

## FRANCHISE DISCLOSURE DOCUMENT

PuroSystems, LLC  
A Florida Limited Liability Company  
6001 Hiatus Road, Suite 13  
Tamarac, FL 33321  
800-775-7876 or 954-722-6618  
www.PuroClean.com  
www.PuroCleanopportunity.com



We offer a PUROCLEAN<sup>®</sup> Franchise Business which provides: (a) drying, remediation, mitigation and cleaning services along with structure repair on property casualty losses and related forms of property damage; and (b) purification, remediation, mitigation and cleaning of HVAC systems, indoor air, structures, real property and personal property whether or not damaged by a casualty loss. You do not need any specific prior experience to operate a PUROCLEAN<sup>®</sup> business.

The total investment necessary to begin operation of a PUROCLEAN business within a territory of up to 100,000 people ranges from ~~\$95,530~~101,280 to ~~\$124,420~~137,145 (with financing of vehicle and Equipment and Supplies Package), and ~~\$219,030~~226,280 to ~~\$245,920~~262,145 (with purchase of vehicle and Equipment and Supplies Package). This includes \$59,000 that must be paid to us or our affiliates.

The total investment necessary to begin operation of a conversion PUROCLEAN<sup>®</sup> business within a territory of up to 100,000 people ranges from ~~\$49,325~~54,575 to ~~\$123,320~~137,045 (with financing of vehicle and Equipment and Supplies Package) and ~~\$49,325~~54,575 to ~~\$244,820~~260,045 (with purchase of vehicle and Equipment and Supplies Package). This includes \$29,500 to \$59,000 that must be paid to us or our affiliates.

The total investment necessary to begin operation of an additional PUROCLEAN business within a territory of up to 100,000 people ranges from \$61,530 to \$100,420 (with Finance Options) \$185,030 to \$211,920 (with Purchase/No Finance Option). This includes \$25,000 that must be paid to us or our affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tim Courtney, CFE, Vice President Franchise Development at 6001 Hiatus Road, Suite 13, Tamarac, Florida 33321, (954) 379-5825.

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

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

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

Issuance Date: ~~April 22~~ May 16, 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:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A.
<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 C 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 PUROCLEAN 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 PUROCLEAN franchisee?</b>	Item 20 or Exhibit A 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 B.

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

## Special Risks to Consider About *This* Franchise

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

- 1. Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
- 2. Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
- 3. Inventory Control.** You must make inventory and supply purchases of at least 2% of your gross receipts each year, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
- 4. Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its 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 (c).

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

**The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.**

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

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

**PUROSYSTEMS, LLC**

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- O. Sample Release/Renewal Addendum
- P. Multi-Unit Ownership Program Amendment
- Q. Development Plan Agreement (Territory Reservation)
- R. State Effective Dates
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**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES**

The Franchisor

PuroSystems, LLC (“we”, “us” or “our”) was initially incorporated in the state of Florida on October 3, 1990, under the name Purofirst International, Inc. Our name was changed to PuroSystems, Inc. on December 31, 2002, and we converted to PuroSystems, LLC in September of 2015 (that conversion simply involved converting our existing franchisor entity from a corporation to a limited liability company). We maintain our principal place of business at 6001 Hiatus Road, Suite 13, Tamarac, Florida 33321. We conduct our business under our corporate name only. We do not maintain a sales office at any location other than our principal place of business. We do, however, lease training facilities in California and Michigan. Since September 2015, our parent company is Puro Enterprise Holdings, LLC, a Michigan limited liability company formed in September 2015 with its principal business address of 550 West Merrill Street, Suite 100, Birmingham, Michigan 48009.

We have offered franchises since 1991 for the establishment of businesses that operate restoration and construction services and other related services and products for fire, water and other forms of property casualty damage. In 1999 we added certain non-casualty related cleaning and purification services to the franchise offering. From 1991 to 2001 we offered these franchises under the trademark PUROFIRST®. We no longer offer franchises under the PUROFIRST mark. In 2001, we began to offer an alternate type of franchise, under the trademark PUROCLEAN® (the “Franchise Business”), to supply drying, repair, cleaning, mitigation, remediation and related services. We do not own or operate businesses of the types being franchised. We no longer offer franchises in any other line of business. As of the date of this Disclosure Document, we do not provide training or equipment for certain purification services, but we may do so in the future.

Our agents for service of process are listed in Exhibit B.

