis for the year ended December 31, 2023.

The Company's income tax filings are subject to audit by various taxing authorities. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company is no longer subject to examination by taxing authorities for tax years before 2020.

The Company has not recorded any interest or penalties related to unrecognized tax benefits. No amounts were accrued for interest or penalties as of December 31, 2023. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Advertising: The Company expenses all advertising costs as incurred. For the year ended December 31, 2023, advertising expense was \$87,145 and is recorded in cost of sales on the statement of operations and changes in member's equity (deficit).

**NOTE 2 – RELATED PARTY PAYABLE**

The Company shares certain expenses with its parent company, PTP. As of December 31, 2023, there was a payable to the related party for \$199,305 reflected as related party payable on the balance sheet.

**NOTE 3 – FRANCHISE ARRANGEMENTS**

Under the franchise arrangement, franchisees are granted the right to operate a store using the Purchase Green system, generally for a period of 10 to 15 years. See Note 1.

**NOTE 4 – SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date the financial statements were available to be issued on March 25, 2024. There were no subsequent events that required recognition or disclosure.

PURCHASE GREEN FRANCHISING, LLC  
Pomona, California

CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2022

PURCHASE GREEN FRANCHISING, LLC  
Pomona, California

CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS	
BALANCE SHEET .....	3
STATEMENT OF OPERATIONS AND MEMBER'S DEFICIT .....	4
STATEMENT OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS .....	6

## INDEPENDENT AUDITOR'S REPORT

Member  
Purchase Green Franchising, LLC  
Dalton, Georgia

***Opinion***

We have audited the financial statements of Purchase Green Franchising, LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations and member's deficit and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Purchase Green Franchising, LLC as of December 31, 2022, 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 Financial Statements section of our report. We are required to be independent of Purchase Green Franchising, LLC 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 the 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 Purchase Green Franchising, LLC's ability to continue as a going concern for one year from the date the financial statements are 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 Purchase Green Franchising, LLC'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 Purchase Green Franchising, LLC'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.

*Crowe LLP*  
Crowe LLP

Atlanta, Georgia  
February 27, 2023

PURCHASE GREEN FRANCHISING, LLC  
CONSOLIDATED BALANCE SHEET  
December 31, 2022

---

**ASSETS**

Current assets

Cash	\$ 292,997
Deferred contract costs, current	<u>4,477</u>
Total current assets	<u>297,474</u>

Deferred contract costs, long-term	<u>38,462</u>
------------------------------------	---------------

Total assets	<u>\$ 335,936</u>
--------------	-------------------

**LIABILITIES AND MEMBER'S DEFICIT**

Current liabilities

Deferred revenue, current	\$ 48,189
Related party payable	83,691
Accrued expenses	<u>20,992</u>
Total current liabilities	152,872

Long-term liabilities

Deferred revenue, long-term	<u>349,835</u>
-----------------------------	----------------

Total liabilities	502,707
-------------------	---------

Member's deficit	<u>(166,771)</u>
------------------	------------------

Total liabilities and member's deficit	<u>\$ 335,936</u>
--	-------------------

---

See accompanying notes to consolidated financial statements.

PURCHASE GREEN FRANCHISING, LLC  
CONSOLIDATED STATEMENT OF OPERATIONS AND MEMBER'S DEFICIT  
For the year ended December 31, 2022

---

<b>Revenues</b>	\$ 32,033
Cost of sales	<u>117,609</u>
Gross loss	(85,576)
Operating expenses	<u>1,419</u>
<b>Loss from operations</b>	(86,995)
Other expenses	
Interest expense	<u>11</u>
Total other expenses	11
<b>Net loss</b>	<u>\$ (87,006)</u>
Member's deficit, beginning	(79,765)
Net loss	<u>(87,006)</u>
<b>Member's deficit, ending</b>	<u>\$ (166,771)</u>

---

See accompanying notes to consolidated financial statements.

PURCHASE GREEN FRANCHISING, LLC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the year ended December 31, 2022

---

**Cash flows from operating activities**

Net loss	\$ (87,006)
Changes in operating assets and liabilities:	
Deferred contract costs	(42,939)
Prepaid expenses	385
Deferred revenue	217,638
Related party payable	(22,383)
Accrued expenses	<u>(32,725)</u>
Net cash from operating activities	<u>32,970</u>

**Net change in cash** 32,970

Cash and cash equivalents at beginning of year 260,027

**Cash and cash equivalents at end of year** \$ 292,997

Supplemental disclosures of cash flow information

    Cash paid for interest \$ 11

---

See accompanying notes to consolidated financial statements.



PURCHASE GREEN FRANCHISING, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2022

---

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations: Purchase Green Franchising, LLC, the company, is a limited liability company under Delaware laws and franchises exclusive areas of operation to sell Purchase Green products in the artificial grass industry. All franchised stores are operated by the franchisees under franchised arrangements.

Prior to establishing the Company to handle franchise agreements, the parent, Path to Prosperity, LLC (“PTP”) had purchase supplier agreements with territory holders. While the nature may be similar in terms of benefits with exclusive territories, competitive prices, and trademarks, the legacy territory holders deal directly with PTP and have no customer relationship with the Company.

Accounting Basis: The books and records of the Company are kept using the accrual method for financial reporting purposes.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash: Cash includes cash and investments with original maturities of three months or less. The Company has cash on deposit with one financial institution, which at times during the period is in excess of federally insured limits.

Deferred Contract Costs: Deferred contract costs are contract assets that consist of costs to obtain customer contracts, such as commissions paid to sales personnel. Sales commissions relating to recurring revenues are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized over the contract term. Amortization expense is included in revenue in the accompanying consolidated statement of operations. Contract assets were \$10,097 at January 1, 2022 and \$42,939 at December 31, 2022.

Deferred Revenue: As the franchise fees only cover the means of operation during the specific term, the franchise fees received are recognized as revenue on a straight-line basis over the contract term of each area agreement, subject to the cumulative amount of revenue recognized not exceeding the amount of cash received. Deferred revenue is a contract liability that represents the amount of cash received for franchise fees in excess of the revenue recognized. Contract liabilities were \$180,386 at January 1, 2022 and \$398,024 at December 31, 2022.

Revenue Recognition: The Company grants franchise rights to franchisees for a term of 10 to 15 years. In exchange for franchise fees, the Company is obligated by its franchise agreements to provide training, an operating manual, operational assistance, marketing and advertising, and other obligations. Franchise fee revenue for the sales of individual territories is recognized when the Company has satisfied performance obligations over the franchise term. The aggregate amount of deferred revenue as of December 31, 2022 expected to be recognized as revenue in the next year is \$48,189.

Topic 606, Subtopic 952-606 provides a new practical expedient that permits private company franchisors to account for opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company elected not to apply the practical expedient and rather has applied the ASC 606 guidance on identifying performance obligations over the franchise term.

---

(Continued)

PURCHASE GREEN FRANCHISING, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2022

---

**NOTE 1 - DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes: The Company is a Delaware limited liability company and is treated as a disregarded entity for federal and state income tax purposes. Accordingly, no provision has been made for federal or state income taxes in the accompanying financial statements. The Company's income and expenses are consolidated under the parent, Controlled Products Acquisition Corporation for a federal tax return. The Company is subject to minimum franchise taxes in certain states plus a limited liability company fee based on revenue. This fee was \$1,100 for the year ended December 31, 2022 and is presented in other operating expenses on the statement of operations.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company is no longer subject to examination by taxing authorities for tax years before 2018.

The Company has not recorded any interest or penalties related to unrecognized tax benefits. No amounts were accrued for interest or penalties as of December 31, 2022. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Advertising: The Company expenses all advertising costs as incurred. For the year ended December 31, 2022, advertising expense was \$74,317.

**NOTE 2 – RELATED PARTY PAYABLE**

The Company shares certain expenses with its parent company, PTP. As of December 31, 2022, there was a payable to the related party for \$83,691 reflected as related party payable on the balance sheet.

**NOTE 3 – FRANCHISE ARRANGEMENTS**

Under the franchise arrangement, franchisees are granted the right to operate a store using the Purchase Green system, generally for a period of 10 to 15 years. See Note 1.

**NOTE 4 – SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date the financial statements were available to be issued on February 27, 2023. There were no subsequent events that required recognition or disclosure.

## **UNAUDITED FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF THIS FRANCHISE SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENTS OR FORM.**

PURCHASE GREEN FRANCHISING, LLC  
LTM UNAUDITED BALANCE SHEET BY MONTH  
As of March 31, 2025

	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Average	Mar 2024	Mar 2025	Change
<b>Current Assets:</b>																
Cash and Cash Equivalents	\$1,095,169.12	\$1,126,419.11	\$1,155,585.77	\$1,119,982.78	\$1,122,066.11	\$1,126,097.04	\$1,128,775.17	\$1,123,218.30	\$1,125,301.63	\$1,107,381.38	\$1,082,391.38	\$1,082,391.38	\$1,116,231.60	\$1,086,772.50	\$1,082,391.38	(\$4,381.12)
Accounts receivable	-	(2,083.33)	(2,083.33)	(2,083.33)	(2,083.33)	(2,083.33)	(2,083.33)	-	2,083.33	-	-	-	(868.05)	(2,083.33)	-	2,083.33
Prepaid expenses and other current assets	2,291.68	1,145.85	0.04	5,729.23	5,729.23	3,437.57	2,291.74	1,145.89	0.04	0.04	0.04	0.04	1,814.28	3,437.51	0.04	(3,437.47)
	<u>1,097,460.80</u>	<u>1,125,481.63</u>	<u>1,153,502.48</u>	<u>1,123,628.68</u>	<u>1,125,712.01</u>	<u>1,127,451.28</u>	<u>1,128,983.58</u>	<u>1,124,364.19</u>	<u>1,127,385.00</u>	<u>1,107,381.42</u>	<u>1,082,391.42</u>	<u>1,082,391.42</u>	<u>1,117,177.83</u>	<u>1,088,126.68</u>	<u>1,082,391.42</u>	<u>(5,735.26)</u>
<b>Other Assets:</b>																
Notes Receivable Intercompany	(229,491.64)	(242,067.68)	7,718.28	(14,346.95)	(21,176.07)	174,674.81	151,788.00	157,293.37	262,151.78	256,594.91	206,594.91	317,759.01	85,624.39	(178,177.98)	317,759.01	495,936.99
	<u>(229,491.64)</u>	<u>(242,067.68)</u>	<u>7,718.28</u>	<u>(14,346.95)</u>	<u>(21,176.07)</u>	<u>174,674.81</u>	<u>151,788.00</u>	<u>157,293.37</u>	<u>262,151.78</u>	<u>256,594.91</u>	<u>206,594.91</u>	<u>317,759.01</u>	<u>85,624.39</u>	<u>(178,177.98)</u>	<u>317,759.01</u>	<u>495,936.99</u>
<b>Total Assets</b>	<u>\$867,969.16</u>	<u>\$883,413.95</u>	<u>\$1,161,220.76</u>	<u>\$1,109,281.73</u>	<u>\$1,104,535.94</u>	<u>\$1,302,126.09</u>	<u>\$1,280,771.58</u>	<u>\$1,281,657.56</u>	<u>\$1,389,536.78</u>	<u>\$1,363,976.33</u>	<u>\$1,288,986.33</u>	<u>\$1,400,150.43</u>	<u>\$1,202,802.22</u>	<u>\$909,948.70</u>	<u>\$1,400,150.43</u>	<u>\$490,201.73</u>

	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Average	Mar 2024	Mar 2025	Change
<b>Current Liabilities</b>																
Accounts payable	-	-	37,686.32	10,552.40	10,552.40	49,405.20	7,640.20	20,329.65	25,560.45	-	49,142.70	45,719.55	21,382.41	-	45,719.55	45,719.55
Accrued Expenses	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	21,105.60	15,000.00	15,508.80	15,000.00	15,000.00	-
Unearned Revenue	697,539.81	719,252.44	734,815.09	723,252.74	718,232.73	699,427.69	737,753.33	731,812.29	726,234.13	718,421.63	675,670.68	668,207.57	712,551.68	718,955.02	668,207.57	(50,747.45)
	<u>712,539.81</u>	<u>734,252.44</u>	<u>787,501.41</u>	<u>748,805.14</u>	<u>743,785.13</u>	<u>763,832.89</u>	<u>760,393.53</u>	<u>767,141.94</u>	<u>766,794.58</u>	<u>733,421.63</u>	<u>745,918.98</u>	<u>728,927.12</u>	<u>749,442.88</u>	<u>733,955.02</u>	<u>728,927.12</u>	<u>(5,027.90)</u>
<b>Total Liabilities</b>	<u>712,539.81</u>	<u>734,252.44</u>	<u>787,501.41</u>	<u>748,805.14</u>	<u>743,785.13</u>	<u>763,832.89</u>	<u>760,393.53</u>	<u>767,141.94</u>	<u>766,794.58</u>	<u>733,421.63</u>	<u>745,918.98</u>	<u>728,927.12</u>	<u>749,442.88</u>	<u>733,955.02</u>	<u>728,927.12</u>	<u>(5,027.90)</u>
<b>Equity:</b>																
Members' Equity	162,317.87	162,317.87	162,317.87	162,317.87	162,317.87	150,767.87	150,767.87	150,767.87	150,767.87	622,742.20	622,742.20	622,742.20	273,573.95	162,317.87	622,742.20	460,424.33
Current Net Income	(6,888.52)	(13,156.36)	211,401.48	198,158.72	198,432.94	387,525.33	369,610.18	363,747.75	471,974.33	7,812.50	(79,674.85)	48,481.11	179,785.38	13,675.81	48,481.11	34,805.30
	<u>155,429.35</u>	<u>149,161.51</u>	<u>373,719.35</u>	<u>360,476.59</u>	<u>360,750.81</u>	<u>538,293.20</u>	<u>520,378.05</u>	<u>514,515.62</u>	<u>622,742.20</u>	<u>630,554.70</u>	<u>543,067.35</u>	<u>671,223.31</u>	<u>453,359.34</u>	<u>175,993.68</u>	<u>671,223.31</u>	<u>495,229.63</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$867,969.16</u>	<u>\$883,413.95</u>	<u>\$1,161,220.76</u>	<u>\$1,109,281.73</u>	<u>\$1,104,535.94</u>	<u>\$1,302,126.09</u>	<u>\$1,280,771.58</u>	<u>\$1,281,657.56</u>	<u>\$1,389,536.78</u>	<u>\$1,363,976.33</u>	<u>\$1,288,986.33</u>	<u>\$1,400,150.43</u>	<u>\$1,202,802.22</u>	<u>\$909,948.70</u>	<u>\$1,400,150.43</u>	<u>\$490,201.73</u>

PURCHASE GREEN FRANCHISING, LLC

Unaudited Statement of Net Income  
For the Three Months Ending Monday, March 31, 2025

	Monthly							YTD						
	Actual	Prior Year	\$Var	%Var	Budget	\$Var	%Var	Actual	Prior Year	\$Var	%Var	Budget	\$Var	%Var
Sales, net	\$168,343.45	\$160,242.15	\$8,101.30	5.06%	\$7,661.49	\$160,681.96	2097.27%	\$183,619.06	\$173,728.09	\$9,890.97	5.69%	\$22,984.47	\$160,634.59	698.88%
Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	168,343.45	160,242.15	8,101.30	5.06%	7,661.49	160,681.96	2097.27%	183,619.06	173,728.09	9,890.97	5.69%	22,984.47	160,634.59	698.88%
<b>Operating Expenses</b>														
Business Development	0.00	5,714.43	(5,714.43)	(100.00%)	4,484.00	(4,484.00)	(100.00%)	0.00	15,958.41	(15,958.41)	(100.00%)	13,452.00	(13,452.00)	(100.00%)
Professional Services	39,613.95	37,482.60	2,131.35	5.69%	10,000.00	29,613.95	296.14%	119,852.25	143,262.21	(23,409.96)	(16.34%)	30,000.00	89,852.25	299.51%
Business Registration and Taxes	573.54	475.00	98.54	20.75%	0.00	573.54	- %	573.54	475.00	98.54	20.75%	0.00	573.54	-
Financial Institution	-	83.67	(83.67)	(100.00%)	-	-	- %	-	356.66	(356.66)	(100.00%)	-	-	-
	40,187.49	43,755.70	(3,568.21)	(8.15%)	14,484.00	25,703.49	177.46%	120,425.79	160,052.28	(39,626.49)	(24.76%)	43,452.00	76,973.79	177.15%
Net Operating Income (Loss)	128,155.96	116,486.45	11,669.51	10.02%	(6,822.51)	134,978.47	(1978.43%)	63,193.27	13,675.81	49,517.46	362.08%	(20,467.53)	83,660.80	(408.75%)
<b>Other Income (Expense)</b>														
Gain or Loss on Disposal	0.00	0.00	-	- %	0.00	-	- %	(14,712.16)	0.00	(14,712.16)	-	0.00	(14,712.16)	-
	0.00	0.00	-	- %	0.00	-	- %	(14,712.16)	0.00	(14,712.16)	-	0.00	(14,712.16)	-
												0		
<b>Net Income (Loss) Before Income Taxes</b>	<b>128,155.96</b>	<b>116,486.45</b>	<b>11,669.51</b>	<b>10.02%</b>	<b>(6,822.51)</b>	<b>134,978.47</b>	<b>(1978.43%)</b>	<b>48,481.11</b>	<b>13,675.81</b>	<b>34,805.30</b>	<b>254.50%</b>	<b>(20,467.53)</b>	<b>68,948.64</b>	<b>(336.87%)</b>
<b>Income Taxes</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>- %</b>	<b>0.00</b>	<b>-</b>	<b>- %</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>\$128,155.96</b>	<b>\$116,486.45</b>	<b>\$11,669.51</b>	<b>10.02%</b>	<b>(\$6,822.51)</b>	<b>\$134,978.47</b>	<b>(1978.43%)</b>	<b>\$48,481.11</b>	<b>\$13,675.81</b>	<b>\$34,805.30</b>	<b>254.50%</b>	<b>(\$20,467.53)</b>	<b>\$68,948.64</b>	<b>(336.87%)</b>
Interest, net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes	0													
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Earnings Before Interest, Taxes, Depreciation and Amortization</b>	<b>\$128,155.96</b>	<b>\$116,486.45</b>	<b>\$11,669.51</b>	<b>10.02%</b>	<b>(\$6,822.51)</b>	<b>\$134,978.47</b>	<b>(1978.43%)</b>	<b>\$48,481.11</b>	<b>\$13,675.81</b>	<b>\$34,805.30</b>	<b>254.50%</b>	<b>(\$20,467.53)</b>	<b>\$68,948.64</b>	<b>(336.87%)</b>
<b>Gross Profit%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**EXHIBIT B-1**  
**FRANCHISE AGREEMENT**



## Franchise Agreement

This Franchise Agreement (“**Agreement**”) is entered into on [MONTH] [DATE] [YEAR] (“**Effective Date**”) by and between Purchase Green Franchising, LLC, a Delaware limited liability company, with its offices at 1925 Wright Avenue, Suite A & B, La Verne, CA 91750 (“**PGF**”) and [INDIVIDUAL(S) OR LEGAL ENTITY NAME] (to be operating under the d/b/a Purchase Green [TERRITORY]), a [ENTITY STATE, IF APPLICABLE] [ENTITY TYPE, IF APPLICABLE], whose address is [INDIVIDUAL(S) OR ENTITY ADDRESS] (“**Franchisee**”).

### Background

PGF offers and sells franchises for a business selling artificial grass, putting greens, artificial ivy and sports turfs, golf products associated with putting greens, solar lights and related installation accessories (the “**Purchase Green Business**”). PGF wants to grant to Franchisee the right to operate a Purchase Green Business (the “**Franchised Business**”) reselling PGF’s products (the “~~Products~~” or “**Products**”) using PGF’s brand and the trademarks, trade names and copyrights associated with PGF’s brand (the “**PGF IP**”) on the terms contained in this Agreement. Franchisee wants to serve as a reseller of PGF’s products in the Territory and to purchase the Products from PGF or its affiliate and use the PGF IP on the terms contained in this Agreement. Accordingly, the parties agree as follows:

### Agreement

#### 1. Grant of Franchise.

PGF hereby grants to Franchisee the right to operate the Franchised Business at the Location set forth in Section 3 and to use the PGF IP in connection with the operation of the Franchised Business. Franchisee accepts such grant under the terms set forth in this Agreement.

#### 2. Initial Franchise Fee.

Franchisee agrees to pay PGF as an initial franchise fee the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for the rights granted in this Agreement (the “**Initial Franchise Fee**”). Franchisee shall pay the Initial Franchise Fee as follows:

~~a. upon signing this Agreement. One half of the Initial Franchise Fee \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) will be paid on signing this Agreement;~~

~~b. The remainder of the Initial Franchise Fee shall be paid in twelve (12) equal monthly installments of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) each. These monthly payments will start on the first (1<sup>st</sup>) day of the month that is two (2) full months after the official showroom opening.~~



The Initial Franchisee shall not be refundable under any circumstances.

**3. Location.**

a. The location of the showroom, office and warehouse at which Franchisee shall conduct the Franchised Business is:

\_\_\_\_\_  
\_\_\_\_\_  
(the “**Location**”). If not known when this Agreement is entered into, then the ~~location~~ Location will be designated within the following area:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
; and when a specific ~~location~~ site in this area has been agreed by the parties, it shall be filled in above or deemed to be stated in this Section 3, as if originally stated here and the area described in this Section 3 shall have no further significance in relation to this Agreement. The parties agree that the target showroom opening date is \_\_\_\_\_. Franchisee shall use its best efforts to complete all steps necessary to open the showroom by such date. Franchisee shall not relocate its showroom, office or warehouse without the prior written consent of PGF.

b. Franchisee shall operate the Franchised Business only at the Location stated or provided for in Section 3(a). If the lease for that Location ends without fault of Franchisee or if the Location is destroyed, condemned or otherwise rendered unusable, PGF shall be willing to consent to relocation of the Franchised Business to a location and site acceptable to PGF. Any relocation shall be subject to obtaining PGF’s consent as to the location and lease, as provided in this Section 3.

c. Franchisee will be solely responsible to locate, lease or purchase a suitable site for the Franchised Business. Prior to acquisition by lease or purchase of any site, Franchisee shall submit a description of the proposed site to PGF, together with a landlord’s letter of intent or other evidence satisfactory to PGF which confirms Franchisee’s favorable prospects for securing the proposed site. PGF shall try to notify Franchisee within ten (10) days after receiving Franchisee’s proposal and all needed information, whether PGF consents to or withholds consent to the proposed site. Failure of PGF to respond within ten (10) days shall not constitute consent to the proposed site. Any site for the Franchised Business and all operations and activities must comply with PGF’s requirements set forth in the ~~PGF’s~~ Confidential Operating Manual, Training Manual, Standard Operating Procedures and policies and procedures PGF provides to Franchisee from time to time (collectively, the “**Operating Manual**”).

d. After receiving PGF’s written consent to the Location, Franchisee shall, subject to obtaining the prior written consent to the lease terms from PGF, execute a lease for the Location. PGF’s consent to the lease may be conditioned on the lease including terms PGF requires, which may include, but are not limited to the following and PGF shall have the right, but not the obligation, to withhold consent to Franchisee’s proposed Location if the lease does not include one or more of the following:

(i) Reservation of PGF's right, at PGF's election, to receive an assignment of the leasehold interest on termination or expiration of the franchise;

(ii) Requirement that the lessor concurrently provides PGF a copy of any written notice of deficiency or default under the lease sent to Franchisee and granting PGF the right (but not obligation) to cure any deficiency or default by Franchisee within thirty (30) days after expiration of the period within which Franchisee had to cure such default if Franchisee fails to do so;

(iii) A provision authorizing Franchisee to display the PGF IP in accordance with specifications required by PGF;

(iv) A provision allowing construction of leasehold improvements and usage meeting the requirements of this Agreement and the Operating Manual;

(v) A provision assuring that Franchisee will be free from disturbance or interference by the lessor's lender, lienholder, mortgagee or other person or entity having an interest or claim in the premises of the Location;

(vi) A provision equivalent to PGF's form of Conditional Lease Assignment or execution of such form by Franchisee and the landlord.

(vii) Such other provisions as PGF deems reasonable to require, whether generally or in the particular circumstances.

PGF's review of any proposed lease, and any consent, will not be construed as an endorsement or approval of its terms nor assurance of any particular results in the lease or at the Location.

e. If no acceptable site is found and agreed by the parties within forty-five (45) days from the Effective Date of this Agreement, or if a lease is not consented to by PGF and signed by Franchisee and a lessor and a copy provided to PGF, all within, sixty (60) days from the Effective Date of this Agreement, or if Franchisee has not started operating the Franchised Business at the Location, all within ninety (90) days from the date of this Agreement, then in any such event, on written notice from PGF, PGF may terminate this Agreement. PGF shall have no obligation to return any of the Initial Franchise Fee.

f. PGF shall have the right to require Franchisee to equip, redecorate and display signage and other indicia of the PGF brand and remove and/or avoid signage and displays PGF deems unsuitable for the Franchised Business. All of the foregoing requirements must be in accordance with standards and specifications prescribed by PGF from time to time and with the prior written consent of PGF. All replacements of such items must conform to PGF's then-current quality standards and specifications and shall be subject to PGF's consent in writing.

g. Franchisee acknowledges that maintenance of the Location and minor and/or major modification or replacement of equipment may be required by PGF from time to time and may require significant expenditures.

h. Franchisee shall indemnify and hold harmless PGF or PGF's affiliate for, and reimburse, all costs and expenses incurred by PGF or PGF's affiliate, as a result of Franchisee's failure to cure a deficiency or a default by Franchisee under the lease.

#### **4. Term and Renewal.**

a. This Agreement shall be effective as of the Effective Date and continue in effect for ten (10) years and shall expire at the close of business on the date that is the ten (10) year anniversary of the Effective Date (the "**Term**"). However, this Agreement may be terminated before expiration of the Term on the grounds provided in Section 21.

b. Franchisee shall have the option to renew the franchise for one renewal term of five (5) years, subject to meeting all of the following terms and conditions:

(i) Franchisee shall have given written notice of its desire to renew to PGF at least one hundred eighty (180) days but not more than two hundred seventy (270) days before expiration of the Term.

(ii) Franchisee shall have been in full compliance with this Agreement throughout the Term, including but not limited to provisions for payments to PGF and its affiliates continuously during the Term, at the time of delivering its written notice and at the time of expiration of the Term.

(iii) Franchisee shall, by the expiration of the Term, have proven to PGF's satisfaction that Franchisee has the right to remain in possession of the premises for the Location for the renewal term and shall have brought the Location into full compliance with the specifications and standards then applicable for a new or renewing franchised Purchase Green Business.

(iv) At least sixty (60) days prior to expiration of the Term, Franchisee shall execute a new Franchise Agreement on the form then being used by PGF in granting renewal franchises. The renewal Franchise Agreement shall provide for the term offered in the then-current Franchise Agreement, which shall commence on the date of expiration of the Term. The renewal Franchise Agreement shall be modified to provide for an initial franchise fee equal to ten percent (10%) of the initial franchise fee then being charged by PGF and Franchisee shall accompany delivery of the executed Franchise Agreement with payment of such initial franchise fee. Franchisee understands and acknowledges that the renewal Franchise Agreement may be materially different from this Agreement in any or all of its other provisions.

(v) Subject to applicable law, Franchisee and its owners shall execute a general release in favor of PGF and various persons and entities affiliated with PGF then and in the past, in a form prescribed by PGF, which shall also include a waiver of unknown claims.

(vi) Before expiration of the Term, if requested by PGF, Franchisee shall attend a re-orientation training, seminar, or workshop designated by PGF.

(vii) None of the grounds for termination provided in Section 21 shall exist at the time of expiration of the Term.

(viii) Franchisee shall have satisfied all PGF's then-current requirements for a new or renewal Franchisee. Within a reasonable time after receipt of the written notice under Section 4(d), above, PGF shall have the right to provide Franchisee with written notice of (a) any reasons PGF identifies at that time that could cause PGF not to grant a renewal; and (b) PGF's then-current requirements for a PGF showroom and warehouse. Franchisee shall comply with these requirements within the time period specified in PGF's notice.

## **5. Exclusivity.**

a. PGF grants Franchisee, and Franchisee accepts, the exclusive right to market and sell the Products in the Territory, provided that such protection shall exclude any existing businesses that market and/or sell, or have been approved to market and/or sell, the Products in the Territory as of the Effective Date. So long as Franchisee is in full compliance with this Agreement, PGF will not (i) compete with Franchisee for the sale or installation of the Products in the Territory, or (ii) except as set forth in Section 5(f)(i), grant a franchise or license to someone else for the sale or installation of the Products or the operation of a distribution facility or showroom, warehouse or office in the Territory for the sale or installation of the Products.

b. Franchisee understands and acknowledges that PGF is part of an organization that has numerous affiliated entities and may have additional and different affiliates from time to time and that affiliates of PGF may compete with Franchisee.

c. Franchisee shall not directly or indirectly source, purchase, develop, manufacture, market, recommend, display, install or sell or otherwise obtain Products for display, marketing, resale, or other form of distribution, from anyone other than PGF or supplier(s) designated by PGF, which may be affiliates of PGF, except as provided for in Section 8, whether within or outside the Territory.

d. Franchisee shall not directly or indirectly advertise, promote, market or sell any Products at any location outside the Territory. Notwithstanding the foregoing, Franchisee shall be permitted to distribute, install and arrange for installation of the Products outside the Territory, so long as Franchisee does not market or sell the Products outside the Territory without specific written authorization from PGF, and in no event shall Franchisee conduct marketing activities in a territory owned by another franchisee. Franchisee may be required by PGF to cease activity outside the Territory that is described in this Section 5(d), in geographic areas that PGF grants to others as franchisees. PGF is not restricted from granting a territory or territories outside the Territory to others, including in geographic areas adjacent to the Territory.

e. Notwithstanding anything contained in this Section 5, Franchisee is not restricted from selling Products at Franchisee's Location to any customer who visits the Location, regardless of whether the customer's delivery or installation location is inside or outside the Territory, and Franchisee may perform the delivery and installation for such customer. PGF and other franchisees are not restricted from selling Products at the Location to any customer who visits the Location, regardless of whether the customer's delivery or installation location is inside the Territory and other franchisees and PGF and other franchisees may perform the delivery and installation for such customers even in the Territory.

f. PGF reserves the rights for itself and its direct and indirect parent and affiliated entities, regardless of the above exclusivity, to: (i) sell the same or related services, products and equipment outside the Territory; (ii) license others to sell the same or related services, products and equipment (but not through Purchase Green Businesses) whether within or outside the Territory, provided that if any such third party is licensed to operate within the Territory after the Effective Date, then that third party may elect to purchase Products for resale in the Territory from Franchisee; (iii) offer to the public separately, jointly or with others, related services and/or products of every kind, using the PGF IP and know-how, all outside the Territory; (~~iii~~v) establish, operate and license others to establish and/or operate franchised or other businesses anywhere adjacent to, or outside, the Territory on terms PGF elects; (~~iv~~v) develop and establish other business systems which could distribute products or services similar to those offered by Franchisee, using names or marks other than the PGF trademarks, within or outside the Territory, and grant licenses to use those systems; (~~v~~vi) advertise and promote Products anywhere, including in the Territory; (~~vi~~vii); acquire assets or minority or controlling ownership of businesses identical or similar to the ~~business conducted by Franchisee;~~ (~~vii~~Franchised Business; (viii) acquire other businesses, and/or be acquired by a business, whether identical or similar to Purchase Green Businesses, even if the other business operates, franchises and/or licenses competitive businesses in or near the Territory; (~~viii~~ix) subject to subsection (h) below, contract with, sell to or enter into strategic alliances or similar relationships with National Accounts, which may have locations in the Territory, to directly or indirectly use for themselves or provide Products and related services to others; (~~ix~~x) use the marks in promotion and marketing to identify products and services distributed at any location, including sales through such channels as retail locations, home improvement and hardware stores, distributors, the Internet, catalog sales, telemarketing, or other direct marketing sales; (~~x~~xi) use and license the use of other marks (dissimilar from PGF trademarks) in the sale of products and services (other than the Products) similar to, or different from, those Franchisee sells, whether in alternative channels of distribution, in businesses the same, or similar to, or different from Purchase Green Businesses, at any locations, and on any terms, without granting Franchisee any rights to thereto; and (~~xi~~xii) engage in any activities not expressly prohibited in this Agreement.

g. For purposes of this Section 5, a “**National Account**” is a business, organization, government or quasi-government entity or other entity that has operations or represents a customer-base, directly or through others, or is an architect, contractor, designer, installer, end user of products, reseller or consultant, operating in two or more franchise territories, or with at least ten (10) locations, and has a National Account relationship with PGF or an affiliate of PGF. A National Account relationship includes any contractual relationship, strategic alliance or similar relationship with PGF or an affiliate of PGF to provide Products and related services to National Account locations for use or resale or to provide endorsements, assignments or referrals for Products and related services to customers.

h. PGF shall provide Franchisee an opportunity to provide Products and related services to National Accounts at locations in the Territory or to a customer in the Territory endorsed, assigned or referred to PGF by the National Account on terms in a National Account relationship (e.g., qualifications, conditions for availability, installation expertise, price, discounts, and other requirements.) If, within ten (10) days of contacting Franchisee, Franchisee is unable to provide the Products and related services or does not elect to provide the Products and related services on such terms, then PGF, PGF’s affiliate or designees, including other franchisees or

distributors, may do so. Failure or refusal by Franchisee to serve a National Account with respect to one transaction shall not constitute a failure or refusal by Franchisee to serve said National Account with respect to subsequent transactions but after PGF arranges for another party to service a particular National Account, that provider may continue to do so and so long as the other party services the National Account, PGF is not required to offer that opportunity to Franchisee. If Franchisee fails or refuses to serve a National Account, Franchisee will not be entitled to receive compensation from PGF or other party providing products and services to such National Account with respect to the specific underlying transaction. PGF is not required to refer to Franchisee a National Account that expresses a preference for another provider, whether on its own initiative or in response to an inquiry from PGF or its affiliates.

## **6. Franchisee Responsibilities.**

Franchisee shall:

- a. Operate the Franchised Business in compliance with the provisions, standards and procedures contained in this Agreement and in the Operating Manual.
- b. Provide PGF reasonable advance notice of purchase orders expected from outside Franchisee's customary ordering patterns.
- c. Buy at least the minimum quantity(s) of Products from PGF set forth in Exhibit B ("**Minimum Quantities**"). The Minimum Quantities shall increase on an annual basis as set forth in Exhibit B.
- d. Maintain an inventory of Products at all times sufficient to meet demand for each current and following month of reasonably projected sales in the Territory.
- e. Promote the sale of Products to homeowners, landscape designers, and installation contractors, through, but not limited to, advertising, open houses, home shows, trade shows and other events, and operate the showroom, using PGF-approved advertising and sales promotion materials. Franchisee must register for, attend, and advertise at ~~at least~~ a minimum of two (2) trade or home shows per year, at least one in the Spring and one in the Fall. Franchisee shall submit to PGF, for PGF's approval within the time period PGF specifies, a list of trade shows at which Franchisee proposes to attend and advertise.
- f. Maintain the Location as a showroom, sales office and warehouse for display of and sales of all Products. Artificial grass samples shall be at least 16" x 35" in size, or as otherwise approved by PGF.
- g. Establish and maintain the Location, and any additional business location(s) approved in writing by PGF for the display, presentation and sale of Products and, with regard to the warehouse, for inventorying and storage of Products, within the Territory at the location(s) approved in writing by PGF and not at any other location(s). PGF reserves the right to withhold approval of a proposed showroom and/or warehouse location that does not meet location criteria in the Operating Manual.

h. Open the showroom to the public and fully staff the showroom at least fifty (50) hours per week Monday through Friday during the first twelve (12) months of operation and increasing to fifty-six (56) hours per week Monday through Saturday thereafter, appropriately reduced for weeks in which holidays are observed. PGF shall have the right to modify the minimum days and hours the Location must be open in the Operating Manual.

i. Extend to customers PGF's warranty for Products in effect at the time of retail sale. Franchisee acknowledges that no other warranty by PGF or any affiliate of PGF is expressed or implied. Franchisee shall not purport to bind PGF or its affiliate to any warranty in excess of PGF's warranty.

j. Properly staff and train sales personnel in all information of, about and regarding proper installation, maintenance and use of Products.

k. Explain to customers the proper installation, use and maintenance instructions for the Products in accordance with PGF's written instructions.

l. Ensure compliance with customer service benchmarks and performance standards in the Operating Manual and other operating procedures, memoranda and instructions PGF provides from time to time. Regardless of Section 7(h), if Franchisee fails to materially comply with a PGF's performance standards, whether due to insufficient staff, untrained or insufficiently trained staff, failure regarding operating hours, inadequate inventory, or other reason, or is in material breach of this Agreement, or of a requirement in the Operating Manual, then without waiving the breach, and in addition to other remedies, PGF reserves the right to service Franchisee's leads as PGF sees fit regardless of whether they are in the Territory, without any obligation to Franchisee, until a time after acceptable performance standards (as determined by PGF) are reestablished and maintained by Franchisee (but without assurance, and the foregoing does not imply, that this Agreement will continue in effect and not be terminated before such time).

m. Devote full time and attention to managing and supervising operation of the Franchised Business. If PGF allows Franchisee to devote less than full time, which PGF may decline to do in its reasonable discretion, then Franchisee must employ and retain an individual who shall be vested with the authority and responsibility for the day-to-day operations of the Franchised Business (the "**Manager**"). The Manager must always meet the following qualifications: (i) actively supervise and manage the ~~business~~ Franchised Business on a full time basis and devote his or her full time and commercial best efforts solely to operation of the Franchised Business and to no other business activities; (ii) meet PGF's criteria for such position, as set forth in the Operating Manual or otherwise in writing by PGF; and (iii) successfully complete the initial and any other training program designated by PGF to PGF's satisfaction. If Franchisee is a business entity, Franchisee must designate a Manager acceptable to PGF who will be principally responsible for communicating with PGF about operational and other ongoing matters concerning the Franchised Business. If Franchisee operates more than one (1) franchised Purchase Green Business, Franchisee shall devote at least a forty (40) hour work week among all the Purchase Green franchised Businesses Franchisee operates and employ at least one (1) Manager for each such business.

n. Ensure that, at all times, Franchisee's primary showroom employee has completed PGF's then-current training requirements and satisfied PGF regarding his or her Product and operational knowledge. This includes prior to the opening the showroom and warehouse for business and applies with regard to any subsequent primary showroom employee.

o. Operate the Purchase Green Business in compliance with all terms of this Agreement and the Operating Manual. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Purchase Green Business, including over Franchisee's employees, and under no circumstance shall PGF do so or be deemed to do so. Franchisee acknowledges and agrees the various requirements, restrictions, prohibitions, specifications and procedures of the Purchase Green Business, all of which Franchisee must comply with under this Agreement, the Operating Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that PGF controls any aspect or element of day-to-day operations of the Franchised Business, but are only standards which Franchisee must satisfy in exercising Franchisee's control over the day-to-day operations of the Franchised Business.

p. Properly store, maintain and care for all Products held for potential sale or for which any amount is owed to PGF or its affiliate, to assure their proper quality when provided to customers and to protect against damage to appearance and quality and from loss from any cause.

q. Obtain and maintain comprehensive general liability and professional liability and other insurance in accordance with Section 26.

r. Pay PGF a monthly fee for the Adtrack platform comprising two phone numbers, one for voice calls and another for Internet marketing, call recording for quality control, roll-over call support and a business intelligence dashboard provided and owned by PGF. Franchisee understands that at the time of entering into this Agreement, the monthly fee for Adtrack is \$140. In view of the 10-year duration of this Agreement, PGF shall have the right to increase the fee for Adtrack proportionally to changes in the actual cost per line and cost per minute paid to outside vendors for this service or any other reasonable basis. The base year cost is ~~based upon a cost of~~ \$10 per phone number, \$.08 per minute and \$30 per month per business intelligence dashboard.

s. Cooperate with PGF in PGF's review of Franchisee's performance, which may occur annually or at other frequency and/or intervals as PGF determines and cooperate in other programs or matters pertaining or relating to administration by PGF of this Agreement.

t. Not perform installation or other services or activities without having all licenses, permits and other authorizations required by laws and regulations applicable to Franchisee and the Franchised Business and making sure at all times to be in possession of all licenses, permits and other authorizations required to conduct and operate the Franchised Business.

u. Not purport to act as an agent of PGF or purport to incur any obligation or make representations on behalf of PGF.



v. Provide PGF a valid reseller permit and maintain the permit in good standing at all times. Franchisee acknowledges being aware that if at any time Franchisee lacks a valid reseller permit, then without waiving this breach and in addition to other remedies, PGF or its affiliate may decline to make sales and/or may add sales tax to sales made to Franchisee.

w. Submit proposed and planned advertising and marketing materials for the Products to PGF for pre-approval and not use any advertising and/or marketing materials prior to receiving approval from PGF, which approval shall not be unreasonably withheld or delayed.

x. Act in good faith in the performance of this Agreement.

y. Use Franchisee's commercial best efforts to carry out all Franchisee's responsibilities and obligations under this Agreement.

## **7. PGF Responsibilities.**

PGF shall:

a. Loan to Franchisee a printed copy of or provide Franchisee with electronic access to the Operating Manual. Franchisee may use the Operating Manual only as provided in this Agreement.

b. Provide Franchisee electronic access or access in another manner that PGF deems appropriate to PGF's Learning & Management library.

c. Endeavor to maintain or have its affiliate maintain an inventory of Products to be able to fulfill Franchisee orders for the Products within a reasonable time, and provide Franchisee notice of any likely out of stock conditions.

d. At PGF's cost, build, host and manage a website or store page for Franchisee on PGF's website, currently and presently expected to remain located at [www.purchasegreen.com](http://www.purchasegreen.com).

e. Create and maintain a local business listing, with Franchisee's cooperation.

f. At PGF's cost, build and manage a pay-per-click campaign for Franchisee to service the Territory.

g. Provide Franchisee access to corporate web analytics data received by PGF concerning Franchisee.

h. Forward to Franchisee substantially all consumer leads in the Territory, generated from PGF's website, Franchisee's hosted website, a pay-per-click campaign, and other forms of advertising in which PGF or Franchisee choose to participate.

i. For a monthly fee as set forth in this Agreement, provide Franchisee with an Adtrack phone number (owned by PGF), associated ad group and call recording and business intelligence dashboard as well as roll-over call support.

j. Pay for and provide Franchisee with a marketing automation platform user account for lead and call management provided PGF shall have the option to change or upgrade the platform from time to time upon notice to Franchisee and to bill Franchisee for these services.

k. Provide PGF-developed artwork for advertising and marketing materials for contractor and homeowner sales.

l. Provide Franchisee with training for up to three (3) persons and support to include: warehouse requirements and setup; Product display; accounting setup and administrative support; inventory management; suggested pricing structures; and guidance on Product knowledge and installation procedures. If PGF determines that Franchisee or a person associated with Franchisee is unable to satisfactorily complete any part of training, PGF can require attendance at additional training to prove the ability to operate the Franchised Business to PGF's satisfaction or require Franchisee or a new approved designee to complete the training subject to PGF's then-current training requirements, or PGF may, at its option, terminate this Agreement upon notice to Franchisee.

m. Have the right to require Franchisee and personnel of Franchisee to attend and successfully complete new or refresher training at locations PGF designates. Such training may be conducted specifically for such persons or for a broader group of persons. Provided Franchisee is in full compliance with the Franchise Agreement, attendance shall not be mandatory at more than one (1) such additional or refresher training program in any calendar year and any such program shall not exceed five (5) business days in duration in any calendar year. Franchisee shall bear all expenses, including, without limitation, travel, lodging, meals and salaries in connection with attendance at such training programs.

n. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate the Franchised Business rest solely with Franchisee. ~~Franchisor~~PGF may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone shall establish all requirements, consistent with the policies of ~~Franchisor~~PGF, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, including minimum wage requirements, record keeping, including authorization of persons to work in the United States, supervision, and discipline of employees; (ii) the customers to whom Franchisee will offer and sell Products; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Franchised Business for which ~~Franchisor~~PGF has not established designated or approved suppliers.

## **8. Purchase and Supply of Products.**

a. PGF agrees to sell or arrange for its affiliate and/or other supplier(s) ("**Designated Suppliers**") to sell to Franchisee, and Franchisee agrees to buy from Designated Suppliers, the Products.

b. PGF shall have the right at any time(s) to introduce new products, withdraw authorization for Franchisee to offer and sell certain products (but if Franchisee objects to the withdrawal, Franchisee may request to continue to offer and sell such products, and PGF shall consider the request in good faith), stop and cause other Designated Suppliers to stop

manufacturing or sales of existing products, modify products, and make any other kinds of changes to the products and combinations of products, and to make changes to prices, in each case without consulting Franchisee and without obligation or liability to Franchisee. PGF shall provide Franchisee or inform Franchisee of the existence of updated and reviewed versions and new versions of the Products from time to time, reflecting such changes. Updates are deemed to occur pursuant to and do not constitute amendments to this Agreement.

c. PGF shall use reasonable efforts to notify Franchisee of changes to any of the Products at least thirty (30) days in advance but is not obligated to do so.

d. If Franchisee proposes to use or obtain products or services not approved by PGF, or from a source not designated by PGF as an approved supplier, Franchisee must request PGF's approval and submit specifications, photos, samples and other information PGF may request. PGF will determine if the item, service or supplier meets PGF's specifications and standards and notify Franchisee if Franchisee may use the proposed product or service or supply. It is estimated that it will take PGF between three (3) to six (6) months to review the proposed supplier and provide notification of its decision. Franchisee understands and agrees that this subsection d. and subsection e. below shall not apply to the Products which are available from Designated Suppliers, except as otherwise provided in this Agreement.

e. The parties acknowledge that Franchisee may identify a proposed item, service or supplier that may be, appears to be or is competitive with, equal to or better in terms of price, quality, features or service than items, services or suppliers approved by PGF. PGF has or could have at the time broader, longer term and other interests to advance, including but not limited to standardization and uniformity among franchisees, maintaining and growing volume of purchases with particular supplier(s), long-term supplier relationships, supply to a wider range of franchisees reliability of supply, distribution of products and services of PGF and affiliates, and other interests, PGF shall have the right, in its sole discretion, to decline approval of such item, service or supplier.

f. Franchisee understands and agrees that suppliers may offer or be willing to pay rebates, commissions or other consideration to PGF in connection with Franchisee's purchase of products or services, including the Products, and that PGF shall be entitled to receive and keep such payments without any obligation to account for or be subject to any restrictions.

g. Franchisee shall place orders for Products, using PGF's or the Designated Suppliers' then-current form of purchase order ("**Purchase Order**"). Franchisee may, in whole or in part, cancel or amend a Purchase Order submitted to PGF or a Designated Supplier for usual quantities of standard merchandise, up to the time when the product leaves PGF's or the Designated Supplier's warehouse for delivery to Franchisee.

h. If any government authority imposes sales or other taxes on account of sales of products to Franchisee, PGF can charge and collect this tax from Franchisee.

## **9. Failure to Purchase Minimum Quantities.**

a. If at any time, Franchisee fails to purchase Minimum Quantities, and PGF or a Designated Supplier or Suppliers has or have been ready, willing, and able to deliver the

Product in at least Minimum Quantities, then as a remedy for such breach, on each occasion, and without waiving PGF's other rights and remedies under this Agreement, Franchisee shall pay PGF on demand, an amount equal the shortfall between the Minimum Quantity and the actual amount ordered. The time of payment of such amount shall be within ninety (90) days after the end of the Minimum Quantities annual period.

#### **10. Failure to Fulfill Purchase Requirements.**

a. If (a) PGF or a Designated Supplier fails to supply Franchisee with Product in quantities ordered by Franchisee pursuant to properly submitted Purchase Orders, (b) PGF or the Designated Supplier has been given a reasonable period of time to fill such orders, (c) Franchisee has given PGF written notice of such failure, (d) Franchisee is ready, willing and able to buy and timely pay for the Product in such amounts, (e) Franchisee is current on all amounts due to PGF and the affiliate and all other suppliers and creditors, and (f) Franchisee is otherwise in material compliance with this Agreement, then, Franchisee shall have the temporary right to obtain only the portion of Franchisee's then present order (including quantity) not able to be fulfilled by PGF or the Designated Supplier (but not stocking of material future inventory) of such unavailable Product (or comparable product) from other suppliers. Franchisee shall notify PGF in writing of the exercise of such right and shall keep PGF fully informed in writing of the supplier, product involved, quantity(s) ordered and purchased, order and delivery dates. Franchisee shall obtain PGF's approval for the substitute supplier as set forth in Section 8(d). Products purchased by Franchisee from alternate suppliers pursuant to and in full compliance with the provisions of this Section 10 shall count toward the Minimum Quantities required under this Agreement.

b. The temporary right in Section 10(a) to purchase from alternative suppliers is limited to only to the Product and quantity and only during such time that PGF or the Designated Supplier is unable to supply the Product. As soon as PGF or the Designated Supplier notifies Franchisee that the Designated Supplier is able to supply such Product, the temporary right automatically expires and the requirement to purchase exclusively from PGF or the Designated Supplier resumes. These provisions of this Section 10 are Franchisee's sole right and remedy for failure of PGF or a Designated Supplier to supply any Product.

#### **11. Delivery of Products / Shipping.**

PGF or the Designated Supplier shall deliver the Products to a location designated by Franchisee in the applicable Purchase Order (the "**Delivery Point**") which shall normally be the Location. PGF or the Designated Supplier will use commercially reasonable efforts to ship Product(s) within to two (2) business days of receipt of a Purchase Order. The Designated Supplier shall be responsible for the Products, and all risk of damage, loss, or delay of delivery, until the Products are delivered at the Delivery Point. Once the Products delivered to the Delivery Point, Franchisee bears all responsibility for and risk of loss or damage. If Franchisee chooses to accept delivery at PGF's or the Designated Supplier's warehouse, PGF's or the Designated Supplier's warehouse shall be the Delivery Point for purposes of this Section 11.

#### **12. Warranty and Limitation of Remedies; Disclaimer.**

a. PGF warrants, or will cause to be warranted, that Products supplied by PGF or the Designated Supplier shall be free from material defects as indicated on its standard limited warranty. PGF or the Designated shall have the right to modify its standard limited warranty from time to time in its discretion; provided Franchisee shall always provide extended warranty provisions that are at least comparable to those general terms provided to other customers of PGF or the Designated Supplier.

b. If a warranty claim is made, PGF's and the Designated Supplier's entire liability, and Franchisee's exclusive remedy, shall be, at Franchisee's option, to replace the defective Product within a reasonable time after written notification and return of the defective Product to PGF or the Designated Supplier, or a credit in the amount equal to the original invoiced amount for the defective Product.

c. THE WARRANTIES MADE UNDER THIS SECTION 12 ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY, IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ANY IMPLIED WARRANTY ARISING OUT OF A COURSE OF DEALING OR OF PERFORMANCE, CUSTOM OR USAGE OF TRADE, EXCEPT OF TITLE AND AGAINST PATENT INFRINGEMENT.

### **13. Inspection and Acceptance.**

a. Franchisee must inspect any delivery of Products received from PGF or the Designated Supplier and notify PGF or the Designated Supplier in writing within one (1) day after delivery, of all defects that are or would be apparent in any such an inspection. Franchisee must notify PGF or the Designated Supplier in writing within five (5) days after delivery, of all defects not apparent upon receipt of the Products. If Franchisee fails to notify PGF or the Designated Supplier of defects within such time periods, the shipment of Products shall be deemed accepted. Franchisee shall allow PGF or the Designated Supplier to inspect any Products alleged to be defective. If Franchisee believes there is a defect in the Product(s) and notified PGF or the Designated Supplier as required in this Section 13, then at PGS's the Designated Supplier's request, Franchisee must ship such Products to PGF or the Designated Supplier; provided, however, PGF or the Designated Supplier shall pay any freight charges for such shipment.

b. PGF or the Designated Supplier shall supply Products to Franchisee at prices specified in PGF's or the Designated Supplier's price list, published from time to time. The price of each Product includes packaging costs, applicable taxes (excluding sales tax, as Franchisee will make purchases using a valid resellers permit), customs duties, export duties, or similar tariffs or fees PGF or the Designated Supplier may be required to pay or collect. Franchisee will not be charged for insurance or storage of Products by PGF or the Designated Supplier. PGF or the Designated Supplier may update the price sheet annually or sooner if the price of raw materials, fabrication, ocean transit charges, duties, labor, insurance, or other inputs increase.

c. PGF or the Designated Supplier will send invoices to Franchisee, and Franchisee shall pay PGF or the Designated Supplier, at the address stated on the invoice. Franchisee shall pay in full within fifteen (15) days of invoice date, except that payment prior to shipment shall be required until the Initial Franchise Fee has been paid in full. Title in and to the

Products shall pass from PGF or the Designated Supplier to Franchisee on Franchisee's possession of the Products (i.e., at the time of pickup, if the Products are picked up at PGF's or the Designated Supplier's location, or at the time of delivery to and acceptance by, Franchisee, if the Products are shipped by a carrier arranged by PGF or the Designated Supplier.)

d. If Franchisee does not fully and timely pay open invoices, PGF or the Designated Supplier has the right to require prepayment to PGF or the Designated Supplier of invoices prior to shipment of Products.

~~e.~~

e. ~~f.~~Invoices and any amount not paid within thirty (30) days of the invoice date will incur a one percent (1%) per month finance charge (or the highest rate permitted by applicable law) assessed against the unpaid balance from the date due, until paid. This charge is not permission for late payment and does not excuse the breach.

f. ~~g.~~PGF or the Designated Supplier may set a credit limit and payment terms and may modify the limit and terms to protect PGF's or the Designated Supplier's interest.

g. ~~h.~~Payment to PGF or the Designated Supplier shall be by cash, check or ACH payment. Payment by credit card will incur a three percent (3%) convenience fee. PGF or the Designated Supplier shall have the right to limit payment methods and/or designate a specific method. When PGF or the Designated Supplier permits or requires payment by ACH, Franchisee shall execute and deliver to PGF or the Designated Supplier the authorization(s), pre-authorized check forms and other instruments or drafts required by PGF's or the Designated Supplier's bank, to enable PGF or the Designated Supplier to draw amounts from Franchisee's bank account(s) payable to PGF or the Designated Supplier. If a payment instrument or attempt is refused for insufficient funds or other reason, PGF or the Designated Supplier may, at its discretion, attempt to process the charge again and charge an additional processing fee. PGF or the Designated Supplier shall have access to the account for the purpose of receiving payment for invoices and other amounts which Franchisee owes to PGF or the Designated.

h. ~~i.~~Any check or other payment instrument returned as unpaid for any reason shall incur a rejected payment fee. As of the Effective Date, the fee amount is one percent (1%) of the check or other payment per month plus fifty dollars (\$50), provided PGF or the Designated Supplier may increase this fee from time to time and further provided that the amount charged shall not exceed the highest amount or rate permitted under applicable law.