Our Predecessors and Affiliates

Before our incorporation in 1990, Purofirst, Inc., a Florida corporation incorporated on June 1, 1986, sold consulting services and products to dealers under the service mark “PUROFIRST”, of which seven such dealer relationships currently remain. On December 31, 2008, Purofirst, Inc. was dissolved and transferred all of its assets to us. We provide the remaining PUROFIRST dealers with the right to use the PUROFIRST mark.

We do not have any predecessors. Founded in 1972, our affiliate Signal USA, LLC d/b/a Signal Restoration Services provides emergency and environmental property restoration services across all 50 States through its network of eight offices in Michigan, California, Texas, Tennessee, Missouri, Florida, and New York. Signal Restoration Services maintains its principal place of business at 2490 Industrial Row Drive, Troy, Michigan 48084. Signal Restoration Services does operate company businesses through these offices that offer services to customers that are similar to PUROCLEAN franchisees but do not do so under the PUROCLEAN Marks. Signal Restoration Services does not and has not offered franchises in this business or any other line of business. Signal Restoration Services may, in the future, offer certain services, such as training assistance, to PUROCLEAN franchisees.

Another affiliate Puro Drying Solutions, LLC (“PDS”), a Florida limited liability company formed on August 8, 2024, may offer equipment rental and related consulting services to franchisees. PDS has the same principal place of business as ours. PDS does not and has not offered franchises in this business or any other line of business.

### The Franchise Offered

If you receive our approval, you (individuals, partnerships, corporations, and the owners of partnerships and corporations will be referred to as “Franchisee,” “you,” or “your”) will have the right to sign a franchise agreement (the “Franchise Agreement,” a copy of which is included as Exhibit E to this Disclosure Document) for the establishment and operation of a PUROCLEAN business. A PUROCLEAN business provides drying, cleaning, painting, repair, mitigation, remediation, construction and replacement services and subcontract services to insurance companies, businesses and residential clients and others who have been subject to fire, flood, vandalism, trauma, mold and/or other casualties, as well as, purification, cleaning and odor removal services and products, all according to our established system whether or not casualty related. As a PUROCLEAN franchisee, you will provide all of the above services as well as restoration, remediation, mitigation, construction, purification and other related services and products to businesses and residential clients whether or not insurance covers them. You may work out of your home (where permitted) or a new or existing place of business (the “Office”). Your Office must be located in your Protected Office Location (“POL”). You will use most equipment, other than office equipment, from your vehicle, which we recommend you purchase in connection with the operation of the Franchise Business. The Franchise Agreement grants you the right to use the trademarks, trade name, service mark, and commercial symbols associated with your Franchise Business as we now designate and as we may designate in the future (the “Proprietary Marks”) for use in the operation of the Franchise Business.

New franchisees (excluding Conversion Franchisees and franchisees that entered the system by purchasing an existing PUROCLEAN business) may take advantage of our Clean Start Program during their first year of operation. Under the terms of the Clean Start Program, a qualifying franchisee may notify us of their desire to terminate the Franchise Agreement and we will assume the franchisee’s obligations under the franchisee’s vehicle lease agreement (if the vehicle is leased from our designated supplier) and initial Supplies Package lease (if the initial Supplies Package is leased from our designated supplier), provided franchisee satisfies the requirements of the Clean Start Program as detailed in Schedule 2 to the Franchise Agreement.

Before executing a Franchise Agreement, you may choose to sign a Development Plan Agreement (“Reservation Agreement,” a copy of which is included as Exhibit Q to this Disclosure Document) to reserve a geographic area within which you will locate your Office. No other franchisee will be granted the right to establish or operate a PUROCLEAN business from an office location within the geographic area that you have reserved for the time period noted in the Reservation Agreement. If you do not sign a Franchise Agreement within the time period or otherwise meet the terms and conditions of the Reservation Agreement, the Reservation Agreement expires.

As described in this Disclosure Document, we offer discounts on the Initial Franchise Fee and other fees (such as the Royalty Fee) to existing PUROCLEAN franchisees that wish to open one or more additional Franchise Businesses with us and who meet our qualifying multi-unit ownership

criteria, including operational requirements and performance standards (“Multi-Unit Ownership Program”). If you are an existing PUROCLEAN franchisee who qualifies for the Multi-Unit Ownership Program, these discounted fees will apply to your purchase of franchise rights for an additional PUROCLEAN Franchise Business in accordance with our Multi-Unit Ownership Program Amendment (a copy of which is included as Exhibit P to this Disclosure Document). This Amendment will be signed at the time you sign a Franchise Agreement for the additional Franchise Business.