#### **14. Intellectual Property.**

a. PGF grants Franchisee a non-exclusive, non-transferable, non-sublicensable, non-divisible license to use the PGF IP in the normal course of reselling the Products and performing related services under this Agreement.

b. PGF reserves all rights to the PGF IP, except as specifically granted to Franchisee in this Agreement. PGF may exercise reserved rights at any time. PGF has the right to terminate Franchisee's right to use any of the properties comprising PGF IP at any time upon written notice to Franchisee.

c. Franchisee shall not have a website for the Franchised Business separate from PGF-owned website(s) (at the time of entering into this Agreement - www.purchasegreen.com).

d. Franchisee shall use the PGF IP specified by PGF on the Products and in advertising Products. PGF will cooperate with Franchisee's marketing, advertising, and packaging personnel to coordinate use of PGF IP, and any other text that mentions PGF. The Products shall not be relabeled, rebranded or repackaged in a way that conceals that they are the Products. Franchisee shall not make any change to marketing, advertising, or packaging without prior written approval of PGF.

e. Franchisee is not entitled, by implication or otherwise, to any title, interest or goodwill in any of the PGF IP. All goodwill arising from or developed from Franchisee's use of PGF IP shall belong solely to PGF.

f. Franchisee's license to use the PGF IP is limited by the terms of this Agreement. Franchisee shall always comply with all restrictions and limitations imposed by PGF from time to time.

g. Franchisee shall not use PGF's name as part of Franchisee's name or in any manner that may misrepresent or may confuse others about the relationship between Franchisee and PGF, except as provided herein.

h. Franchisee will be identified as "**Purchase Green [TERRITORY NAME]**" or mutually agreed equivalent, on PGF's website, printed literature, and elsewhere that PGF identifies Franchisee. Franchisee shall use this identifier in marketing and sale of the Products. Franchisee shall promptly obtain all approvals and make all filings required by any government authority to use this identifier. Franchisee shall not use a different identifier without first obtaining written consent from PGF.

i. Franchisee shall prominently state in all printed materials that identify Franchisee: "An Independently Owned, Authorized Purchase Green® Franchisee."

j. Any installation contract or contract for services must list Franchisee's legal business name, as stated in subsection h above. Contracts entered into by Franchisee shall not include or omit any term or phrase or content or disclosure, that may lead a customer to believe the customer is contracting with PGF.

k. If Franchisee becomes aware of or suspects any third-party infringement of the PGF IP, Franchisee shall promptly inform PGF and provide sufficient details (to the extent in Franchisee's possession) to identify the actual or potential infringement. PGF shall have the right to take or not take action as PGF deems appropriate and shall have no obligation to take any action or any particular action. Franchisee shall not take any action with regard to a potential or actual infringement without PGF's prior written consent.

l. Franchisee must notify PGF within three (3) business days of becoming aware of any action, claim or demand against Franchisee relating to its use of the PGF IP. At its option, PGF or its licensor may exclusively defend and control the defense of any litigation or

proceeding relating to the PGF IP. Franchisee shall not take any action with respect to such actions, claims or demands, without PGF's prior written consent. Franchisee agrees to sign any documents and take any other reasonable action that, in the opinion of PGF's (or its licensors') attorneys, are necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain PGF's or our licensor's interests in the PGF IP.

m. If it becomes advisable at any time, in PGF's discretion, to change or stop using any of the trademarks, copyrighted works or any of the PGF IP or adopt or use one or more additional or substitute trademarks or additional or substitute PGF IP, then Franchisee shall conform all use to the manner requested by PGF. PGF shall not have any obligation to pay or reimburse Franchisee for expenses associated with any such changes and Franchisee waives any other claim arising from or relating to any such change.

n. Franchisee shall not commit or permit acts or things that conflict with PGF's rights in the trademarks, any copyrighted works or other PGF IP and shall not contest or assist any person or entity to contest validity or PGF's ownership in and to any of the PGF IP. Franchisee shall not apply for or accept any registration in any of the PGF IP. Franchisee agrees to execute any document that PGF requests of Franchisee to protect PGF's interests in and to the PGF IP.

## **15. Operating Manual.**

a. Franchisee must at all times treat the Operating Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as Confidential Information. Franchisee must maintain the information as secret and confidential, in accordance with Section 16 of this Agreement and including, without limitation, the following: Franchisee must not, at any time, without PGF's prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, and not make any of these available to any unauthorized person. The persons who are authorized include management personnel who have executed the Employee Non-Competition and Non-Disclosure Agreement, attached as Exhibit D.

b. The Operating Manual shall at all times remain PGF's sole property. Franchisee must return the Operating Manual to PGF immediately on expiration or termination of this Agreement.

c. The Operating Manual will contain specifications, standards, operating procedures and rules for operating the Franchised Business and information relative to Franchisee's obligations. PGF may, from time to time, revise the contents of the Operating Manual when PGF considers revisions to be necessary or useful to improve or maintain standards for Purchase Green Businesses, and Franchisee agrees to comply with each new or changed standard. Revisions to contents of the Operating Manual shall be deemed effective ten (10) days after the date of mailing or providing the of the revision electronically, unless PGF specifies another earlier or later effective date.

d. PGF may modify standards for any particular franchisee based on circumstances PGF considers appropriate. PGF's modifications of standards for a particular franchisee does not mean Franchisee will be permitted to follow the modified standard, and



Franchisee acknowledges and agrees PGF is not required to provide Franchisee with a like modification of such standard.

## **16. Protection of Confidential Information.**

a. Any and all information, knowledge and know-how, including, without limitation, operating procedures, sources of supplies, equipment, specifications, techniques, and other data that PGF designates as confidential shall be deemed Confidential Information, except information which Franchisee demonstrates that Franchisee knew prior to disclosure by PGF to Franchisee; or which, at the time of disclosure by PGF to Franchisee, was already part of the public domain through publication by others who are not bound by such confidentiality obligations; or which, after disclosure to Franchisee by PGF, becomes part of the public domain through legal publication by others, but only from and after the time of such publication.

b. Franchisee must not, during the term of this Agreement or at any time after, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or entity any Confidential Information which may be communicated to Franchisee, or which Franchisee may learn by operating the Franchised Business under this Agreement. Franchisee may divulge Confidential Information only to those of Franchisee's employees or officers and directors who must have access to it to perform their work operating the Franchised Business.

c. Franchisee must require all personnel having access to any know-how or Confidential Information provided by PGF, or otherwise having a role in operating the Franchised Business, to execute written covenants to maintain the confidentiality of information they receive in their employment or engagement by Franchisee, in substantially the form attached as Exhibit D or other form approved in writing by PGF. The covenants must expressly identify PGF as a third-party beneficiary of such covenants with the independent right to enforce them.

d. Franchisee acknowledges and agrees that any actual or threatened failure to comply with requirements of this Section 16 will cause PGF immediate and irreparable injury, not fully compensable or remediable by payment of money damages, permitting PGF with or without notice to seek and obtain immediate injunctive relief without need to post a bond. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by PGF when PGF seeks specific performance or an injunction or other relief against threatened or actual violation by Franchisee of the requirements of this Section 16.

e. This Section 16 supplements and is additional to and does not supersede any previously executed Confidentiality and Non-Disclosure Agreement between the parties. The obligations under any such multiple agreements shall be cumulative.

## **17. Advertising.**

a. Franchisee must use for Franchisee's advertising and promotion activities only materials, concepts and programs provided by PGF or approved in advance by PGF, which approval will not be unreasonably withheld or delayed. For any proposed materials PGF has not approved, Franchisee must submit the materials to PGF for PGF's review. PGF will try to notify Franchisee within five (5) business days after receipt of the proposed advertising and promotion materials whether they are approved. Proposed materials are not approved unless and until PGF

provides written approval. Any advertising materials Franchisee submits for review become PGF's property (to which Franchisee has a license as long as this Agreement is in effect), and PGF may use or distribute these in any manner PGF deem appropriate, including permitting use by other franchisees, without compensation or attribution to Franchisee.

b. At PGF's option, PGF may establish one or more websites to advertise, market and promote the Purchase Green brand and/or Purchase Green Businesses, and/or the Purchase Green franchise opportunity. Franchisee must not maintain an internet website or otherwise maintain a presence or advertise on the internet or other computer network without PGF's prior written consent. PGF will establish Franchisee's internet domain name and website, which will at PGF's discretion, be a page or portion within PGF's website, or a website separate from PGF's website with a distinct domain name. PGF will have sole authority to establish the domain name and website. Franchisee must assist PGF in customizing the website for the Franchised Business. PGF shall have the rights, at all times, for PGF or its designee to own the website and domain name for the Franchised Business, edit its contents and/or suspend its accessibility in whole or in part.

c. Franchisee must conduct local advertising in the Territory, using vendors approved by PGF. PGF will provide Franchisee promotional materials including, without limitation, business cards, and on each occasion an initial starting supply of brochures. If Franchisee wishes to purchase additional copies of these materials, Franchisee agrees to pay PGF's then-applicable duplication costs.

d. Franchisee agrees to spend each calendar quarter for advertising in the Territory, an amount equal to at least the lesser of (i) two percent (2%) of Franchisee's Gross Revenues for the prior calendar quarter, or (ii) Seven Thousand Five Hundred Dollars (\$7,500). "**Gross Revenues**" means the total of all receipts and revenues derived from the sale or delivery of merchandise and/or services, receipts and revenues from any source and of any other kind or nature, whether in cash, credit, check, credit card, electronic currency of any kind, gift certificate, services, property, or other means of exchange. Gross Revenue excludes sales tax receipts that you must by law collect from customers, that is separately identified on invoices and that you actually pay to the taxing authority. To the extent Franchisee spends more than the required amount in any calendar quarter, Franchisee shall receive a credit for required expenditures in the next ensuing calendar quarters, not to exceed two (2) calendar quarters. On PGF's request, Franchisee must provide PGF with proof of all expenditures for local advertising, including such detail, receipts, proofs of publication and other documentation as PGF may require.

e. Alternatively, PGF may require that Franchisee contribute to a marketing fund (the "**Marketing Fund**") an amount specified by ~~Franchisor~~PGF, not exceeding the required expenditures under Section 8.d.

f. The Marketing Fund, if and when established, shall be maintained and administered by ~~Franchisor~~PGF or its designee, as follows:

(i) ~~Franchisor or Franchisor's~~PGF or PGF's designee shall direct all advertising programs with sole discretion over the creative concepts, materials, media, placement and allocation.

(ii) The monies contributed toward the Marketing Fund may be used to meet any and all costs of maintaining, administering, directing, producing and preparing promotions and advertising including, without limitation, the cost of conducting public relations activities, advertising and producing promotional brochures and other marketing materials to franchisees in the PGF system. These monies contributed toward the Marketing Fund may be commingled with our other funds or kept in a separate account from our other monies.

(iii) Monies contributed to toward the Marketing Fund shall not be used to solicit sales of franchises or defray ~~Franchisor's~~PGF's general operating expenses, except for reasonable administrative costs and overhead, not to exceed twenty percent (20%) of the amounts contributed to the Marketing Fund, as ~~Franchisor~~PGF may incur in activities reasonably related to the administration or direction of the Marking Fund and advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials and collecting and accounting for assessments for the Marketing Fund.

(iv) ~~Franchisor~~PGF maintains the right to terminate the Marketing Fund. The Marketing Fund shall not be terminated, however, until all monies contributed toward the Marketing Fund have been expended for advertising and promotional purposes or returned to franchisees. If terminated, ~~Franchisor~~PGF reserves the right to restart the Marketing Fund.

(v) An accounting of the monies contributed to the Marketing Fund shall be prepared annually and made available to Franchisee on request. ~~Franchisor~~PGF reserves the right, at its option, to require that the annual accounting include an audit of the monies contributed to the Marketing Fund prepared by an independent certified public accountant selected by ~~Franchisor~~PGF and prepared at the expense of the Marketing Fund.

g. Franchisee must not advertise or use in advertising or any other form of promotion, PGF's copyrighted materials, trademarks, service marks or commercial symbols without the appropriate © or ® registration marks or designation TM or SM where applicable. The registered marks and designations shall be used in conjunction with "Purchase Green", the Purchase Green logo, the Operating Manual and any other copyright materials, trademark, service mark, or commercial symbols as may be developed.

## **18. Recordkeeping and Reporting.**

a. Franchisee must keep complete and accurate records, including those PGF specifies from time to time. Franchisee must keep the records at the premises of the Franchised Business at all times, or in an online resource accessible by PGF. Franchisee must at all times keep PGF informed of the location of Franchisee's records and provide PGF with the ability to access them at all times via high-speed internet connection.

b. Franchisee must use a reporting and financial control system that PGF may specify. This includes maintaining on forms PGF approves or provides, periodic sales reports which may be as frequent as daily, weekly, monthly or other frequency specified by PGF, and monthly profit and loss and balance sheet statement accurately reflecting all activities of the Franchised Business; and other reports PGF specifies, using methods of filing, record-keeping,

bookkeeping, accounting and reporting PGF specifies; and following methods for control, protection and records of cash and other forms of receipts, as PGF specifies.

c. At the time of entering into this Agreement PGF requires Franchisee to use the cloud version of QuickBooks which Franchisee shall grant PGF administrator level access. PGF will provide up to three (3) GROW dashboards. PGF reserves the right to require Franchisee to obtain updates, modifications and new versions of and/or to change required software from time to time and/or to adopt and use a computer point-of-sale (POS) system specified by or meeting specifications set by PGF. Franchisee shall comply at Franchisee's cost. Franchisee must provide PGF at all times, with on-line access to the POS system and all data and information.

d. To enable PGF to verify advertising expenditures to be made by Franchisee, and to be informed of Franchisee's compliance, Franchisee must provide PGF periodic written reports in such form and at such frequency as PGF prescribes.

## **19. Audit and Inspection.**

a. PGF and PGF representatives shall have the right at PGF's cost (subject to subsection (b) below) and during business days (which may include weekends or holidays when Franchisee operates on those days) and without prior notice to enter the Franchised Business or other location where books and records relating to the Franchised Business are kept, and inspect, copy and audit the books and records, including, without limitation, Franchisee's state and federal income tax, sales and use tax and personal property tax returns. Franchisee waives any privileges regarding tax returns and other tax information. Franchisee must cooperate with the inspection and/or audit and provide and explain all records requested by PGF or its representative.

b. If an audit or inspection discloses that Franchisee obtained and/or sold unauthorized merchandise, underpaid amounts due to PGF or its affiliates, did not expend amounts for advertising in the Territory required by this Agreement, or materially breached this Agreement in any other way, Franchisee shall pay the underpaid amount (plus any applicable interest) and/or damages caused immediately, and make the required advertising expenditures immediately, or over such time frame as is acceptable to PGF. If the audit or inspection is conducted due to Franchisee's failure to provide required reports, or due to other irregularity or noncompliance by Franchisee, or if an inspection or audit reveals an understatement of two percent (2%) or more of any amounts reported by Franchisee to PGF for any reporting period, Franchisee must pay the underpaid amount (plus any applicable interest) and/or damages caused immediately, and, in addition, reimburse PGF's actual out-of-pocket costs associated with conducting the inspection and/or audit. These remedies do not permit underreporting, underpayment, under-expenditure for advertising or other breach and do not waive the breach and are additional to other rights and remedies of PGF under this Agreement or applicable laws.

c. Franchisee acknowledges and agrees that the nature and quality of all products and services provided by Franchisee under the PGF IP, all goods and products sold by Franchisee; the operation of the showroom, office and warehouse, and all advertising, promotion and other related use of the PGF IP must conform to PGF standards.

## **20. Indemnification.**

a. Franchisee agrees at all times, at Franchisee's cost, to indemnify, defend and hold harmless to the fullest extent permitted by law, PGF, its affiliates and their members, shareholders, directors, managers, officers, employees, agents and representatives of each (collectively, "**Indemnitees**") from all losses, costs and expenses alleged or incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (whether or not reduced to judgment) or any settlement which arises out of or is based on or relates to: infringement by Franchisee or other violation by Franchisee of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; violation or breach by Franchisee of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation or disparagement by Franchisee; violation or breach by Franchisee of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions by Franchisee; inaccuracy, lack of authenticity, or non-disclosure of any information by Franchisee; unapproved service provided by Franchisee at, from, or related to the operation of the Franchised Business; or claim of injury or damage arising from or relating to the operation of the Franchised Business.

b. For purposes of Section 20(a) the reference to various kinds of actions or omissions by Franchisee, includes Franchisee and any of Franchisee's agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business. The term "losses, costs and expenses" shall expressly be deemed to include any exemplary or punitive damages and any and all fines, charges, costs, expenses, reasonable attorneys' fees, reasonable experts' fees, court costs, settlement amounts approved by Franchisee and judgments. Franchisee agrees to give PGF immediate notice of any such allegation, action, suit, proceeding, claim, demand, inquiry, or investigation.

c. At Franchisee's expense and risk, PGF may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry or investigation, provided PGF will seek Franchisee's input and approval for, and keep Franchisee informed regarding, settlement(s) PGF proposes to offer or accept.

d. PGF agrees, at PGF's cost, to defend, indemnify and hold harmless Franchisee and Franchisee's members, shareholders, managers, directors, officers, employees, agents and representatives from losses, costs and expenses incurred in any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry or settlement which arises out of or is based on: infringement by PGF or other violation by PGF of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; violation or breach by PGF of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation or disparagement by PGF; violation or breach by PGF of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions by PGF; or inaccuracy, lack of authenticity, or non-disclosure of any information by PGF; provided, however, that PGF's obligations under this paragraph shall not apply to any losses, costs or expenses arising from the acts or omissions of Franchisee.

## **21. Grounds for Early Termination.**

a. This Agreement may be terminated by the Franchisee, at any time, for material breach of any provision of this Agreement by PGF, if PGF's material breach is not cured

within sixty (60) days after receipt of written notice from Franchisee identifying the breach and demanding that it be cured, provided that if such breach is of the type that cannot be cured within such sixty (60) day period, PGF shall be given a reasonable period of time thereafter to cure such breach.

b. This Agreement may be terminated by either party at any time, without prior notice, if the other party institutes a proceeding seeking relief under the Bankruptcy Code or similar law, makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due.

c. This Agreement may be terminated by PGF in the event Franchisee fails to purchase the Minimum Quantities during any calendar year. In the event PGF desires to terminate this Agreement pursuant to this subsection 21(c), PGF must deliver to Franchisee written notice of PGF's intent to terminate on or prior to January 31st of the following year and give to Franchisee until March 31st of such year to cure the default as herein provided. This cure right shall only be available to Franchisee twice during the Term.

d. This Agreement may be terminated by PGF if Franchisee fails, refuses or neglects to pay when due any amount owed to PGF or its affiliates or to Franchisee's landlord (if applicable) and fails to cure the breach within ten (10) days after receiving written notice of the breach from PGF and demand that it be cured.

e. This Agreement may be terminated by PGF if Franchisee commits any of the following defaults and fails to cure the default within thirty (30) days after receiving notice and demand to cure:

(i) failure to maintain and operate the Franchised Business in accordance with the provisions or requirements of this Agreement or the Operating Manual;

(ii) failure to obtain PGF's prior written approval or consent where required pursuant to this Agreement;

(iii) misuse, or use in an unauthorized manner, any of the PGF IP or acting in a way that materially impairs goodwill associated with any of the PGF IP or PGF's rights therein;

(iv) participate in any business or marketing of any service or product under a name or mark which, in PGF's reasonable opinion, is confusingly similar to any of the PGF IP;

(v) offer or sell, as part of the Franchised Business, any unapproved product or service or fail to offer or provide on a regular basis all products and services authorized by PGF to be offered and sold in the Franchised Business;

(vi) by act or omission, engage in or permit violation of any law, ordinance, rule or regulation of any government entity to remain uncorrected in the absence of a good faith dispute over its applicability or legality and without promptly resorting to an appropriate administrative or judicial forum for relief;

(vii) fail to obtain and maintain all required insurance policies or fail to name PGF and the other persons/entities referenced in Section 26 as additional insureds according to the terms of this Agreement;

(viii) any of Franchisee's Managers, in PGF's reasonable opinion, is not qualified (or is no longer qualified) to act as Manager, and PGF determines in its reasonable judgment that Franchisee and the Manager is not likely to be able to be qualified.

f. This Agreement may be terminated by PGF effective on delivery of written notice of termination, without any obligation to allow Franchisee an opportunity to cure, upon the occurrence of any of the following events of default, with termination effective immediately on Franchisee's receipt of notice of termination:

(i) Franchisee abandons the Franchised Business by failing to operate the ~~business~~ Franchised Business for a period of ten (10) consecutive days or any shorter period after which it is reasonable for PGF to conclude that Franchisee does not intend to continue to operate the Franchised Business;

(ii) Franchisee, or any owner or shareholder, director or officer of a corporate franchisee, or any member or manager of a limited liability company franchisee, or any partner or officer of a franchisee conducting business as a partnership, is convicted of a felony, fraud, crime involving moral turpitude or other crime or offense PGF reasonably believes is likely to have an adverse effect on the reputation of Purchase Green Businesses, the PGF IP, or their goodwill;

(iii) Franchisee makes any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engages in conduct which reflects materially and unfavorably on the operation and reputation of the Franchised Business or PGF or the PGF IP;

(iv) Franchisee fails, for a period of ten (10) days after notification of non-compliance by any government or other authority, to comply with a federal, state or local law, regulation or requirement applicable to operation of the Franchised Business, and/or fail promptly to notify PGF of the notification and steps taken to cure the non-compliance;

(v) If three (3) or more material breaches by Franchisee occur within any twelve (12) month period, regardless of whether any such breach was cured;

(vi) Franchisee's material breach of this Agreement which by its nature is incapable of being cured;

(vii) Franchisee (or any of Franchisee's shareholders, directors, officers, partners, members or employees) acquires any interest in a business similar to the Franchised Business, except that Franchisee or such other persons may own, passively less than three percent (3%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange;

(viii) Franchisee engages in unauthorized use or duplication of any aspect of PGF's business, products or services;

(ix) Franchisee engages in unauthorized disclosure of any Confidential Information;

(x) Franchisee purports to sell, sublicense, assign or transfer any interest in this Agreement or the Franchised Business in violation of this Agreement;

(xi) Franchisee violates any covenant not to compete in Section 26 of this Agreement;

(xii) Franchisee fails to start operating the Franchised Business in the time provided in Section 3 of this Agreement;

(xiii) Franchisee misrepresents, substitutes or "palms off" non-authentic products or services;

(xiv) Franchisee knowingly maintains false books or records or submits any false report to PGF;

(xv) Franchisee violates any state or federal law or ordinance that relates to or impacts provision of or ability to provide products and services under this Agreement, including, without limitation, conviction based on violation or allegation or charge of violation, without explanation that PGF deems to be reasonably satisfactory of any such law or ordinance; or

(xvi) Franchisee fails to comply with all applicable laws and ordinances relating to the Franchised Business, or Franchisee or any of Franchisee's owners' assets, property, or interests are blocked under any law, ordinance or regulation relating to terrorist activities, or Franchisee or any of Franchisee's owners violates any such law, ordinance, or regulation.

g. Any breach by Franchisee (or any person/company affiliated with Franchisee) breaches of this Agreement may be regarded by PGF (or by PGF's affiliate) under any other agreement between Franchisee and PGF (or affiliate of Franchisee and/or of PGF). Any breach by Franchisee (or any person/company affiliated with Franchisee) under any other agreement, including, but not limited to, any other franchise agreement, lease and/or sublease, between Franchisee and PGF (or affiliates of either) may be regarded by PGF as a breach under this Agreement. In such event, PGF (and/or PGF's affiliate) shall have the remedies available for breach under this Agreement and/or the other agreement, including but not limited to termination of such agreement.

h. If any valid, applicable law or regulation limits PGF's rights of termination or requires longer notice than stated above, then at PGF's election, this Agreement shall be deemed modified to satisfy the minimum notice periods or to comply with the restrictions on termination required by such laws and regulations. PGF shall not be precluded from contesting the validity, enforceability or application of such laws or regulations.



i. In a breach by Franchisee, PGF may require, as a condition and element of cure of the breach, that Franchisee reimburse PGF and its affiliates for any reasonable attorney's fees and other fees, costs and damages incurred and/or suffered by PGF or its affiliates on account of such breach.

## **22. Additional Remedies.**

a. If Franchisee is in default under this Agreement, PGF's may, without waiver of its right to terminate this Agreement, temporarily reduce the size of the Territory; temporarily suspend all advertising, marketing and/or promotion of Franchisee's showroom, including but not limited to from any website, social media, print publication, broadcast publication, trade show and/or other form of advertising, marking and/or promotion; ~~(iii) charge Franchisee a non-compliance fee;~~ and/or ~~(iv)~~ assume operation of the Franchised Business as provided in Section 30 and require Franchisee to comply with Section 30.

b. In the event of a breach by a party of this Agreement, in addition to all rights the non-breaching party has under this Agreement, the non-breaching party shall have the right to exercise any and all remedies available at law or in equity unless otherwise provided for in this Agreement. All rights and remedies are cumulative, and the election of one remedy shall not preclude another. By way of example, termination due to breach or default in payment shall not affect or terminate the rights and obligations of the parties that accrued prior or subsequent to such payment breach or default.

## **23. Obligations On and After Expiration or Termination.**

a. On termination or expiration of this Agreement for any reason:

(i) Franchisee shall immediately stop representing Franchisee as a Franchisee of PGF and shall stop use of all of the PGF IP and any signs or other materials, of whatever nature, identifying Franchisee as a franchisee of PGF shall be removed and/or destroyed by Franchisee.

(ii) Franchisee shall not operate or do business under any name or in any manner that might tend to give the general public the impression that Franchisee is in any manner affiliated with PGF or any Purchase Green Business, or any business similar thereto, and shall not use, in any manner, or for any purpose, directly or indirectly, any Confidential Information, knowledge or know how concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement.

(iii) Franchisee shall return to PGF all copies of the Operating Manual, and all forms, advertising matter, materials bearing the PGF IP.

(iv) Franchisee shall, on PGF's demand, direct the phone company servicing the Franchised Business to transfer service for the phone number(s) to PGF, or to such other person or persons as PGF directs, and at PGF's request, cancel all listings in phone directories pertaining to the Franchised Business and execute assignments in the form of Exhibit E or other form satisfactory to PGF and satisfactory to the applicable phone service provider(s), in favor of

PGF or PGF's designee, of the right for service of the telephone number(s) used in the Franchised Business.

(v) Franchisee shall take all action needed to cancel any assumed or fictitious name or equivalent registration which contains any name or mark identical or similar to "Purchase Green" or other name, trademark or service mark of PGF, and shall provide proof to PGF of performing this obligation within ten (10) days after the termination or expiration of this Agreement.