### Conversion Franchisees

In addition to our standard franchise offering, we offer a conversion program for established mitigation and reconstruction businesses that wish to join the PUROCLEAN franchise system and that meet our financial and experience criteria (“Conversion Franchisees”). Through the conversion program, qualified existing mitigation and/or reconstruction businesses (“Existing Businesses”) can convert to a PUROCLEAN Franchised Business once all the conversion program conditions have been met and after successfully completing our initial training program. In consideration of the PUROCLEAN franchise, we offer Conversion Franchisees discounted franchise fees and royalty rates based on the Existing Business’ established mitigation and/or reconstruction business gross volume. Conversion Franchisees also may continue operating any other portion of their Existing Business. A copy of the Conversion Addendum is attached as Schedule 1 to the Franchise Agreement

### Market and Seasonality

The market for the services and products you offer is developed or is developing. You will compete with other similar restoration services including other PUROCLEAN franchisees, PUROFIRST franchisees, building and HVAC contractors, carpet cleaners, carpenters, building and remediation contractors and cleaning services.

### Industry-Specific Regulations

Where required by law, you must be a licensed building, remediation or HVAC contractor or be qualified by a licensed contractor. In some states you may also be required to have specialty licenses to perform certain aspects of the services that you will offer. For example, you may need to obtain a mold remediation, demolition, drywall removal, bactericide, biocide, or other similar license. If you do not have or are not qualified to have one or more of these licenses, you may be prohibited from performing these segments of the Franchise Business. You should investigate the existence of these laws in your state.

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

### **CEO, Chairman & Director: Mark Davis**

Mr. Davis joined PuroSystems, LLC as CEO, Chairman and Director in September 2015. Mr. Davis has been Co-CEO of our Troy, Michigan based affiliate, Signal Restoration Services, since 2012.

**Vice Chairman & Director: Frank Torre**

Mr. Torre joined PuroSystems, LLC as Vice Chairman and Director in September 2015. Mr. Torre has been the Chairman and Co-CEO of our Troy, Michigan based affiliate, Signal Restoration Services, since 2012. Since 2008, Mr. Torre has served as Chairman of Board of Directors of the Rehabilitation Institute of Michigan in Detroit, Michigan, and founded Torre Golf Management in Broomfield Hills, Michigan.

**President and Chief Operating Officer: Steven P. White**

Mr. White joined us as Chief Operating Officer in September 2013 and became President and Chief Operating Officer in January 2014.

**Executive Vice President of Operations: Sterling “Bud” Summers**

Mr. Summers joined us as Regional Director in November 2015 and currently serves as our Executive Vice President of Operations.

**Vice President, Franchise Development: Timothy Courtney**

Mr. Courtney joined us in June 2017 as Vice President of Franchise Development.

**Director of Training & Technical Services: Darren Hudema**

Mr. Hudema joined us in February 2019 as Director of Training & Technical Services. Prior to joining PuroSystems, from September 2010 to February 2019, Mr. Hudema was a Restoration Products Specialist, Senior Account Manager and IICRC WRT/ASD Instructor for Legend Brands and was based in Nashville, Tennessee.

**ITEM 3**  
**LITIGATION**

**Prior Actions**

*PuroSystems, LLC v. David DePaoli*, Case Number: 01-19-0002-3841, American Arbitration Association (Filed August 1, 2019). We brought this action against our former franchisee, David DePaoli, to recover \$70,000 in damages based on DePaoli’s failure to pay royalties and other fees when due. In December of 2019, DePaoli filed a counterclaim alleging misrepresentation, breach of contract, and wrongful interference with contract. The counterclaim seeks rescission of DePaoli’s franchise agreement and damages in an amount to be determined. We denied all allegations in the counterclaim. The parties entered into a settlement agreement covering all claims on June 3, 2022, under which DePaoli agreed to pay us the total sum of \$32,702.50.