(vi) Franchisee shall pay within ten (10) days all sums owing to PGF and PGF's affiliates. In the event of termination based on Franchisee's breach or default, such sums shall include all damages, costs and expenses (including reasonable attorneys' fees) incurred by PGF due to such breach or default. The obligation under this Section shall give rise to and remain, until paid in full, a lien in PGF's favor against any and all of the personal property, furnishings, equipment, signs, inventory, fixtures and other assets owned by Franchisee at the time of such breach or default.

b. PGF may, if Franchisee fails or refuses to take the actions required in this Section 23, execute instruments and documents in Franchisee's name and on Franchisee's behalf as necessary or useful to cause discontinuation of Franchisee's use of the PGF IP or any other related or similar name or use, to transfer service for the telephone numbers and to accomplish any of the other obligations of Franchisee on and after termination or expiration of this Agreement. Franchisee hereby irrevocably appoints PGF as Franchisee's attorney-in-fact to do so.

c. Expiration or termination of this Agreement shall be without prejudice to either party's rights against the other party, and expiration or termination shall not relieve either party of any obligations hereunder existing at the time of expiration or termination.

d. Sections 23, 24, 25, 28 and all other provisions of this Agreement which expressly or by their nature continue in effect after termination or expiration of this Agreement shall survive and continue in full force and effect subsequent to termination or expiration until fully performed or until by their nature they have expired.

## **24. Purchase Option.**

On expiration or termination of this Agreement PGF shall have the option to purchase any or all of Franchisee's inventory of Products and any local goodwill Franchisee may have in the Franchised Business. To facilitate PGF's analysis and decision whether to exercise the option, and if so, as to which items in the inventory it elects to purchase, Franchisee shall provide PGF a detailed inventory of the Products detailing each item by product description, SKU or other applicable designation, quantity, original purchase price, length of time in inventory, location, and condition and other information that PGF requests. The foregoing are referred to as the "**Territory Assets**". The purchase price for the Products selected by PGF or its designee shall equal the amount paid by Franchisee for those items of inventory elected to be purchased and for the local goodwill, an additional One Thousand Dollars (\$1,000) ("**Purchase Price**"). PGF or its designee shall have until the expiration of thirty (30) days after receiving all the above information from Franchisee in writing, to notify Franchisee if PGF or its designee elects to exercise such option. If

PGF or its designee elects to purchase any Territory Assets, Franchisee shall execute a Bill of Sale, General Assignment and Conveyance in the form attached as Exhibit C (“**Bill of Sale**”) within thirty (30) days following PGF’s exercise of such option.

**25. In Term and Post-Term Covenants Not to Compete.**

a. In-Term Covenants

Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable training and Confidential Information, including, without limitation, information regarding promotion, operation, sales, and marketing methods and techniques of a Purchase Green Business, and that the restrictions against competing in this Section 25 are fair and reasonable and will not impose undue hardship on Franchisee, that Franchisee has other considerable skills, experience, and education which afford Franchisee the opportunity to derive income from other endeavors. Franchisee agrees that during the term of this Agreement Franchisee will not, directly or indirectly, or through or in conjunction with any person, persons, or entity, do any of the following:

(i) Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or knowingly do or perform, directly or indirectly, any other act harmful to the goodwill associated with the PGF IP; or

(ii) Own, maintain, advise, assist, consult, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities of or authorized for the Franchised Business.

b. Post-Term Covenants

Franchisee agrees that Franchisee shall not, for a continuous uninterrupted period starting on expiration or termination of this Agreement, regardless of the cause for expiration or termination, or on transfer of this Agreement or the Franchised Business and continuing for twenty four (24) months thereafter (and in case of any violation of this covenant, during the period of the violation and, without waiving the breach during the period of violation, for twenty four (24) months after the violation ceases), Franchisee will not directly or indirectly, or through, on behalf of, or in conjunction with any person, persons or entity, own, maintain, advise, assist, consult, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities of or authorized for the Franchised Business, that is located or operates within a radius of sixty (60) miles of the Location or within a radius of sixty (60) miles of the location of any Purchase Green showroom, whether franchised or owned by PGF or its affiliates.

c. Amendment of Covenants

Each of the covenants contained in this Section 25 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any covenant contained in this Section 25 is held to be unreasonable or unenforceable by a court or arbitrator having jurisdiction to which PGF is a party, the court or arbitrator is authorized to enforce, and Franchisee

agrees to be bound by, the lesser covenant, lessened on a mile-by-mile radial basis, and lessened on a month-by-month basis and lessened by any discreet activity description, that is subsumed within the terms of the covenant, that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made part of this Section 25.

d. Injunction

Franchisee acknowledges and agrees that any threatened or actual failure to comply with the requirements of this Section 25 would cause PGF to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and Franchisee consents to entry of injunctive relief, granted without need for posting of bond, prohibiting conduct by Franchisee and persons and entities acting in concert or cooperation with Franchisee, in violation of the terms of this Section 25.

e. Additional Covenants

~~At PGF's request, and upon advice of Franchisee's legal counsel that such practices are legal and enforceable in the local jurisdiction(s) in which Franchisee operates (provided, that, if Franchisee's legal counsel is unable to provide such advice, then Franchisee shall inquire to counsel and inform PGF as to the maximum of the following that can be done legally in such jurisdiction(s)), Franchisee shall require and obtain execution of covenants substantially similar to those in this Section 25 (including covenants applicable on the termination of a person's relationship with Franchisee) from: (a) key persons employed by Franchisee who received training from PGF; (b) members, managers, directors, officers and holders of a beneficial interest of five percent (5%) or more of the securities or interests in Franchisee, and of any entity directly or indirectly controlling Franchisee, if Franchisee is an entity; and (c) the general partners and any limited partners (including any entity, and the members, managers, directors, officers and holders of a beneficial interest of five percent (5%) or more of the securities of any entity which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership. Each covenant required to be executed pursuant to this Section 25 shall be on a form supplied by or approved by PGF, including, without limitation, identification of PGF as a third-party beneficiary of the covenants with the independent right to enforce them. The form attached as Exhibit D shall be deemed to be satisfactory to PGF.~~

**26. Insurance.**

a. Prior to opening the Franchised Business, Franchisee must obtain the following insurance coverage under policies of insurance issued by carriers having an A.M. Best rating of "A" or better and otherwise satisfactory to us: (1) general and professional liability, One Million Dollars (\$1 million) per occurrence and Two Million Dollars (\$2 million) in the aggregate; (2) employment practices liability insurance of at least One Million Dollars (\$1 million); (3) workers' compensation or other employer's liability required under applicable law; (4) auto, including non-owned auto liability, of at least One Million Dollars (\$1 million); (5) insurance required by any property or equipment lease; (6) property insurance, at greater of the fixed assets of the Franchised Business, equipment and usual inventory value, or One Hundred Thousand Dollars (\$100,000); (7) Cyber security and data privacy coverage of at least Five Million Dollars (\$5,000,000); and (8) all other insurance required under applicable law.

b. Each policy shall provide that it shall not be materially modified, cancelled, terminated or nonrenewed without at least forty-five (45) days written notice to PGF from the insurer; not contain any exclusion for claims between insureds; name PGF and PGF's affiliates and their owners, members, managers, directors, officer and employees as additional insureds; and be with insurance carriers having a Best rating of "A" or better and be otherwise satisfactory to PGF.

c. PGF may from time to time increase or decrease amounts of coverage required under Section 26(a), above and require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in activities authorized for the Franchised Business, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

d. Franchisee must provide PGF with a complete copy of each policy upon obtaining the policy and whenever requested by PGF. Before expiration of the term of each policy, Franchisee must provide PGF a certificate of insurance for each policy to be maintained for the upcoming term.

e. If Franchisee does not maintain required insurance or does not furnish a copy of the policy or other evidence, satisfactory to PGF, of the required insurance coverage and payment of premiums, PGF may obtain, at PGF's option and in addition to PGF's other rights and remedies, any required insurance coverage on Franchisee's behalf or portions of the coverage provided PGF has no obligation to do so. If PGF does so, Franchisee must fully cooperate with PGF's effort to obtain the insurance, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to PGF, on demand, any costs and premiums incurred. Any such action or inaction by PGF does not waive Franchisee's breach of the obligations contained in this Section 26.

f. Franchisee's obligation to maintain insurance coverage provided above is not reduced in any way by reason of any separate insurance PGF maintains or does not maintain.

## **27. Transfer.**

### **a. Assignment by PGF**

PGF will have the right to assign, transfer or sell PGF's rights under this Agreement to any person or entity, in whole or in part, on one or more occasions. Upon assignment and assumption, PGF shall be under no further obligation hereunder, except for any accrued liabilities. Franchisee acknowledges and agrees that PGF may go public; engage in a private placement of some or all of PGF's securities; merge, acquire entities, be acquired; and/or undertake refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. These may include any such transactions with or involving competitive or non-competitive franchises, chains or other business, regardless of location(s). In certain instances, such locations could be close to or overlap the Location or Territory or area in which Franchisee provides services.

### **b. Assignment by Franchisee**

Neither Franchisee's interest in this Agreement nor any of Franchisee's rights hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, in whole or in part, without PGF's prior written consent, which consent shall not be unreasonably withheld, and without Franchisee first complying with this Section 27. The term "assignment" includes actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control of interests in the Franchised Business. Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms in this Agreement shall be null and void and of no effect and shall be an incurable breach of this Agreement. Actual or purported transfer in the aggregate of twenty-five percent (25%) or more of the Franchised Business or in Franchisee shall be deemed to be an assignment of this Agreement.

c. Conditions to Consent to Transfer

PGF can require or make any or all of the following conditions to giving consent to a proposed assignment:

(i) The proposed assignee must submit an application meeting PGF's requirement with curriculum vitae/resume and credit application and must consent to a background/credit check and any additional investigation to be conducted by PGF or by a service provider PGF designates.

(ii) The proposed assignee and its owners must demonstrate skills, qualifications, licensing and economic resources necessary, in PGF's reasonable judgment, to conduct the Franchised Business and to fulfill its obligations to Franchisee and to PGF.

(iii) The proposed assignee and its owners must expressly assume in writing all Franchisee's obligations under this Agreement.

(iv) As of the date of assignment, Franchisee shall have fully complied with all Franchisee's obligations to PGF, whether under this Agreement or law or any other agreement, arrangement or understanding with PGF.

(v) Franchisee must pay PGF a transfer fee equal to the greater of Seven Thousand Five Hundred Dollars (\$7,500) or two percent (2%) of the non-contingent consideration due to Franchisee as of the closing date of the transfer, and for a transfer to a controlled entity of Franchisee, Two Thousand Five Hundred Dollars (\$2,500). This payment shall be due and payable to PGF upon closing of the transfer; provided, however, that, if the transfer does not close, Franchisee shall reimburse PGF for all of its actual out-of-pocket expenses incurred in connection with its review of the transferee.

(vi) The proposed assignee or the individual designated as its manager shall satisfactorily complete the training then required of all new franchisees, at the expense of Franchisee or assignee, also including payment of ~~Franchisor's~~ PGF's reasonable charge for training the proposed assignee or its manager.

(vii) PGF shall be provided full copies of all proposed final agreements between Franchisee and proposed assignee and correspondence that adds to, modifies or otherwise impacts the terms of such proposed agreements.

(viii) Franchisee and its owners shall have executed a general release in a form satisfactory to PGF of any and all claims against PGF, its affiliates and their respective shareholders, members, managers, directors, officers and employees in these entities in their entity and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(ix) Other conditions and requirements that are reasonable in the circumstances for PGF to impose.

Franchisee acknowledges and understands the proposed assignee may not be affiliated in any way with a competitor of PGF.

## **28. Death or Disability.**

a. On Franchisee's death, or if Franchisee is determined to suffer a legal incapacity (or, if Franchisee is an entity, then on death or legal incapacity of the shareholder, member, manager, officer or partner principally responsible for the operation of the Franchised Business), the Franchisee's legal representative shall transfer this Agreement and the Franchised Business to a third party approved by PGF in accordance with the transfer and assignment provisions of this Agreement, provided PGF will approve the transfer of Franchisee's interest to Franchisee's heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, and such transfer shall not give rise to PGF's right of first refusal to purchase the Franchised Business set forth in Section 32, subject to the following conditions:

(i) The heirs, legatees, personal representatives, conservators, surviving partner(s) or fellow member(s) or shareholder(s), as applicable, meet PGF standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(ii) Within ninety (90) days of the death or incapacity, a person designated by Franchisee's heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders/members, as applicable, shall have satisfactorily completed PGF's then-current training requirements.

(iii) Until the person(s) indicated above have qualified, PGF may elect to, but is not obligated to, conduct interim operation as provided in Section 30.

## **29. Additional Training.**

In the event of a valid and complete assignment of the Franchised Business by Franchisee or an interest in Franchisee to a third party, or the assignment in event of death or disability of Franchisee or any person identified in Section 28, or other circumstances wherein in PGF's judgment additional training may be needed, PGF will be willing to provide training to the third

party according to PGF's then-applicable training procedures; PGF may require the assignee franchisee to pay the then-current training fee for each individual required or designated to be trained, in addition to any fees or other requirements related to the assignment.

### **30. Operation by PGF.**

To reduce or avoid interruption of the Franchised Business operations which would cause harm to the Franchised Business, thus lowering its value, Franchisee authorizes PGF, at PGF's option, if Franchisee dies or is absent for any reason or is incapacitated by reason of illness or other reason and is unable, in PGF's judgment, to operate the Franchised Business satisfactorily, to operate the Franchised Business for as long as PGF reasonably deems necessary and practical, and without waiver of any other rights or remedies PGF may have under this Agreement or otherwise. All monies from the operation of the Franchised Business during operation by PGF shall be directed to a separate account, and expenses of the Franchised Business, including reasonable compensation and expenses for PGF representatives, shall be charged to and paid from that account. Franchisee agrees to pay PGF Five Hundred Dollars (\$500) per day for operation of the Franchised Business pursuant to this paragraph. That fee will be due regardless of the results of operation. Franchisee agrees to indemnify, defend and hold harmless PGF and any representative and personnel of PGF who may act hereunder to temporarily operate the Franchised Business, from any and all acts PGF or they may perform (excluding acts of gross negligence, willful misconduct or intentional misconduct). Franchisee releases all the foregoing for and agrees not to bring any claim or cause of action arising from or relating to actual or claimed failure, omission, deficiency or affirmative act of any kind or nature in their operation of the Franchised Business under this Section, but this sentence shall not apply to gross negligence, willful misconduct or intentional dishonesty. If in the course of such operation PGF discovers any breach of this Agreement or other irregularity in the operation of the Franchised Business, PGF shall have all applicable rights, claims and remedies as to any such breach or irregularity.

### **31. Transfer to a Corporate Entity.**

If Franchisee wishes to transfer Franchisee's interests to an entity formed by Franchisee solely for convenience of ownership, Franchisee must obtain PGF's prior written consent. PGF can require or make any or all of the following, conditions to giving consent to the proposed assignment:

a. Franchisee must be the owner of all the voting stock or membership interests or other applicable equity and voting interests of the entity, or, if Franchisee comprises more than one (1) individual, each such individual shall have the same proportionate ownership interest in the entity as he/she/it held in Business prior to the contemplated transfer.

b. Appropriate forms of entity resolutions and minutes have been duly adopted and are furnished to PGF prior to the transfer.

c. Franchisee pay PGF a transfer fee in the amount of Two Thousand Five Hundred Dollars (\$2,500.).

d. Other conditions and requirements that are reasonable in the circumstances for PGF to impose.



### **32. Right of First Refusal.**

Franchisee's right to assign, transfer or sell Franchisee's interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business shall be subject to PGF's right of first refusal. PGF shall have the right to be offered by Franchisee the opportunity to purchase the interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party or offered by a third party and accepted or proposed to be accepted by Franchisee, in a wholly arms-length transaction. The right of first refusal shall be exercised as follows:

a. Franchisee shall deliver to PGF a written notice stating all material terms and conditions of the proposed assignment, transfer or sale, stating the purchase price and information regarding the identity, financial standing and character of the proposed purchaser (the "**Proposed Assignment**").

b. Within twenty-one (21) days after receipt of the notice containing all of the requisite information of the Proposed Assignment, PGF may, at PGF's option, purchase or identify a designee to purchase the interest in this Agreement and/or the Franchised Business on the terms and conditions in the notice and agreement attached thereto. PGF or its designee will have the rights to substitute money for any nonmoney consideration. If the agreement and terms include other assets or property, PGF or its designee will have the right, at PGF's election, to accept the transaction involving only the interest in this Agreement and/or the Franchised Business and not include the other assets or property with the price adjusted accordingly; provided, however, that if Franchisee (or its affiliates) owns several PGF franchised Businesses and all the Franchised Businesses are subject to the underlying transaction, the right of first refusal must be exercised for all such interest and/or the Franchised Businesses. If a transaction described in this Section 32 includes consideration other than money, or consideration of a unique nature that PGF or its designee is not in a position to match due to the unique nature, PGF or its designee shall have the right to substitute cash for the value of such other consideration.

c. If PGF elects not to exercise the right of first refusal and consents to the assignment, transfer or sale, Franchisee shall, subject to the provisions of this Section 32, be free to assign this Agreement and/or the Franchised Business to the proposed assignee or transferee on the terms and conditions in the notice, subject to satisfaction of the other conditions to transfer provided for in this Agreement.

d. The Proposed Assignment must close within sixty (60) days after PGF delivers notice of its intent not to exercise the right of first refusal. If the material terms contained in the notice are modified after submission to PGF, then PGF's right of first refusal shall start again. If the Proposed Assignment does not close within sixty (60) days after PGF delivers notice of its intent not to exercise the right of first refusal, PGF's right of first refusal shall start again.

e. PGF's right of first refusal as provided in this Section 32 shall apply to the sale of any ownership interest in Franchisee by the owners of Franchisee.

### **33. Improvements and Inventions Belong to PGF.**

Any improvements, inventions or discoveries made by Franchisee, or Franchisee's employees or agents relating to the Franchised Business (~~“improvements collectively,~~ **“Improvements”**), shall be deemed to be assigned to and owned by PGF. The consideration for such assignment is the provisions of this Agreement and PGF is not required to provide Franchisee any further or additional compensation. All documents and other information concerning such ~~improvements~~ Improvements shall be disclosed to PGF promptly after creation or invention. PGF reserves sole discretion to decide whether to include the ~~improvements~~ Improvements in the operation of a Purchase Green Business in original or any modified form or not at all, and the method of implementation and protection PGF deems appropriate, if any. Franchisee must execute all documents PGF deems to be necessary to perfect PGF's ownership in and to any such ~~improvements~~ Improvements and Franchisee must cooperate with PGF in the creation, implementation, use and protection thereof.

#### **34. No Security Interests.**

Franchisee shall have no right or power to, and Franchisee shall not pledge, encumber, hypothecate or otherwise grant any third party, any security interest in this Agreement or in the PGF IP or the Franchised Business in any manner whatsoever without PGF's express written consent, which consent may be withheld for any reason or no reason.

#### **35. Modifications.**

a. Franchisee acknowledges that to meet and seek to benefit from changes and improvements in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and seek to best serve the interests of PGF and PGF's franchisees, PGF may in PGF's discretion, need to change and develop the products, services, procedures, advertising, brand usage and ~~any other~~ operational aspects of the ~~manner of the operation of Purchase Green~~ Franchised Businesses. Franchisee acknowledges and agrees that PGF may from time to time make changes to any components or aspects of the operation of a Purchase Green Business, including, but not limited to, products, programs, services, methods, standards, forms, policies and procedures; deleting from or modifying services, programs and products that a Purchase Green Business is authorized and required to offer; modifying or substituting products, equipment, signage, trade dress, décor, color schemes, specifications and other attributes which Franchisee is required to observe; and changing, improving, modifying or substituting PGF IP. Franchisee agrees to comply with modifications, changes, additions, deletions, substitutions and alterations upon PGF's written notice. Franchisee shall accept, use and effectuate any such changes or modifications to, or substitution as if they were part of the operation of the Franchised Business at the time that this Agreement was executed.

b. PGF shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee agrees not to commence or join in any litigation or other proceeding against PGF or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Franchisee hereby expressly waives any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

c. Any fees and charges provided for in this Agreement as a specified amount, or maximum amount, represent the amount of the fee or charge at the date of execution of this Agreement. Such specified or maximum amounts may be increased by PGF from time to time, to account for inflation or other cost increases impacting PGF's costs and expenses associated with matters pertaining to such fee or charge.

### **36. Force Majeure.**

PGF and the Franchisee shall not be considered in default under this Agreement or be liable for any failure to perform or delay in performing any provisions of this Agreement to the extent that such failure or delay is caused by any reason beyond its control, including any act of God, fire, pandemics, explosions, hostilities, or war (declared or undeclared), strike or work stoppage involving either Party's employees, or governmental restrictions; provided, however, that the Party declaring force majeure shall give prompt written notice to the other Party of the commencement, nature, and termination of the force majeure condition and provided further, no event of force majeure shall relieve Franchisee's obligations to make all payments due hereunder. The Party whose performance has been interrupted by such circumstances shall use every reasonable means to resume full performance of this Agreement as promptly as possible.

### **37. Arbitration.**

a. Any controversy or claim arising out of or relating to this Agreement, or actual or claimed breach, termination or invalidity of this Agreement, shall be settled by arbitration before a single arbitrator, according to the Commercial Rules of Arbitration of the American Arbitration Association. The arbitrator shall be bound by the Agreement and shall interpret this Agreement in accordance with the applicable laws of the United States and the internal laws of the state of California without regard for principles of conflicts of law. Any award made pursuant to the arbitration shall be deemed final and binding and may be entered and enforced in any court of competent jurisdiction.

b. If during the term of this Agreement, Franchisee shall have reason to believe it has any claims against PGF in any respect to any transaction or matter arising out of or relating to this Agreement, Franchisee shall notify PGF in writing within one (1) year after Franchisee knows, or has reason to know, the basis of any such claim. Failure to give the claim notice shall relieve PGF from all liability on any claim in respect to any transactions growing out of this Agreement. This Section 37(b) shall be applied to reduce, and not in any way to enlarge any applicable statutory time limit (statute of limitations or statute of repose) or equitable time limit to bring such claim.

c. Franchisee and PGF agree that arbitration will be conducted on an individual, and not a class-wide basis, and that an arbitration proceeding between the parties (or any related entities), including any of Franchisee's owners, guarantors, affiliates and/or employees, if applicable, may not be consolidated with any other arbitration proceeding between them and any other person, corporation, limited liability company, partnership or other entity.

d. Regardless of the above provisions, a party may institute in court, in the jurisdiction and venue provided for below, an action for temporary or preliminary injunctive relief

in aid of the arbitration, provided, that party shall contemporaneously submit the dispute to arbitration on the merits in accordance with this Section 37. Franchisee agrees that PGF may have such temporary or preliminary injunctive relief without bond, but on due notice, and Franchisee's sole remedy in the event of entry of injunctive relief shall be dissolution of the injunction, if warranted, on hearing; all claims for damages by reason of wrongful issuance of any injunction being hereby waived.

### **38. Jurisdiction and Venue.**

Any litigation arising from or relating to this Agreement, including confirmation of any arbitration award, shall be brought exclusively in the United States District Court for the Central District of California or Superior Court of California for the County of Los Angeles. The parties submit, consent and waive objection to the jurisdiction and venue of such courts.

### **39. Purchase Green Business Judgment.**

Franchisee acknowledges and agrees PGF may operate and make changes to its business, standards, specifications and any other aspects impacting Franchisee, in any way that is not expressly prohibited by this Agreement. Whenever PGF has reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold action, or to grant or decline to grant Franchisee a right or to take or withhold action, or to approve or consent or withhold approval or consent, PGF may make the decision or exercise the right and/or discretion on the basis of PGF's reasonable good faith judgment of what is in PGF's best interest, including without limitation PGF's reasonable good faith judgment of what is in the best interest of its network of franchisees and company/affiliate owned showrooms, without regard to whether: (a) other reasonable alternative decisions or actions, or arguably preferable alternative decisions or actions, could have been made; (b) PGF's decision or the action taken or withheld promotes PGF's financial or other interest; or (c) the decision or the exercise of PGF's right or discretion is adverse to Franchisee's interests. PGF will have no liability to Franchisee for any such decision or action. In no event will Franchisee make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any granting, withholding or delaying or the like of any consent or approval by PGF, unless such granting, withholding or delaying in not conducted reasonably or in good faith. Franchisee's sole remedy for any such claim is review of the action or decision, approval, consent or withholding thereof, and the like, and request to have PGF directed to make or take a different action or decision, approval, consent or withholding thereof, or the like, but always under the standards and bases of PGF's discretion provided for above.

### **40. Waiver.**

PGF and Franchisee may, by written instrument, unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other. Any waiver granted by PGF shall be without prejudice to any other rights PGF may have, will be subject to continuing review and may be revoked, in PGF's reasonable discretion, at any time and for any reason, effective on delivery to Franchisee of ten (10) days' prior written notice. PGF and Franchisee shall be deemed to not have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at

variance with the terms of this Agreement; any failure, refusal or neglect of PGF or Franchisee to exercise any rights under this Agreement or to insist on exact compliance by the other with its obligations; any waiver, forbearance, delay, failure or omission by PGF to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Purchase Green Businesses; or acceptance by PGF of any payments due from Franchisee after any breach of this Agreement.

**41. Successors and Assigns.**

References in this Agreement to the parties shall be deemed to include, as applicable, reference to their respective permitted successors and assigns. The provisions of this Agreement shall bind and benefit the successors and assigns of the parties.

**42. No Third-Party Beneficiaries.**

Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies on any person or legal entity not a party hereto with the exception that Designated Suppliers (who are also affiliates) may enforce Sections 11, 12, and 13, the persons and entities referred to in Section 20 to be indemnified, defended and held harmless, and the persons and entities in Section 26 to be named as additional insureds are each third party beneficiaries with the right to enforce such provisions for their benefit, even though they are not signers of this Agreement.

**43. Relationship.**

a. This Agreement does not imply any joint venture or partnership. Neither Party shall have any right to enter into any contract or commitment in the name of, or on behalf of the other, or to bind the other in any respect. No party, nor its agents or employees shall, under any circumstances, be deemed employees, employers, co-employers, partners, agents or representatives of any other party. This Agreement establishes an arm's length business relationship with each party being entitled to act in its best interest within the bounds of this Agreement. The parties do not intend and shall be deemed not to have undertaken any fiduciary or other heightened obligations or duties to each other.

b. Franchisee shall hold Franchisee's self out to the public only as an independent contractor operating the Franchised Business pursuant to a franchise granted by PGF. Franchisee shall take such affirmative steps as may be necessary or as PGF specifies to communicate the independent contractor relationship, including, without limitation, giving public notice in conspicuous places at the Franchised Business, on invoices, stationery, business cards and advertising noting that Franchisee is an independent contractor operating the Franchised Business under a franchise granted by PGF.

c. If Franchisee is an entity, Franchisee shall cause all individuals and entities that own twenty percent 20% or more of the stock, membership interest or other form of equity in Franchisee to execute and deliver to PGF a Guaranty in the form of Exhibit F. If any such owner is an entity, Franchisee shall cause that entity's owner(s) who directly or indirectly own 20% or more of Franchisee execute and deliver to PGF such guaranty. If there no single individual(s) who own 20% or more, than Franchise shall nonetheless cause sufficient individuals to deliver executed

Guaranties so that PGF is in possession of guaranties of individuals comprising at least 20% ownership of Franchisee. In the event of any assignment or transfer of any ownership interest in Franchisee, new guaranties shall be delivered by Franchisee to assure that Franchisee is at all times in compliance with this Section 43(c).

**44. Modification of the Agreement.**

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties, and such agreement must be in writing and signed by both Parties.

**45. Notice.**

Any notice or other communication provided for in this Agreement or given under this Agreement to a party shall be in writing and shall be given in person, by nationally recognized overnight courier, by mail (registered or certified mail, postage prepaid, return-receipt requested) or by email to the party as follows or at such other address of which a party has given notice:

If to PGF:  
Purchase Green Franchising, LLC  
1925 Wright Avenue, Suite A & B,  
La Verne, CA 91750  
Attn: President  
Email: \_\_\_\_\_

If to the Franchisee:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Email: \_\_\_\_\_

**46. Governing Law; Attorney’s Fees.**

This Agreement shall be governed by the laws of the state of California applicable to agreements entered into and to be performed entirely within the state and thus without regard for principles of conflicts of law. Where a provision of California law provides that it is not applicable, such as an exemption for a franchisee meeting certain requirements or located elsewhere, such exemption or other basis of inapplicability shall be in effect. If any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Business is located outside California and such provision would be enforceable under the laws of the state in which the franchised business is located, then such provision shall be interpreted and construed under the laws of that state. If arbitration or litigation results from or arises out of this Agreement or the performance, the prevailing party(s) shall be entitled to also recover reasonable attorneys’ fees and court costs from the non-prevailing party(s).

**47. Severability.**

Each provision of this Agreement will be interpreted in a manner to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable under any applicable law or rule, the invalidity, illegality, or unenforceability will not affect any other provisions, and will not affect such provision in any other jurisdiction where the provision would be valid, legal and/or enforceable, and this Agreement will be reformed, construed, and enforced as if the invalid, illegal, or unenforceable provisions was never contained herein.

#### **48. Headings.**

Headings and section numbers in this Agreement are for convenience only and shall not be used to construe meaning or intent. The provisions of this Agreement shall be interpreted and construed according to their fair meanings and not strictly for or against either party.

#### **49. Complete Agreement.**

This Agreement contains the final, complete and exclusive expression of the terms of the parties' agreement and supersedes and replaces any and all prior and/or concurrent discussions, negotiations, communications, understandings, agreements, inducements, courses of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (oral or written) between Franchisee and PGF. PGF disclaims any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (oral or written) not stated in this Agreement. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

#### **50. Counterparts/Electronic Signatures.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

#### **51. No Waiver of Disclaimer of Reliance In Certain States.**

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

Executed on or as of the date stated in the introductory paragraph:

**PGF:**  
**Purchase Green Franchising, LLC**

Signed: \_\_\_\_\_

Printed name: \_\_\_\_\_

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

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

Signed: \_\_\_\_\_

Printed name: \_\_\_\_\_

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



## **EXHIBIT A**

For purposes of this Agreement the Territory shall be the area shown in the below map shaded in light blue and further defined as follows:

## EXHIBIT B

### Minimum Quantities (“MQ”)

Year 1: \_\_\_\_\_

Year 2 & all subsequent years: Prior year MQ multiplied by average growth from Year X to Year X+1 across all ~~PG satellite stores~~ Purchase Green Business, discounted by 10%.

Example: Year 2 MQ = Year 1 MQ X .9 X ~~PG-Satellite-Store~~ Purchase Green Business  
Avg Growth from Year 1 to Year 2

**EXHIBIT C**

**BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE**

*See Exhibit D to the FDD for a copy of the Bill of Sale, general Assignment and Conveyance.*

**EXHIBIT D**

**EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT**

*See Exhibit E to the FDD for a copy of the Employee Non-Competition and Non-Disclosure Agreement.*

**EXHIBIT E**

**TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY**

*See Exhibit F to the FDD for a copy of the Telephone Number Assignment Agreement and Power of Attorney.*

**EXHIBIT F**  
**GUARANTY**

*See Exhibit G to the FDD for a copy of the Guaranty.*

**EXHIBIT B-2**  
**TILE ADDENDUM TO FRANCHISE**  
**AGREEMENT**

**TILE BUSINESS**  
**ADDENDUM TO THE FRANCHISE AGREEMENT**

This Tile Business Addendum to Franchise Agreement (this “**Addendum**”) is entered into this \_\_\_\_\_, 20\_\_\_\_ by and between **Purchase Green Franchising, LLC (“PGF”)** and \_\_\_\_\_ (“**Franchisee**”).

**1. Background.**

(a) PGF and Franchisee are parties to that certain Purchase Green® Franchise Agreement dated as of \_\_\_\_\_, 20\_\_\_\_ (as amended, the “**Franchise Agreement**”) under which PGF has granted Franchisee the right to operate a Purchase Green Business at \_\_\_\_\_ (the “**Business**”). All initial capitalized terms used but not defined in this Addendum have the meanings set forth in the Franchise Agreement.

(b) Franchisee and CH3 Solutions, LLC (“**Tile Affiliate**”) have elected to enter into certain reseller arrangement(s) on the terms and conditions Tile Affiliate may require (individually or collectively, the “**Reseller Arrangement**”), under which Franchisee shall have the right to purchase and distribute certain products under the one or more of Tile Affiliate’s brand(s) described below (the “**Affiliated Products**”). The resale business(es) for the Affiliated Products under the Reseller Arrangement shall be referred to, whether individually or collectively, as the “**Tile Business.**”

**[Note: The chart below to be updated to reflect the program(s) in which Franchisee will participate.]**

<b><u>Brand</u></b>	<b><u>Affiliated Products</u></b>
<u>VersaCourt®</u>	<u>Residential and commercial court tiles and other related products</u>
<u>Swisstrax®</u>	<u>Interlocking garage floor tiles and other related products</u>

(c) This Addendum addresses certain changes in and clarifications to the Franchise Agreement to reflect PGF’s modified requirements for Purchase Green Businesses operating a Tile Business.

**2. Consent to Tile Business.** Notwithstanding any restriction in the Franchise Agreement, PGF consents to Franchisee’s operation of the Tile Business and its storage, display and sale of the Affiliated Products at and from the Location.

**3. Operation of Tile Business.** Franchisee agrees that PGF, at its option, may modify any of the terms of the franchise system applicable to the Business, including any system standards, the layout and design requirements, the products and services offered, any mandatory or optional advertising, marketing and promotional programs, required equipment or products, required hours



of operation, personnel training and staffing requirements, and other standards, specifications and requirements, in a manner that is different from the manner in which those terms apply to other Purchase Green Businesses, in order to reflect that the Business operates the Tile Business. Franchisee agrees to comply with all of those modifications. Without limiting the generality of the foregoing:

(a) Franchisee shall design and construct, and/or make modifications to, the Location's layout, design, equipment and fixtures that PGF specifies to reflect Franchisee's operation of the Tile Business.

(b) Franchisee agrees that the operation of the Tile Business shall not unreasonably interfere with or otherwise disrupt the Business' operations. Franchisee further agrees that the operation of the Tile Business must be consistent with and complement Franchisee's operation of the Business.

(c) Franchisee acknowledges that the services, guidance and assistance that PGF provides under the Franchise Agreement, including any training, is intended for Purchase Green Businesses and not tailored or specific to Purchase Green Businesses that also operate a Tile Business. Franchisee acknowledges that PGF shall have no obligation to provide any training, services or other assistance with respect to the Tile Business.

(d) The design and layout of the Location shall reflect, in the manner PGF periodically specifies, that the operation of the Tile Business is separate from and independent of the Business. Without limiting the foregoing, at PGF's option, Franchisee may use certain areas of the Location only for the business associated with the Business and not the Tile Business. Likewise, at PGF's option, Franchisee may use certain areas of the Location only for the business associated with the Tile Business and not the Business.

(e) Unless PGF otherwise specifies or approves, none of the advertising, marketing or promotional materials associated with the Business may reference the Tile Business, the Affiliated Products, or the brand(s) associated with the Affiliated Products.

(f) Franchisee shall maintain separate books and records for the Business and the Tile Business and shall not commingle the revenues of the Business with the revenues of the Tile Business. PGF and Franchisee agree that Franchisee's revenue from the Affiliated Products shall be excluded from Gross Revenues.

**4. Audit and Inspection.** Without limiting PGF's rights and obligations under Section 19 of the Franchise Agreement, to determine Franchisee's compliance with the Franchise Agreement (including this Addendum), PGF shall have the right to inspect any part of the Location, even those solely related to the Tile Business, and audit the books and records associated with the Tile Business, in accordance with the terms of the Franchise Agreement.

**5. Additional Franchisee Acknowledgments.** Franchisee acknowledges and agrees that:

(a) PGF may be the designated supplier of the Affiliated Products;

(b) PGF may receive rebates, commissions or other consideration from affiliates and third parties based on Franchisee’s purchase of the Affiliated Products, and PGF shall be entitled to receive, keep, and use such payments without any restrictions; and

(c) The Franchisee is solely responsible for operating the Tile Business at the Location in compliance with all applicable laws. Failure to do so will constitute a breach and default under this Addendum. If the Franchisee does not cure the default within five (5) days after receiving written notice from PGF, PGF may immediately terminate this Addendum and the Franchisee’s right to operate the Tile Business at the Location.

**6. Miscellaneous.** This Addendum is an amendment to, and forms a part of, the Franchise Agreement. Except as amended by this Addendum, the Franchise Agreement will continue in full force and effect. The recitals to this Addendum are a part of this Addendum, which, together with the Franchise Agreement, constitutes the entire agreement between PGF and Franchisee, and there are no oral or other written understandings, representations or agreements between PGF and Franchisee, relating to the subject matter of this Addendum. No modification, change or alteration of this Addendum shall be effective unless in writing and executed by PGF and Franchisee. The words “include,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. If there is a conflict between any provision of the Franchise Agreement and a provision of this Addendum, the provision of this Addendum controls.

**IN WITNESS WHEREOF,** the parties have executed and delivered this Addendum as of the date first above written.

**PGF:**

**PURCHASE GREEN FRANCHISING,  
LLC**

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

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

**FRANCHISEE:**

\_\_\_\_\_

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

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

**EXHIBIT C**

**MULTI-UNIT DEVELOPMENT AGREEMENT**



## MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “**Agreement**”) is made and entered into on the \_\_\_ day of \_\_\_\_\_, 202\_\_ by and between Purchase Green Franchising, LLC, a Delaware limited liability ~~PGF~~company with its address at 1925 Wright Avenue, Suite A & B, La Verne, California 91750 (“**PGF**”) and [INDIVIDUAL(S) OR LEGAL ENTITY NAME], a [ENTITY STATE, IF APPLICABLE] [ENTITY TYPE, IF APPLICABLE], whose address is [INDIVIDUAL(S) OR ENTITY ADDRESS] (“**Developer**”).

### RECITALS

A. PGF developed and owns a unique system (the “**System**”) for establishing, developing and operating businesses (“**Purchase Green Businesses**”) which sell, install and maintain artificial grass, putting greens, artificial ivy and sports turfs, golf products associated with putting greens, solar lights and related installation accessories (“**Products**”), using the trademark Purchase Green and related marks (the “**Marks**”). Some elements of the System may remain, and some will be changed, improved and further developed by PGF from time to time and over time.

B. PGF grants to persons who are able to meet PGF’s qualifications and will undertake the necessary investment and effort, and Developer applied for, the right to develop and operate a mutually agreed number of Purchase Green Businesses within a designated geographic area, pursuant to the System and the further requirements and obligations in this Agreement. Accordingly, the parties have agreed as follows:

### AGREEMENT

#### 1. DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1 Grant of Rights. PGF grants Developer, and Developer accepts, the exclusive right to develop Purchase Green Businesses in the geographic area described on attached Exhibit “1” (“**Developer’s Territory**”), on the terms and subject to the conditions of this Agreement.

1.2 Territory Rights Development Fee. On signing this Agreement, Developer shall pay to PGF a ~~territory rights~~development fee of \_\_\_\_\_ (\$\_\_\_\_\_) (the “~~Territory Rights~~**Development Fee**”). The ~~Territory Rights~~Development Fee is fully earned by PGF when paid. It represents consideration for PGF’s administrative and other expenses incurred, and for development opportunities lost or deferred, in granting development rights to Developer. The ~~Territory Rights~~Development Fee is not refundable in any circumstance or for any reason.Developer’s Territory. During the Development Term (defined below), provided Developer is in full compliance and not in default under this Agreement, PGF shall not: (a) operate, or grant others the right to operate, a Purchase Green Business in Developer’s Territory; and/or (b) operate, or grant others the right to operate a business under a different name in Developer’s Territory

which predominantly offers Products similar to those of Purchase Green Businesses, except for ~~any~~ business that is already in existence or development at the time of entering into this Agreement.

1.4 PGF's Reserved Rights in Developer's Territory. Nothing in this Agreement prohibits PGF from engaging in the following activities, whether within or outside of Developer's Territory: (i) sell the same or related services, products and equipment outside the Developer's Territory; (ii) license others to sell the same or related services, products and equipment (but not through Purchase Green Businesses) whether within or outside the Developer's Territory, provided that if after the Effective Date of this Agreement any such third party is licensed to operate within the protected area granted under a Franchise Agreement signed pursuant to this Agreement, then that third party may elect to purchase from Developer (or the applicable franchisee entity) Products for resale in that territory; (iii) offer to the public separately, jointly or with others, related services and/or products of every kind, using the PGF IP and know-how, all outside the Developer's Territory; ~~(iiiiv)~~ establish, operate and license others to establish and/or operate franchised or other businesses anywhere adjacent to, or outside, the Developer's Territory on terms the PGF elects; ~~(ivv)~~ develop and establish other business systems which could distribute products or services similar to those offered by Developer, using names or marks other than the PGF trademarks, within or outside the Developer's Territory, and grant licenses to use those systems; ~~(vvi)~~ advertise and promote Products anywhere, including in the Developer's Territory; ~~(viiivii)~~; acquire assets or minority or controlling ownership of businesses identical or similar to the business conducted by PGF; ~~(viiiiviii)~~ acquire other businesses, and/or be acquired by a business, whether identical or similar to Purchase Green Businesses, even if the other business operates, franchises and/or licenses competitive businesses in or near the Developer's Territory; ~~(viiiiiv)~~ subject to subsection (h) below, contract with, sell to or enter into strategic alliances or similar relationships with National Accounts, which may have locations in the Developer's Territory, to directly or indirectly use for themselves or provide Products and related services to others; ~~(ixx)~~ use the marks in promotion and marketing to identify products and services distributed at any location, including sales through such channels as retail locations, home improvement and hardware stores, distributors, the Internet, catalog sales, telemarketing, or other direct marketing sales; ~~(xixi)~~ use and license the use of other marks (dissimilar from PGF trademarks) in the sale of products and services (other than the Products) similar to, or different from, those Developer sells, whether in alternative channels of distribution, in businesses the same, or similar to, or different from Purchase Green Businesses, at any locations, and on any terms, without granting Developer any rights to thereto; and ~~(xixii)~~ engage in any activities not expressly prohibited in this Agreement.

1.5 Further Regarding Company's Reserved Rights. Developer acknowledges that Company, entities related to Company through common ownership (collectively, "**Affiliates**"), and their respective officers, directors, employees and agents, may engage in any, and every, activity, within or outside of Developer's Territory, which is not expressly prohibited by this Agreement. Except for the restrictions in Section 1.3, this Agreement does not limit Company's right to use or license the Marks or the System, or to engage in, or license, any other type of business activity, whether similar to or different from the System. Additionally:

1.5.1. Developer understands, acknowledges and agrees it has no right to participate, directly or indirectly, in any activity reserved by Company, and no right to object to the issuance of franchise rights to others.

1.5.2. Company, in its sole discretion, reserves the absolute right to approve exceptions or deviations from the System. Developer acknowledges it has no right to object to any variances granted to others and no claim against Company for failing to enforce standards of the System against others permitted to use it.

1.6 Licensing Others Prohibited. Developer shall have no right under this Agreement to license others to use the Marks or the System.

## 2. DEVELOPMENT TERM

The term of this Agreement (“**Development Term**”) starts on the date written on page 1. Unless this Agreement is earlier terminated as provided below, the Development Term expires on the earlier of the following two dates: (i) the date specified for opening the last Purchase Green Business as set forth on Exhibit “2”, or (ii) the date the last Purchase Green Business permitted to be open pursuant to this Agreement actually opens for business to the public.

## 3. DEVELOPMENT OBLIGATIONS

3.1 Development Quota; Development Deadline. Developer agrees to open and operate, within Developer’s Territory, the increasing, cumulative number of Purchase Green Businesses set forth on Exhibit “2” (the “**Development Quota**”) from and after each point in time set forth on Exhibit “2” (each deadline identified on Exhibit “2” for fulfilling a Development Quota is referred to as a “**Development Deadline**”).

3.2 Failure to Meet Development Conditions. If Developer does not satisfy a Development Quota by the applicable Development Deadline, PGF may terminate this Agreement and the consequences of termination, stated in this Agreement shall apply.

3.3 Closures. If a Purchase Green Business closes for any reason after opening, and as a result of closure, Developer falls below the Development Quota applicable at the time of closure, Developer shall have six (6) months from the closing date to open a substitute Purchase Green Business within Developer’s Territory in its place.

## 4. GRANT OF FRANCHISES TO DEVELOPER.

4.1 Site Selection and Designation of Territory. Following execution of this Agreement, PGF shall provide Developer with a copy of PGF’s current site proposal guidelines, including the demographic, design and construction guidelines for selection and build-out of the franchise location and other requirements applied by PGF in connection with site review and approval. PGF shall provide Developer with updates to such information which may be made from time to time. Developer shall propose to PGF, for approval, specific locations in Developer’s Territory for each Purchase Green Business which Developer believes meets PGF’s site proposal package guidelines. Each location proposed by Developer shall be subject to PGF’s approval, which PGF shall not unreasonably withhold. Before PGF shall be obligated to offer Developer a Franchise Agreement for any proposed location, Developer shall comply with all of the following conditions:

4.1.1. Developer shall submit a written site proposal to PGF, which shall contain all the information required by PGF's then-current site proposal package guidelines.

4.1.2. PGF shall have fifteen (15) business days following receipt of the completed site proposal to approve the proposed site by giving written notice to Developer; PGF's failure to give timely notice shall constitute its disapproval of the proposed site. Developer acknowledges that PGF's approval of a proposed site does not constitute a guaranty or warranty that a Purchase Green Business at that site will be successful or profitable or achieve any particular results. Approval signifies that the PGF accepts the site as meeting PGF's site guidelines and/or has chosen to waive guidelines the site does not meet.

4.1.3. If PGF approves a proposed site, PGF will identify the proposed exclusive territory for that Purchase Green Business. Developer may disapprove the proposed exclusive territory by giving written notice of disapproval to PGF within five (5) days after receipt of PGF's notice. Otherwise, Developer is deemed to accept such boundaries. If Developer gives timely notice that it disapproves the proposed boundaries, the parties shall negotiate in good faith attempting to identify mutually acceptable boundaries for the proposed exclusive territory for that Purchase Green Business, consistent with PGF's policies concerning size and demographic qualities of franchisee territories; provided, however, if the parties cannot agree on such boundaries within thirty (30) days after Developer receives PGF's notice of site approval, the proposed site shall be deemed disapproved. Developer acknowledges that territory exclusivity is subject to exceptions, exclusions and other limitations stated in the Franchise Agreement.

4.2 Franchise Agreement. If the parties agree on the proposed location and exclusive territory for a Purchase Green Business, PGF shall offer Developer a franchise to operate a Purchase Green Business at that location by providing a Franchise Agreement for such site.

4.2.1. The form of Franchise Agreement shall initially be the form attached as Exhibit "3" (the "**Franchise Agreement**"). Subsequently, the form of Franchise Agreement shall be PGF's then current form of Franchise Agreement.

4.2.2. The Initial Franchise Fee for the second and each subsequent Franchise Agreement entered into pursuant to this Agreement, shall be the initial franchise fee that PGF is then customarily charging according to its then current Franchise Disclosure Document. PGF shall credit Developer with the then customary charge toward the applicable Initial Franchise Fee, being a portion of the ~~Territory Rights~~Development Fee paid pursuant to this Agreement.

4.2.3. Within twenty (20) days after receipt of the Franchise Agreement for an approved site, Developer shall execute the Franchise Agreement and return it to PGF together with payment of the applicable Initial Franchise Fee determined according to this Section 4.2. If Developer fails to comply with this obligation, PGF shall have no obligation to grant a franchise to Developer for the approved site, and Developer has the risk of failing to satisfy the Development Quota on Exhibit "2."

4.2.4. After the parties execute a Franchise Agreement for an approved site, their relationship, and the parties' rights and obligations, as to development, ownership and operation

of that site, shall be exclusively governed by the Franchise Agreement and any other agreements entered into by them pursuant to the Franchise Agreement.

5. MARKS AND SYSTEM.

Developer acknowledges that this Agreement does not grant a franchise and does not grant Developer any right to use the Marks or System. Developer's right to use the Marks and System is derived solely from each Franchise Agreement which may be entered into pursuant to this Agreement.

6. FULL TIME AND ATTENTION.

Developer shall devote full time and best efforts to the development obligations under this Agreement. Developer shall cause Developer's principal owner or principal executive officer, or other principal officer acceptable to PGF, to personally undergo and satisfactorily complete training in accordance with the training obligations in the first Franchise Agreement that Developer enters into with PGF.

7. TERMINATION OF DEVELOPMENT AGREEMENT BY PGF.

7.1 Procedure for Terminating Agreement. PGF may terminate this Agreement, in its discretion and election, effective on PGF's delivery of written notice of termination to Developer (unless a different effective date is specified in this Agreement or in the notice of termination). PGF's notice must specify the grounds of default and be based on any one or more of the following events, and Developer shall have no opportunity to cure a default based on any of the following events:

7.1.1. If Developer makes a general arrangement or assignment for the benefit of creditors or become a "debtor" as defined in 11 U.S.C. §101 or any successor statute, unless, in the case where a petition is filed against Developer, Developer obtains an order dismissing the proceeding within sixty (60) days after the petition is filed; or if a trustee or receiver is appointed to take possession of all, or substantially all, the assets of the Purchase Green Business, unless possession of the assets is restored to Developer within thirty (30) days following such appointment; or if all, or substantially all, of the assets of Developer become subject to an order of attachment, execution or other judicial seizure, unless the order or seizure is discharged within thirty (30) days;

7.1.2. Developer breaches or fails to comply with any of the conditions governing transfer of rights under this Agreement;

7.1.3. If an order is made or resolution passed for winding-up or liquidation of Developer (if a corporation, LLC, partnership or other entity) or if Developer adopts or takes any action for its dissolution or liquidation;

7.1.4. If Developer, or any authorized representative of Developer, makes a material misrepresentation or omission in obtaining rights granted hereunder, or if Developer or any officer, director, shareholder, member, manager, or general partner of Developer is convicted of or pleads no contest to a felony charge or engages in any conduct or practice that, in PGF's



reasonable opinion, reflects unfavorably on or is detrimental or harmful to the good name, goodwill or reputation of PGF or to the business, reputation or goodwill of the System or any of the Marks;

**7.1.5. If Developer is or becomes a subject of attention for any act, omission, statement, conduct or behavior of any kind, or there is a risk of attention for any of the foregoing, in print, broadcast or other media, social media, on the internet or in the public, which may injure the reputation or goodwill of the Marks (regardless of whether the matter that is the basis of the attention is true or not);**

7.1.6. If Developer fails or refuses to pay, on or before the due date, any fee or other amount payable to PGF under this Agreement, and if the default continues for a period of ten (10) days after written notice of default is given by PGF to Developer;

7.1.7. If Developer fails to satisfy the Development Quota;

7.1.8. If any other agreement by and between Developer and PGF or any of PGF's Affiliates, including, without limitation, any Franchise Agreement for a Purchase Green Business, is terminated for any reason;

7.1.9. After curing any default, if Developer engages in the same noncompliance, whether or not the later default is timely corrected after notice is delivered to Developer, or, alternatively, if on three (3) or more occasions within any twelve (12) consecutive months during the Development Term, Developer fails to comply with one or more requirements of this Agreement whether or not each separate default (which need not be the same act of noncompliance) is timely corrected after notice is delivered to Developer; or

7.1.10. If Developer fails to comply with any other provision of this Agreement and does not correct the default within sixty (60) days after PGF gives Developer written notice of the default, which notice must describe the action that Developer must take to cure the default.

**7.1.11. For purposes of this Agreement, the acts and omissions of Developer, Developer's managers and employees of Developer shall be deemed to be and are the acts and omissions of Developer and Developer is and shall be deemed to be responsible for such acts and omissions.**

## 7.2 Effect of Termination on Franchise Agreements.

7.2.1. Termination of this Agreement pursuant to Section 7.1, or expiration of this Agreement shall not, by itself, terminate any Franchise Agreement or other agreement then in effect by and between Developer and PGF, unless such event is provided for as a ground for termination in such other agreement, or unless the grounds on which termination is predicated also are grounds for terminating the other agreement(s) and PGF has satisfied all requirements to effect a termination of the other agreement(s).

7.2.2. If this Agreement is terminated or expires, Developer shall have no further right to develop Purchase Green Businesses in Developer's Territory, nor shall Developer have any right to prevent PGF, or others, from owning and operating, or granting franchises to others to

own and operate, Purchase Green Businesses in Developer's Territory, subject, however, to the territory rights, if any, granted to Developer under each Franchise Agreement then in effect between the parties pertaining to a Purchase Green Business owned by Developer.

## 8. TRANSFER.

8.1 Assignment by PGF. PGF will have the right to assign, transfer or sell PGF's rights under this Agreement to any person or entity, in whole or in part, on one or more occasions. Upon assignment and assumption, PGF shall be under no further obligation hereunder, except for any accrued liabilities. Developer acknowledges and agrees that PGF may go public; engage in a private placement of some or all of PGF's securities; merge, acquire entities, be acquired; and/or undertake refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. These may include any such transactions with or involving competitive or non-competitive franchises, chains or other business, regardless of location(s). In certain instances, such locations could be close to or overlap the Developer's Territory or area in which Developer provides services.

8.2 Assignment by Developer. Neither Developer's interest in this Agreement nor any of Developer's rights hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, in whole or in part, without PGF's prior written consent, which consent shall not be unreasonably withheld, and without Franchisee first complying with this Section 8. The term "assignment" includes actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control of interests in the Franchised Business. Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms in this Agreement shall be null and void and of no effect and shall be an incurable breach of this Agreement. Actual or purported transfer in the aggregate of twenty-five percent (25%) or more of the Franchised Business or in Franchisee shall be deemed to be an assignment of this Agreement.

8.3 Conditions to Consent to Transfer. PGF can require or make any or all of the following conditions to giving consent to a proposed assignment:

(a) The proposed assignee must submit an application meeting PGF's requirement with curriculum vitae/resume and credit application and must consent to a background/credit check and any additional investigation to be conducted by PGF or by a service provider PGF designates.

(b) The proposed assignee and its owners must demonstrate skills, qualifications, licensing and economic resources necessary, in PGF's reasonable judgment, to conduct the Franchised Business and to fulfill its obligations to Developer and to PGF.

(c) The proposed assignee and its owners must expressly assume in writing all Developer's obligations under this Agreement.

(d) As of the date of assignment, Developer shall have fully complied with all Developer's obligations to PGF, whether under this Agreement or law or any other agreement, arrangement or understanding with PGF.

(e) Franchisee must pay PGF a transfer fee equal to the greater of Seven Thousand Five Hundred Dollars (\$7,500) or two percent (2%) of the non-contingent consideration due to Developer as of the closing date of the transfer, and for a transfer to a controlled entity of Developer, Two Thousand Five Hundred Dollars (\$2,500). This payment shall be due and payable to PGF upon closing of the transfer; provided, however, that, if the transfer does not close, Developer shall reimburse PGF for all of its actual out-of-pocket expenses incurred in connection with its review of the transferee.

(f) The proposed assignee or the individual designated as its manager shall satisfactorily complete the training then required of all new franchisees, at the expense of Developer or assignee, also including payment of PGF's reasonable charge for training the proposed assignee or its manager.

(g) PGF shall be provided full copies of all proposed final agreements between Developer and proposed assignee and correspondence that adds to, modifies or otherwise impacts the terms of such proposed agreements.

(h) Developer and its owners shall have executed a general release in a form satisfactory to PGF of any and all claims against PGF, its affiliates and their respective shareholders, members, managers, directors, officers and employees in these entities in their entity and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) Other conditions and requirements that are reasonable in the circumstances for PGF to impose.

Franchisee acknowledges and understands the proposed assignee may not be affiliated in any way with a competitor of PGF.

8.4 PGF's Right of First Refusal. Except as otherwise provided in this Section 8.3, if a written offer ("**Third Party Offer**") is made to purchase or otherwise acquire: (a) Developer's rights under this Agreement, (b) more than a one percent (1%) interest in the outstanding securities of a Publicly Held Entity, (c) any securities of Developer offered pursuant to a transaction which is subject to registration under federal or state securities laws or is offered as a private offering pursuant to a written private placement memorandum of any kind, or (d) a controlling interest in the equity or voting interests of Developer which is not a Publicly Held Entity, Developer, or the person receiving the offer (the "**Individual Transferor**"), shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to PGF in writing for PGF's consent to the proposed assignment. Developer, or the Individual Transferor, shall attach to the application a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications, (ii) a copy of the proposed transferee's current financial statement, and (iii) other information that PGF may require which PGF deems to be relevant or material to the Third Party Offer, proposed transferee and proposed assignment.

8.4.1. PGF or its nominee shall have the right, exercisable by written notice ("**Notice of Exercise**") delivered to Developer, or the Individual Transferor, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for

consent, to notify Developer or the Individual Transferor that it will purchase or acquire the rights, equity and/or interests proposed to be assigned on the terms in the Third Party Offer, except that PGF may (a) substitute cash for any form of payment proposed in the offer discounted to present value based on the rate of interest stated in the Third Party Offer, and (b) deduct from the purchase price the amount of any commission or fee that would otherwise be payable to any broker or agent in connection with the Third Party Offer and all amounts then due and owing or to become due from Developer to PGF.

8.4.2. The closing for any purchase by PGF shall be consummated and closed in PGF's principal office at a mutually agreed date and time, provided that the closing shall be held no later than sixty (60) days after receipt of the Third Party Offer, all supporting information, and the application for consent. At the closing, Developer or the Individual Transferor shall deliver to PGF such documents, affidavits, warranties, indemnities and instruments as would have been delivered by Developer or the Individual Transferor to the proposed transferee pursuant to the Third Party Offer. All costs, fees and other expenses incurred in connection with the transfer shall be allocated between Developer and PGF in accordance with the terms of the Third Party Offer, and any costs not allocated shall be paid by Developer or the Individual Transferor.

8.4.3. If PGF gives timely Notice of Exercise but, through no fault of Developer or the Individual Transferor, fails to close the purchase of the interest which is the subject of the Third Party Offer, the transfer to a Third Party may not be completed unless PGF's consent is obtained and all other conditions stated in this Section 8 are satisfied.

8.4.4. PGF's right of first refusal shall not apply to any of the following transfers ("**Qualified Transfers**"): (a) the transfer or assignment of equity or voting interests constituting less than a controlling interest of the equity or voting interests of a Developer which is not a Publicly Held Corporation, (b) if Developer is an individual, the transfer by Developer all of his or her rights under this Agreement to a newly-formed corporation, LLC or other entity provided all the equity or voting interests of such entity are owned by the individual, or (c) a transfer following death or permanent incapacity of Developer, or of the person owning a controlling interest in the equity or voting interests of Developer, to the spouse, adult children, heirs or legal representative of the deceased or incapacitated person.

8.5 Conditions of Assignment to Third Party. If PGF does not exercise its right of first refusal or complete the purchase of the interest which is the subject of a Third Party Offer, or in the event of a Qualified Transfer or other transfer requiring PGF's consent, PGF shall determine whether or not to consent to the proposed transfer, and shall notify Developer of its decision by no later than the following dates: (a) if PGF gives timely Notice of Exercise but does not consummate the transfer through no fault of Developer or the Individual Transferor, notice shall be given by either ten (10) days after the scheduled closing date for PGF's purchase of the interest, or thirty (30) days after Notice of Exercise is given, whichever occurs last, or (b) in all other cases, notice shall be given thirty (30) days following PGF's receipt of the Third Party Offer (if any), all supporting information and the application for consent. As a condition to consenting to the transfer, PGF may, in its sole discretion, require that any or all of the following conditions be satisfied:

8.5.1. Developer shall pay to PGF a transfer fee equal to ten percent (10%) of the ~~Territory Rights~~Development Fee when Developer applies to PGF for its consent to transfer. This

shall be additional to the payment of any transfer fee(s) due under any Franchise Agreement(s). If consent is denied, PGF may retain an amount equal to five percent (5%) of the ~~Territory Rights~~Development Fee as compensation for expenses in reviewing the proposed transfer;

8.5.2. The proposed transferee must meet PGF's then-current qualifications for an area developer of a territory similar in size and demographic characteristics to Developer's Territory, including qualifications pertaining to financial condition, credit rating, business experience, moral character and reputation.

8.5.3. Developer must execute and deliver a general release, in form satisfactory to PGF, of any and all claims against PGF and its officers, directors, shareholders, employees and agents;

8.5.4. The proposed transferee must execute all other documents and agreements required by PGF to evidence the assumption of Developer's obligations hereunder and under any other agreements which are contemporaneously being assigned. This Agreement may only be transferred and assigned in connection with the transfer of all Businesses developed by Developer pursuant to this Agreement; provided, however, Developer must satisfy all conditions for transfer imposed under such other agreements, including any applicable Franchise Agreements, for the Franchised Businesses;

8.5.5. If the proposed transferee is a corporation, LLC or other entity, each person who at the time of such assignment, or later, owns or acquires, either legally or beneficially, ten percent (10%) or more of the equity or voting interests of the proposed transferee must furnish any financial information reasonably required by PGF and execute PGF's then-current form of Guarantee and Assumption of Obligations.

8.5.6. Developer's right to receive the sales proceeds from the proposed transferee in consideration of the transfer, or otherwise, shall be subordinate to the proposed transferee's and Developer's duties owed to PGF, or to any assignee or affiliate of PGF, under, or pursuant to, this Agreement or any other agreement, including under any Franchise Agreement, Lease or Sublease. All contracts by and between Developer and the proposed transferee shall provide for such subordination and may further provide that so long as the proposed transferee is not in default to PGF in the performance of any of its obligations, the proposed transferee may pay such sales proceeds to Developer;

8.5.7. Developer and its owner(s) shall enter into an agreement with PGF which provides that all obligations of the proposed assignee to make installment payments of the purchase price to Developer or its owner(s) shall be subordinate to the proposed assignee(s) obligations to pay to PGF or PGF's Affiliates service fees, advertising contributions and any other payment obligations imposed by any Franchise Agreement or any other agreement which is contemporaneously being assigned and assumed; and

8.5.8. As of the date consent is requested and through the date of closing of the proposed transfer and assignment, Developer must not be in default under this Agreement or under any other agreements with PGF, including Franchise Agreements for Purchase Green Businesses owned by Developer, and must be current with all monetary obligations owed to third parties.

8.6 Additional Conditions Re Sale of Securities. Whenever the issuance, offer or sale of securities of Developer (whether or not a Publicly Held Entity) is subject to registration under federal or state securities laws or is offered as a private offering pursuant to a written private placement memorandum of any kind, Developer shall, (i) at least forty five (45) days before the proposed effective date of the registration or delivery of any private placement memorandum, submit all offering or registration materials to PGF for its prior review; (ii) reimburse PGF's actual expenses incurred in connection with reviewing the offering or registration materials, including (without limitation) attorneys' fees, accountants' fees and travel expenses, in an amount not to exceed \$25,000 (the "**Securities Review Fee**"); (iii) provide PGF a written opinion of counsel, in the form and covering the matters prescribed by PGF, that the offering or registration complies with all federal and state laws; and (iv) agree in writing to fully indemnify and hold PGF harmless from and against any claims, demands, liability, costs or expenses of any kind arising out of the private or public offering and avoid any implication that PGF participates in, or endorses, the offering.

8.6.1. Developer shall promptly delete or correct any statements concerning the System, Marks or experience of Purchase Green Businesses that PGF may reasonably objects to following notice from PGF.

8.6.2. The Securities Review Fee shall automatically increase January 1 each year by an amount equal to the percentage increase, if any, in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics for the Los Angeles-Anaheim-Riverside, All Urban Consumers (All Items 1982 = 100), or if that index is no longer published then by a comparable index selected by PGF (the "**Index**"), comparing the Index level existing on January 1 of each subsequent year during the Term with the Index level existing on January 1 of the year in which the Term commenced.

8.7 Closing of Sale to Third Party. If PGF consents to an assignment to a third party, Developer, or the Individual Transferor, may only complete the transfer to the proposed transferee on the terms in the Third Party Offer or as otherwise stated in Developer's application for consent. If there is any material change in the terms of the Third Party Offer, PGF has a right of first refusal to accept the new terms subject to the conditions in this Section 8. If PGF consents to the assignment, the transfer to the proposed transferee must close within sixty (60) days from the date the Third Party Offer is first submitted to PGF unless PGF grants an extension of time in writing; otherwise, it must again be offered to PGF.

8.8 Corporate/Entity Developer. If Developer is a corporation, LLC, partnership, or other entity, it shall furnish to PGF, on execution of this Agreement or at such other time as transfer to the entity is permitted, a copy of its articles of incorporation, by-laws, operating agreement, partnership agreement or other governing document or agreement, as appropriate, and a list of all persons owning an interest in the equity or voting interests of the entity. Developer shall promptly provide PGF with a copy of any amendments to, or changes in, such information during the Development Term.

8.8.1. During the Development Term, each person who now or later owns or acquires, either legally or beneficially, ten percent (10%) or more of the equity or voting interests

of Developer, must furnish any financial information reasonably required by PGF and execute PGF's then-current form of Guarantee and Assumption of Obligations.

8.8.2. Developer shall maintain stop transfer instructions against the transfer on its records of any equity or ownership interests. Each certificate representing an ownership interest in Developer shall bear a legend stating that such interest is held, and further assignment or transfer is subject to all restrictions imposed on transfer set forth in this Agreement. The chief financial officer of Developer shall deliver a certificate to PGF annually, on or before January 15 each year, which lists all owners of record and all beneficial owners of any interest in the equity or voting interests of Developer as of the end of the most recent calendar year and identifies all transfers of equity or voting interests in Developer which occurred during such calendar year.

8.9 Death or Incapacity. In the event of the death or incapacity of Developer, or any person owning a controlling interest in the equity or voting interests of Developer, the spouse, heirs or personal representative of the deceased or incapacitated person, or the remaining shareholders, members, partners or owners (collectively, the "**Successor**") shall have one hundred eighty (180) days from the date of death or incapacity to (i) purchase the interest of the deceased or incapacitated person in this Agreement or in Developer, or (ii) complete the sale or assignment of such interest to a qualified, approved third party, provided, in either case, the purchase or assignment complies with all of the terms and conditions for assignment stated in this Section 8.

8.9.1. The development obligations imposed by this Agreement shall be tolled until the events described in (i) or (ii) of the preceding section occur, or, if neither occurs, for 180 days. At the end of the one hundred eighty (180) day period, if the Successor has not purchased the interest of the deceased or incapacitated person in this Agreement or in Developer or obtained PGF's consent to an assignment to a third party, PGF may, at its election, terminate this Agreement.

8.9.2. For this Agreement, "incapacity" means inability due to medical reasons to devote full time and attention to the development obligations under this Agreement for at least four (4) months in the aggregate during any consecutive twelve (12) month period during the Development Term, based on the examination and findings of a physician selected by PGF. A period of incapacity shall continue without interruption unless and until the person suffering the incapacity resumes his or her duties under this Agreement on a full time basis for thirty (30) consecutive business days.

8.10 Transfer of Individual Franchise Agreements. Developer's right to transfer its interest in any Business or Franchise Agreement shall be governed by the terms of that Franchise Agreement.

## 9. RELATIONSHIP OF PARTIES.

9.1 Independent Contractor. This Agreement does not create a fiduciary relationship between the parties. PGF and Developer are independent contractors. Nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. PGF shall neither regulate nor be responsible for the hiring or firing of Developer's agents or employees or for Developer's contracts with third parties, except to the

extent necessary to protect PGF's name, reputation and goodwill, the Marks, or the confidentiality of information which may be imparted to Developer.

9.2 No Liability. Neither PGF nor Developer shall be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized under this Agreement. PGF shall not be obligated for any damages to any person or party directly or indirectly arising out of the operation of any Purchase Green Business in which Developer owns an interest, whether caused by Developer's negligence, willful action or failure to act.

9.3 Indemnification. Developer shall indemnify and hold PGF and each of PGF's managers, members, officers, employees, agents, successors and assigns, harmless from and against any and all costs, expenses, losses, liabilities, damages, causes of action, claims and demands whatsoever, arising, directly or indirectly, out of Developer's exercise of the rights granted hereunder. PGF shall have the right to retain its own counsel to defend any third party claim asserted against it which is covered by this indemnification agreement. This indemnity shall continue in effect subsequent to, and notwithstanding, expiration or termination of this Agreement.

## 10. PERSONAL GUARANTY.

10.1 Guarantee and Assumption of Obligations ("Guarantee"). If Developer is a corporation, LLC or other entity, each person who owns or at any time during the Development Term acquires, either legally or beneficially, ten percent (10%) or more of the equity or voting interests of Developer shall furnish any financial information reasonably required by PGF and execute PGF's then-current form of Guarantee. An event of default under this Agreement shall occur if any guarantor fails or refuses to deliver to PGF, within twenty (20) days after PGF's written request: (i) evidence of the due execution of the Guarantee, and (ii) current financial statements of guarantor as may from time to time be requested by PGF.

10.2 Spouse. If the person signing the Personal Guaranty is married, PGF may require the individual's spouse to also sign the Guarantee as a co-guarantor.

## 11. CHOICE OF LAW, VENUE FOR LITIGATION.

11.1 THIS AGREEMENT AND THE RIGHTS OF THE PARTIES TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY PGF AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF CALIFORNIA, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW. IF ANY PROVISION OF THIS AGREEMENT WOULD NOT BE ENFORCEABLE UNDER CALIFORNIA LAW, AND WOULD BE ENFORCEABLE UNDER THE LAWS OF THE STATE IN WHICH DEVELOPER IS LOCATED, THEN SUCH PROVISION SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THAT STATE. NOTHING IN THIS SECTION IS INTENDED BY THE PARTIES TO SUBJECT THIS AGREEMENT TO ANY FRANCHISE OR SIMILAR LAW, RULES, OR REGULATION OF THE STATE OF CALIFORNIA TO WHICH IT WOULD NOT OTHERWISE BE SUBJECT.

11.2 DEVELOPER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS ENTERED INTO IN LOS ANGELES COUNTY, CALIFORNIA, AND THAT ANY ACTION BY EITHER PARTY SHALL BE BROUGHT EXCLUSIVELY IN THE U.S. DISTRICT



COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA OR THE SUPERIOR COURT OF CALIFORNIA IN AND FOR LOS ANGELES COUNTY, CALIFORNIA. THE PARTIES CONSENT TO AND WAIVE ANY OBJECTION TO PERSONAL JURISDICTION AND VENUE IN THOSE COURTS.

11.3 NO RIGHT OR REMEDY CONFERRED ON OR RESERVED TO PGF OR DEVELOPER BY THIS AGREEMENT IS INTENDED TO BE, NOR SHALL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY IN THIS AGREEMENT OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH SHALL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

12. MISCELLANEOUS.

12.1 Notices. All communications required or permitted to be given to either party shall be in writing and shall be deemed duly given on the earlier of: (a) the date when delivered by hand; (b) the date when delivered by fax or email if confirmation of transmission is received or can be established by the sender; (c) one business day after delivery to a reputable national overnight delivery service; or (d) three (3) business days after being placed in the United States Mail and sent by certified or registered mail, postage prepaid, return receipt requested. All notices shall be addressed to Developer or PGF at the address in the introductory paragraph of this Agreement, provided that either party may change its address for receiving notices by written notice to the other. Notwithstanding the parties' agreement regarding when notices shall be deemed to be given, any required payment not actually received by PGF during regular business hours on the date it is due shall be deemed delinquent.

12.2 Time of the Essence. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

12.3 Withholding of Consent. Except where this Agreement expressly obligates PGF to reasonably approve or not unreasonably withhold approval of any action or request by Developer, PGF has the absolute right to refuse any request by Developer or to withhold approval of any action by Developer. Further, whenever the consent or approval of PGF is required under this Agreement such consent or approval must be in writing unless this Agreement specifies otherwise.

12.4 Waiver. Any waiver granted by PGF to Developer excusing or reducing any obligation or restriction imposed under this Agreement shall be in writing and shall be effective on delivery of the writing by PGF to Developer or on such other effective date as specified in the writing, and only to the extent specifically allowed in the writing. No waiver granted by PGF, and no action taken by PGF, with respect to any third party shall limit PGF's discretion to take action of any kind, or not to take action, with respect to Developer. Any waiver granted by PGF to Developer shall be without prejudice to any other rights PGF may have. No delay by PGF in exercising any right or remedy shall operate as a waiver, and no single or partial exercise by PGF of any right or remedy shall preclude PGF from fully exercising that right or remedy or any other right or remedy. PGF's acceptance of any payments made by Developer after a breach of this Agreement shall not be, nor be construed as, a waiver by PGF of any breach by Developer of any term, covenant or condition of this Agreement. The rights of PGF are cumulative and no exercise

or enforcement by PGF of any right or remedy shall preclude the exercise or enforcement by PGF of any other right or remedy to which PGF is entitled by law to enforce.

12.5 Capitalized Terms. Except as expressly provided herein, to the extent any capitalized term is also defined in the Franchise Agreement, the term shall have the same meaning given to it in the Franchise Agreement and such definitions are incorporated herein by this reference. All other capitalized terms shall have the meaning given to them herein.

12.6 Section Headings; Language. Section headings in this Agreement are for convenience only and shall be deemed not to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement. The language used in this Agreement shall be construed according to its fair meaning and not strictly for or against PGF or Developer. The term “Developer” as used herein is applicable to one or more persons, corporations, entities or partnerships, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Developer, whether or not as partners or joint venturers, their obligations and liabilities shall be joint and several. Nothing in this Agreement is intended, nor shall it be deemed, to confer any rights or remedies on any person or entity not a party hereto. No agreement between PGF and anyone else is for the benefit of Developer. Whenever this Agreement refers to “business days,” it shall mean weekdays only, excluding Saturdays, Sundays and holidays.

12.7 Binding on Successors. Subject to the restrictions on assignment by Developer herein, the covenants, agreements, terms and conditions in this Agreement shall be binding on, and shall benefit, the successors, assigns, heirs and personal representatives of the parties.

12.8 Validity; Conformity with Applicable Law. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the rest of the provision or the remaining provisions of this Agreement. To the extent the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination other than according to applicable law, such provisions shall be deemed to be automatically amended to conform to the provisions of applicable law.

12.9 Amendments. No amendment, change, modification or variance to or from the terms and conditions in this Agreement shall be binding on any party unless it is set forth in writing and executed: (i) on behalf of Developer by Developer or, if Developer is not a natural person, by an authorized agent or officer of Developer; and (ii) on behalf of PGF, by a duly authorized officer of PGF.

12.10 Complete Agreement. This Agreement, including the exhibits, is the entire agreement between the parties on its subject, superseding any and all prior agreements or understandings between them pertaining to the subject matter. The recitals in this Agreement, and exhibits, are incorporated here by reference. There are no representations, warranties, promises or inducements, either oral or written, except those in this Agreement. However, nothing in this Agreement, exhibits or related agreement or document is intended to disclaim representations

made in PGF's Franchise Disclosure Document which Developer acknowledges was furnished to Developer.

12.11 Covenant and Condition. Each provision of this Agreement performable by Developer shall be construed to be both a covenant and a condition.

12.12 Submission of Agreement. The submission of this Agreement to Developer is not an offer to Developer and this Agreement shall become effective only on execution by PGF and Developer.

12.13 Spousal Consent. If the party entering into this Agreement as Developer is married and the party's spouse is not a party to this Agreement, Developer's spouse shall execute PGF's then-current Spousal Consent.

Executed as of the date stated in the introductory paragraph.

**“PGF”**

**“DEVELOPER”**

Purchase Green Franchising, LLC

\_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed name: \_\_\_\_\_

Printed name: \_\_\_\_\_

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

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

**Exhibit “1”**

**Description of Developer’s Territory**

For purposes of this Agreement the Territory shall be the area shown in the below map shaded in GREY with the approved location as indicated by the symbol in shaded blue:

**[to be inserted]**

For purposes of this Agreement the Second Territory shall be the area shown in the below map shaded in GREY:

**[to be inserted]**

**Exhibit “2”**

**Development Quota**

Purchase Green Business	Date by Which Purchase Green Business Shall Open For Business
-------------------------	--

**Exhibit “3”**

**Franchise Agreement**

*See Exhibit B to the FDD for a copy of the Franchise Agreement.*

**EXHIBIT D**

**BILL OF SALE, GENERAL ASSIGNMENT  
AND CONVEYANCE**

## BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE

This BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE (this “**Bill of Sale**”) is made and effective as of this [ ] day of [ ], [ ] (“**Effective Date**”), from [Franchisee] (“**Seller**”) to (“**Buyer**”). Seller and Buyer are referred to as a “**Party**” or as the “**Parties**”. All terms having their first letter capitalized and not otherwise defined shall have the meanings in the Franchise Agreement, entered into as of [Date] (as amended), between Buyer and Seller (the “**Franchise Agreement**”).

WHEREAS, Buyer desires to purchase the Territory Assets from Seller for the consideration set forth herein;

NOW, THEREFORE, the Parties agree as follows:

1. Sale and Transfer of Territory Assets. Seller represents and warrants to Buyer as of the Effective Date Seller owns all rights, properties, interests in properties and assets constituting the Territory Assets, free and clear of all liens, claims and encumbrances. As of the Effective Date, Seller sells, transfers, assigns, conveys, grants and delivers to Buyer all of such Seller’s right, title and interest in and to the Territory Assets free and clear of all liens, claims and encumbrances.

2. Purchase Price. Seller sells and Buyer purchases the Territory Assets on the Effective Date for the Repurchase Price, and for other good and valuable consideration the receipt, adequacy and legal sufficiency of which are hereby acknowledged.

3. Binding Effect; Assignment. This Bill of Sale and all its provisions shall bind and benefit the Parties and their respective successors and permitted assigns.

4. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall be an original, and all of which together shall comprise one and the same instrument.

5. Entire Agreement. This Bill of Sale, together with any Exhibit, constitutes the entire agreement with respect to the matters set forth in this Bill of Sale and supersedes any prior understanding or agreement, oral or written, with respect to such matters.

6. Applicable Law. All matters arising out of or relating to this Bill of Sale and its Exhibit, the relationship between the Parties pertaining to this Bill of Sale, and all of the transactions it contemplates, including its validity, interpretation, construction, performance, and enforcement, and any disputes or controversies arising therefrom shall be governed and construed in accordance with the internal laws of the State of California (without giving effect to any conflict of law provision or rule (whether of California or other jurisdiction) that would cause the application of laws of any other jurisdiction).

7. Further Assurances. Each of the Parties agrees to execute such further papers, agreements, documents, instruments, and the like as may be necessary or desirable to affect the purpose of the Agreement and to carry out its provisions.

8. Amendments. No amendment of any provision of this Bill of Sale shall be valid unless the same shall be in writing and signed by Seller and Buyer.



Executed as of the date first written above.

**SELLER:**

[\_\_\_\_\_]

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

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

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

**BUYER:**

[\_\_\_\_\_]

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

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

**EXHIBIT E**

**EMPLOYEE NON-COMPETITION AND NON-  
DISCLOSURE AGREEMENT**

## EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Agreement is made on \_\_\_\_\_, 202\_\_, by and between Purchase Green Franchising, LLC (“**Company**”), with its address at 1925 Wright Avenue, Suite A & B, La Verne, California 91750, \_\_\_\_\_, a franchisee of the Company, with its principal place of business at \_\_\_\_\_ (“**Employer**”), and \_\_\_\_\_ residing at \_\_\_\_\_ (“**Employee**”).

The Company sells franchises for operation of businesses known as “Purchase Green®.” The franchises provide the public with artificial turf and accessories.

The Company expended time, effort and expense to acquire knowledge and experience its business. Company developed a system for providing the artificial turf and accessory products and related services. The system is operated according to confidential and proprietary procedures which include: methods of doing business, methods of obtaining, advertising, marketing, presenting and providing merchandise and services, distinctive trade name and logo, equipment requirements, ad campaigns and materials, and other items used in operating procedures and business techniques, including procedures and instructions in Company’s Operating Manual, software, financial data, instructional materials and training programs, research and development, product and service development plans and various intellectual property (collectively, “**Confidential Information**”).

In employment with Employer, Employee has been or will be exposed to and become familiar with various aspects of concepts, designs, procedures, processes and other Confidential Information proprietary to Company and Employer. Company and Employer want to be assured by Employee that any such information gained in employment will be regarded as proprietary information and will not be disclosed to any third parties during or after employment, and that Employee will not compete with Employer, Company or its affiliates.

In consideration of [continued] employment of Employee by Employer, [continued] compensation of Employee by Employer during the duration of employment, [continued] use and enjoyment by Employee of Employer’s facilities and equipment, [ongoing] disclosure to Employee of Employer’s confidential and proprietary information, [continued] opportunity for Employee to serve Employer’s clients and customers, and the mutual covenants contained herein, the parties agree:

1. Confidentiality. Employee acknowledges and agrees that in the course of employment, Employee will have access to Confidential Information not generally known to the public relating to the services, sales or business of Employer and Company. Employee acknowledges and agrees that this Confidential Information constitutes valuable, special and unique assets of Employer and Company, access to and knowledge of which are essential to performance of Employee’s duties. Employee acknowledges and agrees that all such Confidential Information including, without limitation that which Employee conceives or develops, either alone or with others, at any time during employment by Employer, is and shall remain Company’s exclusive property.

2. Non-disclosure. Employee agrees that, except as directed by Employer or Company, Employee will not at any time, whether during or after employment with Employer, use or disclose to any person for any purpose any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared by Employee or otherwise coming into the Employee's possession or control, without Company's prior written permission.

3. Company Materials. Employee will safeguard and return to Employer upon termination of employment with Employer, or sooner if Employer requests, all documents and property in Employee's care, custody or control relating to employment or Employer's or Company's business, including, without limitation, any documents that contain the Confidential Information.

4. Other Employment While Employed by Employer. While employed by Employer, Employee shall not do work that competes with or relates to any of Employer's or Company's products or activities without first obtaining Employer's written permission. Any business opportunities related to Employer's or Company's business that Employee learns of or obtains while employed by Employer (whether or not during working hours) shall belong to Employer.

5. Saving Provision. The parties agree and stipulate that the agreements and covenants not to compete contained in the preceding paragraph, including the scope of the restricted activities described therein and the duration and geographic extent of such restrictions, are fair and reasonably necessary for the protection of Confidential Information, goodwill, and other protectable interests, in light of all of the facts and circumstances of the relationship between the Company, Employee and Employer. In the event a court of competent jurisdiction should decline to enforce any provision of the preceding paragraph, such paragraph shall be deemed to be modified to restrict Employee's competition to the maximum extent, in both time and geography, which the court shall find enforceable.

6. No Guarantee of Employment. This Agreement does not guarantee continued employment. Employee's employment is terminable at any time by Employer or Employee, with or without cause or prior notice, unless otherwise provided in a written employment agreement.

7. No Conflicting Agreements. Employee represents and warrants that Employee is not a party to any agreements, such as confidentiality or non-competition agreements, that limit Employee's ability to perform his or her duties for Employer.

8. Injunctive Relief. Employee acknowledges that disclosure of any Confidential Information or breach or threatened breach of any of the non-competition and non-disclosure covenants or other agreements contained herein would give rise to irreparable injury to Employer or the Company, which injury would be inadequately compensable in money damages. Accordingly, Employer or the Company, at its sole discretion, may seek and obtain injunctive relief from the breach or threatened breach of any provision, requirement or covenant of this Agreement, in addition to and not in limitation of any other legal remedies which may be available. Employee further acknowledges, agrees and stipulates that, in the event of the termination of employment with the Employer, the Employee's experience and capabilities are such that the Employee can obtain employment in business activities which are of a different and non-

competing nature with his or her activities as an employee of Employer; and that the enforcement of a remedy hereunder by way of injunction will not prevent the Employee from earning a reasonable livelihood. Employee further acknowledges and agrees that the covenants contained herein are necessary to protect the legitimate business interests of Employer and the Company and are reasonable in scope and content.

9. Enforcement. The provisions of this Agreement shall be enforceable notwithstanding the existence of any claim or cause of action against the Company, Employer by Employee, whether predicated on this Agreement or otherwise.

10. Governing Law. The Agreement shall be construed in accordance with the internal laws of the State of California. The parties agree to personal jurisdiction in the County of Flathead, State of California. Employee's obligations under this Agreement supplement and do not supersede the obligations imposed on Employee by applicable law.

11. Legal Expense. In any suit, proceeding or action to enforce any provision of this Agreement or for adjudication of the rights of Company, Employer or Employee, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs and expenses incurred in the suit, proceeding or action.

12. Waiver. Waiver of a breach of any provision of this Agreement or of failure to enforce any provision hereof shall not operate or be construed as a waiver of any subsequent breach by any party.

Date: , 202 .

EMPLOYEE:

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

EMPLOYER:

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

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

COMPANY:

Purchase Green Franchising, LLC

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

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

**EXHIBIT F**

**TELEPHONE NUMBER ASSIGNMENT  
AGREEMENT AND POWER OF ATTORNEY**

## PHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

The undersigned (“**Franchisee**”) irrevocably assigns the telephone listing and numbers stated below and any successor, changed or replacement number or numbers effective on the date of termination or expiration without renewal of the Franchise Agreement described below to Purchase Green Franchising, LLC., on the following terms:

1. This assignment is made under the terms of the Franchise Agreement dated \_\_\_\_\_ authorizing Franchisee to do business as “PURCHASE GREEN” (the “**Franchise Agreement**”) between Purchase Green Franchising, LLC (“**PGF**”) and Franchisee, which in part pertains to the telephone listing and numbers Franchisee uses in operating the franchised business.

2. Franchisee retains the right to use the telephone listing and numbers for transactions and advertising under the Franchise Agreement while the Franchise Agreement remains in full force, but on termination or expiration without renewal of the Franchise Agreement, the right of use of the telephone listing and numbers terminates. In this event, Franchisee agrees to immediately stop using the listings and numbers. Franchisee will immediately sign all documents, pay all monies, and take all other action necessary to transfer the listings and numbers to PGF.

3. The telephone numbers and affiliated listings subject to this assignment are: and all numbers Franchisee uses in the franchised business in the future.

4. Franchisee shall pay all amounts owed for the use of the telephone numbers and affiliated listings. On termination or expiration without renewal of the Franchise Agreement, Franchisee shall immediately pay all amounts owed for the listings and telephone numbers, including all sums owed under existing contracts for telephone directory advertising.

5. Franchisee appoints PGF as Franchisee’s attorney-in-fact to act in Franchisee’s place for the purpose of assigning any telephone number covered by this instrument to PGF or PGF’s designees or transferees. Franchisee grants PGF authority to act in any manner proper or necessary to the exercise of these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the numbers, and ratifies every act that PGF lawfully performs in exercising those powers.

This power of attorney is effective for one (1) year from the date of expiration, cancellation or termination of Franchisee’s rights under the Franchise Agreement for any reason.

Franchisee intends that this power of attorney be coupled with an interest. Franchisee agrees this power of attorney is irrevocable and renounces all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by Franchisee’s later incapacity. This power is created to secure performance of a duty to PGF and is for consideration.

Signed on \_\_\_\_\_, 202\_\_\_\_

(NAME OF FRANCHISEE)

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

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

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



# **EXHIBIT G**

# **GUARANTY**

## GUARANTY

In consideration of, and as inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments (collectively, the “**Agreement**”) dated \_\_\_\_\_, ~~202~~202, by and between Purchase Green Franchising, LLC, a Delaware limited liability company (“**PGF**”), and (“**Franchisee**”), each of the undersigned Guarantors agrees as follows:

1. Guarantors jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to PGF under the Agreement. The word “indebtedness” is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of Guarantors are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action.

3. If Franchisee is a corporation, partnership or limited liability company, PGF shall not be obligated to inquire into the power or authority of Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on Franchisee’s behalf and any obligation or indebtedness made or created in reliance on the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations or partnerships.

4. PGF, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of existence or creation of any liabilities under the

Agreement and of the amount and terms thereof; and notice of all breaches, disputes or controversies between the Franchisee and PGF resulting from the Agreement or otherwise, and of settlement, compromise or adjustment.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person executed this Guaranty, the term “undersigned” herein shall refer to each such person, and the liability of each of the undersigned shall be joint and several and primary as sureties.

8. In each case where the spouse of a Franchisee executed any documents in connection with the granting of the Agreement, and the Franchisee divorces from the spouse, then, in the event the Franchisee remarries, the new spouse of the Franchisee must execute, and agree to be bound by the provisions of, each of the documents previously executed by the original spouse.

Executed on \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature of Spouse (if married)**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Home Address**

\_\_\_\_\_  
**Home Address**

\_\_\_\_\_  
**Home Telephone**

\_\_\_\_\_  
**Home Telephone**

\_\_\_\_\_  
**Business Telephone**

\_\_\_\_\_  
**Business Telephone**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**EXHIBIT H**  
**GENERAL RELEASE**

**FORM OF RELEASE AGREEMENT**  
**(Subject to Change by Purchase Green Franchising, LLC)**

This **RELEASE AGREEMENT** (the “**Agreement**”) is entered into as of  
(the “**Effective Date**”) by and between Purchase Green Franchising, LLC  
 (“**PGF**”), \_\_\_\_\_ (“**Franchisee**”).

**BACKGROUND**

A. PGF and Franchisee entered into that certain Purchase Green® Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (“**Franchise Agreement**”) for the development and operation of that certain Purchase Green Business located at \_\_\_\_\_ (the “**Business**”).

B. [**Note: Describe the circumstances relating to the release.**]

C. For the reasons described herein, Franchisee now desires to release any and all claims that may exist relating to the Franchise Agreement and Franchisee’s relationship with PGF.

**NOW, THEREFORE,** in consideration of the promises herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**AGREEMENT**

1. [**Note: Describe any term(s) agreed to by the parties**]

2. **Release.**

a. Franchisee, on behalf of itself and their predecessors and affiliates, each of their respective owners, officers, directors, managers, employees and agents, and all of their respective heirs, representatives, administrators, trustees, beneficiaries, successors, and assigns (collectively, the “**Franchisee Parties**”), do hereby absolutely and irrevocably release and discharge PGF, its predecessors and affiliates, each of their respective owners, officers, directors, managers, employees and agents, and all of their respective heirs, representatives, administrators, successors, and assigns (collectively, the “**PGF Parties**”), of and from any and all claims, obligations, debts, proceedings, demands, actions, causes of action, liabilities, costs, expenses, losses and damages, whether known or unknown, vested or contingent, which any of the Franchisee Parties now has, ever had, or, but for this release, hereafter would or could have against any of the PGF Parties as of the Effective Date directly or indirectly relating to or arising out of the Franchise Agreement, the Franchised Business, or the relationship between PGF or its affiliate, on the one hand, and any of the Franchisee Parties, on the other hand (collectively, the “**Released Claims**”).

b. To the extent applicable, the parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542 (which reads “**A general release does not extend to claims that the creditor or releasing party does not know or suspect to**”).

exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”) and any other similar applicable law or regulation. Franchisee, on behalf of itself and the other Franchisee Parties, hereby waive and relinquish every right or benefit which they have under Section 1542 of the Civil Code of the State of California and any other similar applicable law or regulation, or any other law, rule or regulation limiting the effectiveness of releases, to the fullest extent that they may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Released Claims, the Franchisee Parties acknowledge that they may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of this release, but that it is the Franchisee Parties’ intention, fully, finally and forever to settle and release all such Released Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given hereunder shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

c. Franchisee, on behalf of itself and the other Franchisee Parties, represent and warrant to PGF that none of them has assigned or otherwise sold, conveyed, transferred, pledged, or granted a security interest in or lien upon any of the Released Claims. Franchisee, on behalf of itself and the other Franchisee Parties, covenant not to sue any of the PGF Parties (or any of their respective successors and assigns) on or related to any of the Released Claims.

### 3. General Provisions.

a. Construction. The Background is incorporated herein by reference and made a part of this Agreement. If Franchisee is comprised of more than one individual or entity, then all representations, warranties, liabilities and obligations of the relevant party shall be joint and several among the relevant parties. The captions of the sections and paragraphs of this Agreement are intended only as aids in locating provisions hereof, are not a part of the context hereof and shall be ignored in construing this Agreement. Capitalized terms used but not defined herein shall have the meaning given to them under the Franchise Agreement. Wherever the context may require, any pronouns used hereunder shall include the corresponding masculine, feminine or neutral form, and the singular forms of nouns and pronouns shall include the plural, and vice versa. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. References to any contracts, instruments or agreements shall include any and all amendments, restatements, extensions, supplements or other modifications to those contracts, instruments or agreements from time to time. The words “include,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. This Agreement has been fully and freely negotiated by the parties, shall be considered as having been drafted jointly by the parties, and shall be interpreted and construed as if so drafted, without construction in favor of or against any party on account of their participation in the drafting of this Agreement. This

Agreement may be executed in more than one counterpart, and by electronic signature, each of which constitutes an original.

b. Binding Effect. This Agreement inures to the benefit of and shall be binding on the parties hereto and their respective successors and assigns.

c. Governing Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, without regard to its conflicts of laws rules. All legal proceedings relating to this Agreement must be brought or otherwise commenced only in the state or federal courts of Georgia.

d. Entire Agreement; Amendments. This Agreement, and the documents referred to herein, represent the entire agreement among the parties hereto respecting the subject matter hereof. No statements, promises or representations have been made by any party hereto to any other, or relied upon by any party hereto, and no consideration has been offered, promised, or expected, except as expressly provided in this Agreement and the documents referred to herein. No waiver of or failure to enforce any provision in this Agreement shall be binding upon any party hereto unless made in writing and signed by that party. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought.

e. Severability. If any term or provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

f. No Related Party Liability. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of PGF or any of its affiliated entities shall have any liability for any obligations or liabilities under this Agreement of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

g. Washington Franchisees. If the Franchised Business is located in Washington, or Franchisee is a resident of Washington, the following shall apply:

This release does not apply to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement effective as of the Effective Date.

**PGF:**  
**Purchase Green Franchising, LLC**

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

**FRANCHISEE:**

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



**EXHIBIT I**  
**TABLE OF CONTENTS OF OPERATING  
MANUAL**

## Table of Contents

Code of Conduct .....	2
Office Procedures.....	3
Phone Etiquette- <i>Office</i> .....	4
Phone Etiquette- <i>Sales and Support Center Process</i> .....	5
Opening vs. Closing Procedures .....	6
Leaving Office Unattended.....	7
Fraud Alert .....	8
General Product Knowledge .....	9
Definitions.....	10
Benefits of Artificial Grass .....	13
Roll Tags- <i>How to Identify and Update</i> .....	14
Best Practices- <i>Warehouse Efficiency</i> .....	16
Power Broom Rental .....	19
Power Trim Broom .....	20
Purchase Green Accessories .....	21
Purchase Green Infills.....	22
Puppy Pads.....	23
Turf Bomb.....	24
Silverback, Eco Cell, and Armorloc 3L.....	25
Blade Profiles.....	26
Artificial Ivy.....	29
Perfect Groom.....	31
VersaCourt - <i>Ordering Process</i> .....	32
Installations .....	34
Installation Terminology.....	35
Installations- <i>Drafting a Contract</i> .....	37
Installations- <i>General Information</i> .....	43
Basic Installation Process .....	46
Installations- <i>Post Walk</i> .....	53
Territory Order.....	54
Forms .....	56
Hubspot.....	68
Marchex .....	76
QuickBooks.....	79
FAQ's.....	81

**EXHIBIT IJ**  
**STATE ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF PURCHASE GREEN FRANCHISING LLC**

The following are additional disclosures for the Multistate Franchise Agreement of Purchase Green Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures shall not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

**NO WAIVER OF DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

**CALIFORNIA**

1. The Disclosure Document is amended as follows:

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection & Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF ANY AGREEMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT FINANCIAL PROTECTION & INNOVATION (“DEPARTMENT”) AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. The following language is added to the end of Item 3 of the Disclosure Document:

“Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.”

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

“Notwithstanding any provision of the Franchise Agreement that requires you to sign a general release of claims if you renew or transfer your franchise, California Corporations Code Section 31512 voids any waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516), and California Business and Professions Code Section 20010 voids any waiver of your rights under the Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043).

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

The Franchise Agreement provides for termination upon bankruptcy. This may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The highest interest rate allowed by law in California is 10% annually.

The Franchise Agreement contains provisions shortening the statute of limitations to bring claims and requiring you to waive your right to punitive or exemplary damages against the franchisor, limiting your recovery to actual damages for any claims related to your franchise. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

4. Before we can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires us to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, we must provide you with that disclosure document with an explanation that the changes are voluntary.

5. 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**

1. For franchisors and franchisees subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of Purchase Green Franchising LLC's Franchise Disclosure Document.

Item 8. Item 8 of the Disclosure Document is amended to include the following disclosure:

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1(4) prohibits provisions in a Franchise Agreement subject to the Law which allow the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any provision of the Franchise Agreement conflicts with Indiana Law, Indiana Law will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-2(6) makes it unlawful for any franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any of Purchase Green Franchising LLC's business practices conflicts with Indiana Law, Indiana Law will control.

Item 17. Item 17 of the Disclosure Document is amended to include the following disclosure:

To the extent you are required to execute a release in favor of Purchase Green Franchising LLC., such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1.

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid Franchise Agreement for a reasonable time after the death of the franchisee,

provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise. To the extent that the Franchise Agreement requires a surviving spouse, heirs or an estate representative to assume liability under the Franchise Agreement and to complete training, the Franchise Agreement has been amended in accordance with Indiana Law to provide that all such conditions must be met within 6 months of the franchisee's date of death.

Ind. Code §23-2-2.7-1(10) prohibits any provision in the Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

The choice of law provision contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. The Franchise Agreement shall be governed by the Indiana Franchise Disclosure Law IC §23-2-2.5 and the Indiana Deceptive Franchise Practices Law IC §23-2-2.7, under Ind. Code §23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

The post term covenant not to compete is limited to your non-exclusive area under the Franchise Agreement pursuant to Ind. Code §23-2-2.7-1(9).

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**

1. The Summary section of Item 17(c) entitled "Requirements for you to renew or extend" and the Summary section of Item 17(l) entitled "Our approval of transfers by you" are amended by adding the following:

Any general release you sign as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The Summary section of Item 17(v) entitled "Choice of forum" are amended by adding the following:

"You may sue us 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 3 years after the grant of the franchise.”

3. The Summary section of Item 17(h) entitled “Cause” defined – non-curable defaults “is amended by adding the following:

“Termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.)”

4. 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.

5. Item 5 of the Franchise Disclosure Document is amended as follows:

~~“All initial fees due to us are deferred until the first business day following the date we have completed all of our material initial obligations to you under the Franchise Agreement and you begin operating your Purchase Green business, at which time all initial fees will become immediately due and payable. The above fee deferral limitation will not apply to any initial inventory of products and other items we sell to you prior to opening. You acknowledge that we may charge and collect the purchase amount for these items as incurred prior to opening.”~~

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all Development Fees and initial payments owed by you shall be deferred until your first Purchase Green Business opens under the Development Agreement.”

## **MINNESOTA**

**THESE FRANCHISES HAVE BEEN FILED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER COMES**



**FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE.**

**THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

1. The following is added to the Cover Page and Item 17 of the Franchise Disclosure Document in Minnesota:

Minnesota Stat. § 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (i) any of the franchisee's rights as provided for in Minnesota Franchise Act or (ii) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. The following is added to Item 13 the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.12, Subd. 1(g), which requires us to protect your rights to use the trademarks, service marks, tradenames, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. The following is added to Item 17 Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 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 our consent to the transfer of the franchise will not be unreasonably withheld.

4. The following is added to Item 17 of the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Rule 2860.4400J, which prohibits us from requiring you to waive any rights, including consent to injunctive relief. However, we may still seek injunctive relief.

5. The following is added to Item 17 of the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Rule 2860.4400D which prohibits us from requiring you to assent to a general release, except in connection with the voluntary settlement of disputes.

---

## 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 AL OR YOUR PUBLIC LIBRARY FOR ~~SOURCES OF~~ RESOURCES 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 THE THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005-1495.~~ 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~~ THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following language is added ~~at~~ to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, ~~with regard~~ the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

~~A.~~ 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.~~ B. No such party has pending actions, other than routine litigation incidental to the business, ~~which~~ that 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.~~C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ~~10-year period~~years 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.~~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 Item 4:~~

~~Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

~~4. The following is added to the end of Item 5:~~

~~The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.~~

~~3.~~ 5. The following language is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “titled 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~~ intends that the ~~non-waiver~~non-waiver provisions of General Business Law Sections ~~687.4~~687(4) and ~~687.5~~687(5) be satisfied.

~~4.~~ ~~6.~~ The following language replaces the “Summary” section of Item 17(d) of the Franchise Disclosure Document, titled “Termination by you” franchisee:

You may terminate the agreement on any grounds available by law.

~~7.~~ The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by us”:

~~However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.~~

~~5.~~ ~~8.~~ The following language 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.

~~6.~~ ~~9.~~ Franchisee Questionnaires and Acknowledgements. No statement, questionnaire, or ~~acknowledgement~~ 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.

~~7.~~ Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

## **RHODE ISLAND**

1. The “Summary” section of Item 17(v), entitled Choice of Forum, is deleted in its entirety and the following is substituted in its place:

Litigation is in Los Angeles, California, except that, subject to your arbitration obligation, and to the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. The “Summary” section of Item 17(w), entitled Choice of law, is deleted in its entirety and the following is substituted in its place:

California law generally applies, except for Federal Arbitration Act, other federal law, and claims arising under the Rhode Island Franchise Investment Act.

## **VIRGINIA**

The Disclosure Document is amended as follows:

1. All references in Items 5 and 17 of the Disclosure Document which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. 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 or other agreements 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.

3. No statement, questionnaire, or acknowledgement 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

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document 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.
19. **Initial Fees.** Item 5 of the Franchise Disclosure Document is amended as follows: “All initial fees due us are deferred until we have satisfied our initial pre-opening obligations to you under the Franchise Agreement, and you open the Franchised Business. For a Multi-Unit Development Agreement, you pay us the Development Fee proportionally upon the opening of each unit franchise.”
20. **Ongoing Fees.** In Item 6, the row entitled “Sales or Other Tax” is hereby deleted and replaced with the following:

<u>Sales Tax</u>	<u>As determined by taxing authority. In Washington, ranging from 6.5% to 10.4%.</u>	<u>On demand</u>	<u>If any government authority imposes a sales tax, we can charge you for and collect this tax from you.</u>
------------------	--	------------------	--

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO  
THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT**

**MARYLAND  
RIDER TO FRANCHISE AGREEMENT**

THIS RIDER TO FRANCHISE AGREEMENT (this “**Rider**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_, , is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_, by and between Purchase Green Franchising, LLC, a Delaware limited liability company, as Franchisor and \_\_\_\_\_, as Franchisee. Where and to the extent that any of the provisions of this Rider are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Rider shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Rider.

1. Sections 4.d.(v) and 27.c.(viii) of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Any 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.”

2. Any provision requiring Franchisee to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of a franchise.

3. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

4. In the event of any conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall prevail.

5. Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Franchise Law are met independently without reference to this Rider.

6. 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.

7. Section ~~12~~ (a) of the Franchise Agreement is amended to add the following sentence:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until PGF completes its pre-opening obligations under the Franchise Agreement.”

~~“All initial fees due to Franchisor shall be deferred until the first business day following the date Franchisor completed all of its material initial obligations to Franchisee under the Franchise Agreement and Franchisee begins operations at Franchisee’s Purchase Green business, at which time all initial fees will become immediately due and payable. The above fee deferral limitation will not apply to any initial inventory of products and other items Franchisor sells to Franchisee prior to opening. Franchisee acknowledges that Franchisor may charge and collect the purchase amount for these items as incurred prior to opening.”~~

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

FRANCHISEE:

at

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

**MINNESOTA  
RIDER TO THE FRANCHISE AGREEMENT**

1. The following is added to Section 14 of the Franchise Agreement in Minnesota:

“Franchisor will protect Franchisee’s rights to use the PGF IP, or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the PGF IP.”

2. The following is added to Section 27.b of the Franchise Agreement in Minnesota:

“Consent to the transfer of the franchise will not be unreasonably withheld.”

3. The following is added to Sections 4.b.(v) and 27.c.(viii) of the Franchise Agreement in Minnesota:

“Franchisor will not require Franchisee to assent to a general release exceeding the limits permitted by Minn. Rule 2860.400D.”

4. The following is added to Sections 3.e., 4 and 21 of the Franchise Agreement in Minnesota:

Except as and when otherwise permitted by law, Franchisee will be given 90 days’ notice of termination (with 60 days to cure) and except as and when otherwise permitted by law, 180 days’ notice for non-renewal of this agreement.

5. The following is added to Section 37(iv) of the Franchise Agreement in Minnesota:

Franchisor will not require Franchisee to waive any rights, including consent to injunctive relief, exceeding the limits permitted by Minn. Rule 2860.4400J. However, Franchisor may still seek such relief.

6. The following is added to Section 38 of the Franchise Agreement in Minnesota:

No action may be commenced pursuant to Minn. Stat. Section 80C.17.Subd.5 more than three (3) years after the cause of action accrues.

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 Stat. Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or

reduce (i) any of the franchisee's rights as provided for in Minnesota Franchise Act or (ii) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by Contract or rule, whether written or oral, any standard of conduct that is unreasonable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

FRANCHISEE:

a

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

**NEW YORK  
RIDER TO FRANCHISE AGREEMENT**

THIS RIDER TO FRANCHISE AGREEMENT (this “**Rider**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_ by and between PURCHASE GREEN FRANCHISING, LLC, a Delaware limited liability company, as franchisor (“**Franchisor**”) and, \_\_\_\_\_, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Rider are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Rider shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Rider.

The parties to the Franchise Agreement hereby acknowledge and agree that:

1. To the extent required by applicable law, all rights the franchisee enjoys and any causes of action arising in the franchisee’s 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.

2. The franchisee may terminate the Franchise Agreement on any grounds available by law.

3. Irrespective of any rights granted to the franchisor to assign the Franchise Agreement, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

4. No choice of law or choice of forum provision in the Franchise Agreement should 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.

5. In the event of any conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall prevail.

6. Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Rider.

7. No statement, questionnaire, or acknowledgement 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. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider and understands and consents to be bound by all of its terms.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

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

at

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



**RHODE ISLAND  
RIDER TO FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_ day of \_\_\_, 20\_\_\_, by and between PURCHASE GREEN FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and \_\_\_\_\_ (“Franchisee,” “you,” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Purchase Green Business you will operate under the Franchise Agreement was made in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and will operate the Purchase Green Business in Rhode Island.

2. **Governing Law.** Section 46 of the Franchise Agreement, entitled “Governing Law; Attorney’s Fees” is deleted in its entirety and the following is substituted in its place:

Except to the extent governed by the Federal Arbitration Act, United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq*) or other federal law, and except as otherwise required by law for claims arising under the Rhode Island Franchise Investment Act, this Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the laws of the State of Texas (other than the choice of law provisions thereof).

3. **Jurisdiction.** The following is added to the end of Section 38 of the Franchise Agreement, entitled “Jurisdiction and Venue”:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under this Act.”

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider and understands and consents to be bound by all of its terms.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

FRANCHISEE: \_\_\_\_\_  
a

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

**VIRGINIA  
RIDER TO FRANCHISE AGREEMENT**

The undersigned hereby acknowledge and agree that:

1. All references in the Franchise Agreement which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

3. No statement, questionnaire, or acknowledgement 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.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

FRANCHISEE:

⌘

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

⌘

## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify 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 (the “Act”) 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 Agreement 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.
19. **Initial Fees.** Section 2 of the Franchise Agreement is amended to add the following sentence:  
“All initial fees and payments owed by Franchisee to PGF shall be deferred until the PGF satisfies its pre-opening obligations to Franchisee under the Franchise Agreement and Franchised Business opens for business.”
20. **PGF Responsibilities.** Section 7(n) of the Franchise Agreement is amended to remove the following sentence:  
“Franchisee acknowledges and agrees that the results of Franchisee’s efforts to operate a PGF Business rest solely with Franchisee.”
21. **Purchase and Supply of Products.** In connection with Section 8 of the Franchise Agreement, Franchisor will comply with RCW 19.100.180(2)(d) requiring Franchisor and its affiliates to sell products and services to the Franchisee for fair and reasonable prices. In addition, Section 8(h) of the Franchise Agreement is deleted and replaced with the following:  
“If any government authority imposes sales tax on account of sales of products to Franchisee, PGF can charge and collect this tax from Franchisee. Franchisor shall have the right to charge Franchisee sales tax ranging from 6.5% to 10.4% depending on locality.”
22. **Warranty and Limitation of Remedies; Disclaimer.** In connection with Section 12(b) of the Franchise Agreement, Franchisor will comply with RCW 19.100.220(2) and RCW 19.100.190(3), to the extent required under applicable law.
23. **Intellectual Property.** The following sentence is deleted from Section 14(m) of the Franchise Agreement: “Franchisee waives any other claim arising from or relating to any such change.”

24. **Death or Disability.** Section 28(a)(ii) of the Franchise Agreement is amended as follows:  
“Within one hundred eighty (180) days of the death or incapacity, a person designated by Franchisee’s heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders/members, as applicable, shall have satisfactorily completed PGF’s then-current training requirements.”
25. **Operations by PGF.** The following language is hereby added to the end of Section 30 of the Franchise Agreement: “However, to the extent inconsistent with the Act and if such law applies to the Franchise Agreement, this provision shall not apply.”
26. **Modifications.** Section 35(b) of the Franchise Agreement is deleted in its entirety. In addition, Section 35(c) of the Franchise Agreement is amended as follows:  
“Any fees and charges provided for in this Agreement as a specified amount, or maximum amount, represent the amount of the fee or charge at the date of execution of this Agreement. Such specified or maximum amounts may be increased by PGF from time to time, to account for inflation, as well as increases in freight and container costs.”
27. **Arbitration.** The following language is hereby added to the end of Sections 37(b) and 37(d) of the Franchise Agreement: “However, to the extent inconsistent with the Act and if such law applies to the Franchise Agreement, this provision shall not apply.”
28. **Relationship.** The following sentences are deleted from Section 43 of the Franchise Agreement:  
“This Agreement establishes an arm’s length business relationship with each party being entitled to act in its best interest within the bounds of this Agreement. The parties do not intend and shall be deemed not to have undertaken any fiduciary or other heightened obligations or duties to each other.”

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

FRANCHISEE:

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



**MARYLAND**  
**RIDER TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

THIS RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT (this “**Rider**”) dated the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, is intended to be a part of, and by this reference is incorporated into that certain Multi-Unit Development Agreement (the “**Development Agreement**”) dated the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and between Purchase Green Franchising, LLC, a Delaware limited liability company, as Franchisor and \_\_\_\_\_, as Developer. Where and to the extent that any of the provisions of this Rider are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Rider shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Rider.

1. Sections 8.3(viii) and 8.4.3 of the Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Any 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.”

2. Any provision requiring Developer to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Developer may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of a franchise.

3. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective developer to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which require a prospective developer to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

4. In the event of any conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall prevail.

5. Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Franchise Law are met independently without reference to this Rider.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a developer 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.

7. Section 1.2 of the ~~Franchise~~Development Agreement is amended to add the following sentence:

~~“All initial fees due to Franchisor shall be deferred until the first business day following the date Franchisor completed all of its material initial obligations to Developer under the Franchise Agreement and Developer begins operations at Developer’s Purchase Green business, at which time all initial fees will become immediately due and payable. The above fee deferral limitation will not apply to any initial inventory of products and other items Franchisor sells to Developer prior to opening. Developer acknowledges that Franchisor may charge and collect the purchase amount for these items as incurred prior to opening.”~~

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until PGF completes its pre-opening obligations under the Franchise Agreement. In addition, all Development Fees and initial payments owed by Developer shall be deferred until the first Purchase Green Business opens under the Development Agreement.”

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER:

a

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

**MINNESOTA  
RIDER TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

1. The following is added to Section 8.2 of the Multi-Unit Development Agreement in Minnesota:

“Consent to the transfer of the franchise will not be unreasonably withheld.”

2. The following is added to Sections 8.2(viii) of the Multi-Unit Development Agreement in Minnesota:

“Franchisor will not require Developer to assent to a general release exceeding the limits permitted by Minn. Rule 2860.400D.”

3. The following is added to Sections 7 of the Multi-Unit Development Agreement in Minnesota:

Except as and when otherwise permitted by law, Developer will be given 90 days’ notice of termination (with 60 days to cure) and except as and when otherwise permitted by law, 180 days’ notice for non-renewal of this agreement.

4. The following is added to Section 11 of the Multi-Unit Development Agreement in Minnesota:

No action may be commenced pursuant to Minn. Stat. Section 80C.17.Subd.5 more than three (3) years after the cause of action accrues.

No statement, questionnaire, or acknowledgment signed or agreed to by a developer 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 Stat. Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the developer to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (i) any of the developer’s rights as provided for in Minnesota Franchise Act or (ii) developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a developer by Contract or rule, whether written or oral, any standard of conduct that is unreasonable.

*[signature page to follow Signature Page Follows]*

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER:

\_\_\_\_\_  
a

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

**NEW YORK**  
**RIDER TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

THIS RIDER TO FRANCHISE AGREEMENT (this “**Rider**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_, is intended to be a part of, and by this reference is incorporated into that certain Multi-Unit Development Agreement (the “**Development Agreement**”) dated the \_\_\_ day of \_\_\_\_\_, 202\_, by and between PURCHASE GREEN FRANCHISING, LLC, a Delaware limited liability company, as franchisor (“**Franchisor**”) and \_\_\_\_\_, as developer (“**Developer**”). Where and to the extent that any of the provisions of this Rider are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Rider shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Rider.

The parties to the Development Agreement hereby acknowledge and agree that:

1. To the extent required by applicable law, all rights the developer enjoys and any causes of action arising in the developer’s 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.
2. The developer may terminate the Development Agreement on any grounds available by law.
3. Irrespective of any rights granted to the franchisor to assign the Development Agreement, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Development Agreement.
4. No choice of law or choice of forum provision in the Development Agreement should be considered a waiver of any right conferred upon the franchisor or upon the developer by Article 33 of the General Business Law of the State of New York.
5. In the event of any conflict between the terms of this Rider and the terms of the Development Agreement, the terms of this Rider shall prevail.
6. Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Rider.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a developer 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. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider and understands and consents to be bound by all of its terms.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER:

a

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

**RHODE ISLAND  
RIDER TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

This Rider is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between PURCHASE GREEN FRANCHISING, LLC, a Delaware limited liability company (“we,” “us,” or “our”), and \_\_\_\_\_ (“Developer,” “you,” or “your”).

**Background.** We and you are parties to that certain Multi-Unit Development Agreement dated the \_\_\_ day of \_\_\_\_\_, 20\_\_\_ (the “**Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Purchase Green Business you will operate under the Development Agreement was made in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and will operate the Purchase Green Business in Rhode Island.

1. **Governing Law.** Section 11 of the Development Agreement, entitled “Choice of Law; Venue for Litigation” is deleted in its entirety and the following is substituted in its place:

Except to the extent governed by the Federal Arbitration Act, United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq*) or other federal law, and except as otherwise required by law for claims arising under the Rhode Island Franchise Investment Act, this Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the laws of the State of Texas (other than the choice of law provisions thereof).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider and understands and consents to be bound by all of its terms.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER: \_\_\_\_\_  
a \_\_\_\_\_

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

**VIRGINIA  
RIDER TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

The undersigned hereby acknowledge and agree that:

1. All references in the Development Agreement which provide that the Development Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a developer 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.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER: \_\_\_\_\_  
a \_\_\_\_\_

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



**WASHINGTON ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Multi-Unit Development Agreement (“Development 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 Development 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 Development Agreement or related agreements concerning your relationship with the franchisor. Development 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 Development Agreement, a developer 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 Development Agreement or related agreements purporting to bind the developer 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 Development 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 Developer.** The developer may terminate the Development Agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in Development Agreements or related agreements that permit the franchisor to repurchase the developer's business for any reason during the term of the Development Agreement without the developer'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 Development Agreement or related agreements that requires the developer 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 developers to seek treble damages under certain circumstances. Accordingly, provisions contained in the Development Agreement or elsewhere requiring developers 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 Development 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 Development Agreement or related agreements requiring the developer to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the developer 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 Development Agreement or related agreements require a developer 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 developer, 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 developer 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 Development 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 developer from (i) soliciting or hiring any employee of a developer of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Development Agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a developer 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 Development Agreement or related agreements that prohibits the developer 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 developer is working with a franchise broker, developers are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. **Development Fee.** Section 1.2 of the Development Agreement is amended to indicate that Developer shall pay the Development Fee proportionally upon the opening of each unit franchise.

*[Signature Page Follows]*

The undersigned parties do hereby acknowledge receipt of this Addendum.

FRANCHISOR:

PURCHASE GREEN FRANCHISING, LLC  
a Delaware limited liability company

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

DEVELOPER: \_\_\_\_\_  
a \_\_\_\_\_

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

**EXHIBIT JK**  
**SBA ADDENDUM TO FRANCHISE**  
**AGREEMENT**



## ADDENDUM TO FRANCHISE AGREEMENT

**THIS ADDENDUM** (“**Addendum**”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“**Franchisor**”) located at \_\_\_\_\_, and \_\_\_\_\_ (“**Franchisee**”) located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20 (such Agreement, together with any amendments, the “**Franchise Agreement**”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“**SBA**”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the

Franchise Agreement:

### **CHANGE OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the ~~Franchisor's~~ Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

### **FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

---

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see

16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

**COVENANTS**

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the ~~Franchisee's~~ Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR

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

Authorized Representative of FRANCHISEE

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

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

**EXHIBIT KL**

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



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

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>CALIFORNIA</b>	Department of Financial Protection And Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	California, Commissioner of DFPI 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
<b>HAWAII</b>	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities, Department of Commerce & Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
<b>ILLINOIS</b>	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<b>INDIANA</b>	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<b>MICHIGAN</b>	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 West Ottawa G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>NEBRASKA</b>	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171	Nebraska Department of Banking and Finance Bureau off Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171
<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222 (Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, New York 12231-0001 (518) 473-2492
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fourteenth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol <del>Fifth</del> Fourteenth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
<b>OREGON</b>	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
<b>RHODE ISLAND</b>	Securities Division State of Rhode Island Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue,	Director, Securities Division Department of Business Regulation Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920
<b>SOUTH DAKOTA</b>	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street. First Floor Richmond, Virginia 23219 (804) 371-9733

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>WASHINGTON</b>	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98507 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760
<b>WISCONSIN</b>	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

**EXHIBIT LM**  
**LIST OF FRANCHISEES AND TERRITORY  
HOLDERS**

**LIST OF CURRENT FRANCHISEES  
DECEMBER 31, ~~2023~~2024**

<b>Owner(s)</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
Purchase Green Fresno, Inc., Contact: Prem Penglin	5425 E. Home Ave, Suite 109	Fresno	CA	93727	<del>(559) 206- 9002</del> 559-206- 9002
Purchase Green Monterey, Contact: Eric Kristoffersen	1319 Burton Ave.	Salinas	CA	93901	<del>(831) 706- 2674</del> 831-706- 2674
RJR Enterprises LLC dba Purchase Green SoCO, Contact: Jim Gosselin	3194 Industrial Way, Unit K	Castle Rock	CO	80109	<del>(303) 747- 6859</del> 303-747- 6859
Purchase Green Colorado Springs, Contact: Jim Gosselin	3372 Adobe Court, Suites 100 and 105	Colorado Springs	CO	80907	<del>(719) 496- 2192</del> 719-496- 2192
Purchase Green of Delray Beach Contact: Dakota Harp	955 South Congress Ave., Suite 112	Delray Beach	FL	33445	561-945-0165
Purchase Green of Miami North Contact: Veer Singh	1685 South State Road 7, Unit 2	Hollywood	FL	33023	954-900-6291
<u>Purchase Green of Sarasota</u> <u>Contact: Veer Singh</u>	<u>2383 Industrial</u> <u>Boulevard</u>	<u>Sarasota</u>	<u>FL</u>	<u>34234</u>	<u>941-800-2988</u>
Purchase Green of Clearwater Beach Contact: Veer Singh	3153 118th Ave North	Saint Petersburg	FL	33716	727-475-1638
Purchase Green of Tampa Contact: Veer Singh	5402 Pioneer Park Blvd.	Tampa	FL	33634	656-347-3791
Purchase Green Atlanta North Contact: Dakota Harp	1005 Union Center Drive, Suite A	Alpharetta	GA	30004	678-212-1625
Purchase Green of Atlanta West Contact: Dakota Harp	7 Swisher Drive, Suite B	Cartersville	GA	30120	770-648-2696
<u>Purchase Green of Detroit</u> <u>Contact: Bobby Roush</u>	<u>32535 Schoolcraft Rd</u>	<u>Livonia</u>	<u>MI</u>	<u>48150</u>	<u>(616) 200-7407</u>
Purchase Green West Michigan Contact: Bobby Roush	5960 Alden Nash Avenue Suite E	Lowell	MI	49331	616-200-7407

<b>Owner(s)</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
<u>Purchase Green Twin Cities</u> <u>Contact: Mark Prince</u>	<u>18670 Lake Drive</u> <u>East</u>	<u>Chanhassen</u>	<u>MN</u>	<u>55317</u>	<u>952-232-1899</u>
Purchase Green West St. Louis, Contact: Alex Wilson	1620 Headland Dr., Suite A	Fenton	MO	63026	636-263-7477
<u>Purchase Green of</u> <u>Columbus</u> <u>Contact: Tony Nasrallah</u>	<u>6736 Commerce</u> <u>Court Dr.</u>	<u>Blacklick</u>	<u>OH</u>	<u>43004</u>	<u>614-686-0015</u>
GW Purchase Green of Ohio, LLC dba Purchase Green Cleveland, Contact: Tony Nasrallah	875 Crocker Rd., Ste. 2	Westlake	OH	44145	<del>(440) 638-</del> <del>1266</del> <u>440-638-</u> <u>1266</u>
Purchase Green of Charleston Contact: Chris Cote	4447 Dorchester Road, Suite 100	North Charleston	SC	29405	843-558-8737
Purchase Green Austin Contact: Satveer Singh	9232 Research Blvd.	Austin	TX	78758	<del>(512) 351-</del> <del>7655</del> <u>512-351-</u> <u>7655</u>
Purchase Green West El Paso Contact: Jocelyne Trejo	4621 Ripley Dr., Suite A	El Paso	TX	79922	915-308-0897
<del>AKM Turf and Greens,</del> <del>LLC dba Purchase Green</del> <del>North Dallas</del> <del>Contact: Alex Carpenter</del>	<del>413 Power House</del> <del>Street</del>	<del>McKinney</del>	<del>TX</del>	<del>75071</del>	<del>(469) 399-5300</del>
Purchase Green of Odessa Contact: Marco Soto	400 South Grandview Ave.	Odessa	TX	79761	432-400-1449
Purchase Green San Antonio Contact: Satveer Singh	6900 Alamo Downs Parkway, Suite 132	San Antonio	TX	78238	<del>(210) 899-</del> <del>3284</del> <u>210-899-</u> <u>3284</u>
Purchase Green of St. George Contact: Omar Acevedo	421 North 5500 West Building 5	Hurricane	UT	84737	435-414-0766
Purchase Green of Utah County Contact: Parker Duvall	<del>1922 North 200</del> <del>East</del> <u>751 W 1000 N,</u> <u>Unit 14</u>	Spanish Fork	UT	84660	<del>(801) 851-1415</del> <u>801-</u> <u>851-1415</u>
<u>Purchase Green Fairfax</u> <u>Contact: Marty Santini</u>	<u>7942 Angus Court</u> <u>7942-E</u>	<u>Springfield</u>	<u>VA</u>	<u>22153</u>	<u>571-748-3136</u>

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

**FRANCHISED OUTLETS THAT WERE TERMINATED, NOT RENEWED OR CEASED OPERATIONS FOR OTHER REASONS DECEMBER 31, 2023**

None.

**FRANCHISED OUTLETS THAT HAD SIGNED FRANCHISE AGREEMENTS BUT HAD NOT YET OPENED AS OF DECEMBER 31, 2023**

Owner(s)	Address	City	State	Zip	Phone
Purchase Green of Detroit Contact: Bobby Roush <u>John</u> <u>Giulliano and Allison</u> <u>Giullano-Roeder</u>	<del>32535 Schoolcraft Rd</del> <u>308 Commerce Dr., Unit B</u>	<del>Livonia</del> <u>Fort Collins</u>	<del>MI</del> <u>CO</u>	<del>481508</del> <u>0524</u>	<del>(616) 200-7407</del> <u>970-715-6226</u>
Purchase Green Fairfax Contact: Marty <u>Santini</u> <u>Keegan Kirsch</u>	<del>7942 Angus Court</del> <del>7942 E</del> <u>5701 Country Lakes Drive, Unit 13/14</u>	<del>Springfield</del> <u>Fort Meyers</u>	<del>VA</del> <u>FL</u>	<del>221533</del> <u>3905</u>	<del>(877) 887-3411</del> <u>239-778-0022</u>

**PATH TO PROSPERITY, LLC LOCATIONS  
DECEMBER 31, 2023**

State	Address	City	Zip Code
AZ	9700 N. 91 <sup>st</sup> Ave., Suite 112-114	Peoria	85346
AZ	3781 North Highway Drive, Suite 103	Tucson	85705
CA	4650 Calle Quetzal	Camarillo	93012
CA	20928 Osborne Street, Unit A, B, C,	Canoga Park	91304
CA	715 Arrow Grand Circle	Covina	91722
CA	25807 Jefferson Ave., Suite 120	Murrieta	92562
CA	2419 Mercantile Dr., Suite A	Rancho Cordova	95742
CA	5160 Mercury Point Suite A	San Diego	92111
CA	1934 Junction Avenue	San Jose	95131
CA	445 Enterprise Street	San Marcos	92078
CA	879 F Street, Ste. 120	West Sacramento	95605
CO	2300 E 77th Ave., Building A, Unit 400	Denver	80229
FL	3330 Vineland Drive, Suite A	Orlando	32811
IL	262 Eisenhower Lane North	Lombard	60148
NC	2555 Westinghouse Blvd., Suite 3	Charlotte	28273
NC	182 Cleveland Crossing Dr., A#400	Garner	27529
NM	5821 Midway Park Blvd. NE Suite E	Albuquerque	87109
NV	4310 Losee Rd Suite 1	North Las Vegas	89030
OK	3208 Melcat Dr.	Oklahoma City	73179

<b>State</b>	<b>Address</b>	<b>City</b>	<b>Zip Code</b>
TN	404 Harding Industrial Drive	Nashville	37211
TX	13908 Distribution Way	Farmers Branch	75234
TX	6600 Long Point Road Suite 130	Houston	77055
TX	9705 Port Erroll Drive	Houston	77095
TX	5905 Eden Dr.	Haltom City	76117
UT	3696 West 900 South Unit F	Salt Lake City	84104



**TERRITORY HOLDER LOCATIONS  
DECEMBER 31, ~~2023~~2024**

Location	Corp. Entity	Owners
135 Mason Circle, Suite A, Concord, CA 94520 (925) 603-3932	Purchase Green East Bay, LLC	Satveer Singh
15255 Inheritance Way Manteca, CA 95336 (209) 425-1114	Santini Landscape (Sole Proprietor)	Marty Santini
3982 Cerritos Ave. Los Alamitos, CA 90720 (562) 344-6143	Barefoot Dog, Inc.	Raymonda Houshan, Issam Houshan, Christopher Houshan
78005 Wildcat Drive, Suite 106 Palm Desert, CA 92211 (760) 814-1902	Gerald Borchert (Sole Proprietor)	Gerald Borchert
21800 Barton Rd, Unit 112 Grand Terrace, CA 92313 (909) 654-7979	Jake Vieth & Ralph Tafoya (Partnership)	Jake Vieth & Ralph Tafoya
<del>26941 Cabot Rd, Unit 108, Laguna Hills, CA 92653- (949) 427-1630 (1)</del>	<del>Elite Conservation, LLC</del>	<del>Jake Vieth &amp; Ralph Tafoya</del>
3015 Coffey Lane, Unit B Santa Rosa, CA 95403 (925) 603-3932 <u>(Warehouse in Petaluma)</u>	Purchase Green East Bay, LLC	Satveer Singh
2700 E. Patrick Lane, Unit 4 Las Vegas, NV 89120 (702) 997-6119	Compound Effect, LLC	Aaron Santisteven, Robert Perez, Richard Santistevan

(1) Moved location from ~~27324 Camino Capistrano Unit 141-142, Laguna Niguel, CA~~ to ~~26941 Cabot Rd., Unit 108, Laguna Hills, CA~~

**~~FRANCHISED OUTLETS THAT WERE TERMINATED, NOT RENEWED  
OR CEASED OPERATIONS FOR OTHER REASONS  
DECEMBER 31, 2023~~**

~~None.~~

**TERRITORY HOLDER LOCATIONS THAT WERE TERMINATED, NOT RENEWED  
OR CEASED OPERATIONS FOR OTHER REASONS  
DECEMBER 31, ~~2023~~2024**

<del>1100 Garden Highway, Suite 900 Yuba City, CA 95991 (530) 763-2979 (1)</del> <u>Location</u>	<del>Triumph Turf Corp.</del> <u>Entity</u>	<del>Shawn Deitzel</del> <u>Owners</u>
<del>25807 Jefferson Avenue, Suite 120 26941 Cabot Rd, Unit 108, Murrieta</del> <u>Laguna Hills, CA 92562</u> <del>92653 (951) 949-290-7526 (2)</del> <u>427-1630</u>	<del>VT Select Inc.</del> <u>Elite Conservation, LLC</u>	<del>Sean Trichter / Mike Vena</del> <u>Jake Vieth &amp; Ralph Tafoya</u>

(1) Territory Holders Agreement terminated. Customer converted to a stocking dealer.

(2) Territory Holders Agreement terminated. Outlet purchased by PTP and is currently operated by PTP.

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	<del>April 9, 2024, as amended June 5, 2024</del> <u>Pending</u>
Indiana	<del>April 5, 2024, as amended May 31</del> <u>8, 2024</u> <u>2025</u>
Maryland	Pending
Michigan	<del>March</del> <u>April 25, 2024, as amended May 20, 2024</u> <u>2025</u>
Minnesota	<del>April 11, 2024, as amended June 11, 2024</del> <u>Pending</u>
New York	Pending
Rhode Island	<del>April 1, 2024, as amended May 29, 2024</del> <u>Pending</u>
Virginia	<del>March 28, 2024, as amended May 28, 2024</del> <u>Pending</u>
Washington	Pending

**EXHIBIT MN**  
**RECEIPTS**

RECEIPT  
(Franchisee's 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 Purchase Green Franchising, 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 that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Purchase Green Franchising, 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, D.C. 20580 and the state agencies listed in Exhibit "K" above.

The ~~names~~names, principal business address and phone number of the franchise sellers offering this franchise ~~is~~are: Joshua Turcotte, Mark Yates, and Andrew Eaton Purchase Green Franchising, LLC, 1925 Wright Avenue, Suite A & B, La Verne, CA 91750, (909) 321-2969. Any additional representative of Purchase Green Franchising, LLC acting as franchise seller to be identified here: \_\_\_\_\_

This Disclosure Document is issued: ~~March~~April 25, 2024, ~~as amended May 20, 2024~~2025

I received a disclosure document ~~March~~April 25, 2024, ~~as amended May 20, 2024~~2025, that included the following Exhibits:

- |  |  |
|--|--|
| A. Financial Statements  | <u>H.</u> General Release  |
| <del>B-1.</del> Franchise Agreement                            | <del>H-1.</del> Operations Manual and Training Manual Table of Contents    |
| <del>B-2.</del> <u>Tile Addendum to Franchise Agreement</u>    | I. State Addenda   |
| C. Multi-Unit Development Agreement                            | <del>J.</del> SBA Addendum to Franchise Agreement                          |
| D. Bill of Sale, General Assignment and Conveyance             | <del>K.</del> State Agents for Service of Process and State Administrators |
| E. Employee Non-Competition and Non-Disclosure Agreement       | <del>L.</del> List of Franchisees and Territory Holders                    |
| F. Telephone Number Assignment Agreement and Power of Attorney | <del>M.</del> Receipts   |
| G. Guaranty  |  |

DATED: \_\_\_\_\_

SIGNED: \_\_\_\_\_, individually or as an officer, partner or  
\_\_\_\_\_ (a \_\_\_\_\_ corporation)  
\_\_\_\_\_ (a \_\_\_\_\_ partnership)  
\_\_\_\_\_ (a \_\_\_\_\_ limited liability company)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

Please return this Receipt to:  
PURCHASE GREEN FRANCHISING,  
LLC  
Attn: Joshua Turcotte  
1925 Wright Avenue, Suite A & B  
LaVerne, CA 91750

RECEIPT  
(Franchisor's 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 Purchase Green Franchising, 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 that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Purchase Green Franchising, 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, D.C. 20580 and the state agencies listed in Exhibit "K" above.

The ~~name~~names, principal business address and phone number of the franchise sellers offering this franchise ~~is~~are: Joshua Turcotte, Mark Yates, and Andrew Eaton, Purchase Green Franchising, LLC, 1925 Wright Avenue, Suite A & B, La Verne, CA 91750, (909) 321-2969. Any additional representative of Purchase Green Franchising, LLC acting as franchise seller to be identified here: \_\_\_\_\_

This Disclosure Document is issued: ~~March~~April 25, 2024, as amended ~~May 20, 2024~~2025

I received a disclosure document ~~March~~April 25, 2024, as amended ~~May 20, 2024~~2025, that included the following Exhibits:

- |  |  |
|--|--|
| A. Financial Statements  | <del>H.</del> <u>H.</u> General Release  |
| <del>B-1.</del> <u>B-1.</u> Franchise Agreement                  | <del>H.I.</del> <u>H.I.</u> Operations Manual and Training Manual Table of Contents      |
| <del>B-2.</del> <u>B-2.</u> Tile Addendum to Franchise Agreement | <del>I.J.</del> <u>I.J.</u> State Addenda  |
| C. Multi-Unit Development Agreement                              | <del>J.K.</del> <u>J.K.</u> SBA Addendum to Franchise Agreement                          |
| D. Bill of Sale, General Assignment and Conveyance               | <del>K.L.</del> <u>K.L.</u> State Agents for Service of Process and State Administrators |
| E. Employee Non-Competition and Non-Disclosure Agreement         | <del>L.M.</del> <u>L.M.</u> List of Franchisees and Territory Holders                    |
| F. Telephone Number Assignment Agreement and Power of Attorney   | <del>M.N.</del> <u>M.N.</u> Receipts   |
| G. Guaranty  |  |

DATED: \_\_\_\_\_

SIGNED: \_\_\_\_\_, individually or as an officer, partner or  
\_\_\_\_\_ (a \_\_\_\_\_ corporation)  
\_\_\_\_\_ (a \_\_\_\_\_ partnership)  
\_\_\_\_\_ (a \_\_\_\_\_ limited liability company)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

Please return this Receipt to:  
PURCHASE GREEN FRANCHISING, LLC  
Attn: Joshua Turcotte  
1925 Wright Avenue, Suite A & B  
LaVerne, CA 91750