*PuroSystems, Inc. v. William and Bonnie Savage*, Southeast Case Management Center, Case No. 01-15-0003-5189. Filed May 13, 2015. We brought this action against our former franchisees, William and Bonnie Savage (“the Savages”), to recover over \$800,000 in damages based upon the Savages’ failure to pay royalties and other fees when due, and their abandonment of their franchise before the expiration of the term called for in their franchise agreement. The Savages filed a counterclaim in June 2015 alleging breach of contract, fraud in the inducement, fraudulent

omission, and breach of the implied covenant of good faith and fair dealing based upon alleged failures to provide sufficient training, support in accordance with industry standards, and trade secrets. The counterclaim sought rescission of the Savages' franchise agreement and damages in an amount to be determined. The parties entered into a settlement agreement covering all claims on September 3, 2015, under which the Savages agreed to pay us the total sum of \$180,000.

*PuroSystems, Inc. v. John Burke*, American Arbitration Association, Southeast Case Management Center, Case No. 01-14-0000-3162. Filed May 2, 2014. We brought this action against our former franchisee, John Burke ("Burke"), to recover over \$1,500,000 in damages based upon Burke's failure to pay royalties and other fees when due, and his abandonment of his franchise before the expiration of the term called for in his franchise agreement. Burke filed a counterclaim in December 2014 alleging breach of contract, fraud in the inducement, fraudulent omission, and breach of the implied covenant of good faith and fair dealing based upon alleged failures to provide sufficient training, support in accordance with industry standards, and trade secrets. The counterclaim sought rescission of Burke's franchise agreement and damages in an amount to be determined. The parties entered into a settlement agreement covering all claims on July 28, 2015 under which Burke agreed to pay us the total sum of \$500,000.

*Anthony Paterra v. Vulcan Site Services, d/b/a Signal Restoration Services, Frank Torre and Mark Davis*, Case No. 2015-146661-CK, In the Sixth Judicial Circuit for the County of Oakland, Michigan. Filed April 20, 2015. Paterra alleged breach of contract, violations of MCL 600.2961, and fraud in the inducement against Vulcan Site Services, d/b/a Signal Restoration Services, Mark Davis and Frank Torre. Paterra claims he was induced to leave his previous employer by the defendants with the offer of a compensation and commission plan and the defendants failed to pay the commission plan as agreed. Paterra sought damages in excess of \$600,000. The defendants filed a Motion for Summary Disposition arguing, among other things, that Paterra's claims were not supported by the evidence and must fail as a matter of law. While the motion was pending, the parties resolved the claims pursuant to court-ordered case evaluation, with the defendant Signal Restoration Services agreeing to pay Paterra \$75,000.

### **Other Litigation Against Franchisees during the last Fiscal Year**

During the last fiscal year, we filed the following actions against a franchisee:

#### **Actions to Enforce the Financial Obligations of the Franchise Agreement**

[\*PuroSystems, LLC v. Victor Gutierrez\*, Case Number: CACE-24-000523, Broward County, FL \(filed January 12, 2024\).](#)

*PuroSystems, LLC v. ~~Joseph Crane Jarrett Hale~~*, Case Number: ~~01-23-0002-8241~~[01-23-0006-3724](#), American Arbitration Association (Filed July ~~19, 2023~~[2024](#)).

*PuroSystems, LLC v. ~~Albert V. Vink and Nicole Vink~~[Arthur Curtis](#)*, Case Number: ~~01-23-0002-8318~~[01-24-0007-1325](#), American Arbitration Association (Filed ~~July 1~~[August 9, 2023](#)[2024](#)).

~~*PuroSystems, LLC vs. Aurelio Lopez-Pagan*, CACE-23022040, 17th Judicial Circuit of Florida (Filed December 6, 2023).~~

~~*Purosystems, LLC Plaintiff vs. Thomas T Brammer, et al., CACE-23022039, 17th Judicial Circuit of Florida (Filed December 6, 2023).*~~

Other than the [87](#) actions listed above, no litigation is required to be disclosed in this Item.

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

No bankruptcy information is required to be disclosed in this Item.

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

##### **Single Unit Franchise Agreement**

**Initial Franchise Fee.** Upon signing the Franchise Agreement, you must pay to us an Initial Franchise Fee in the amount of \$59,000. The Initial Franchise Fee is fully earned upon receipt and non-refundable in consideration of administrative and other expenses we incur in entering into the Franchise Agreement, and for our lost or deferred opportunity to enter into the Franchise Agreement with others.

We participate in the International Franchise Association's VetFran Program and offer qualified individuals honorably discharged from any branch of the U.S. Military and who request it at the time of signing a Franchise Agreement a 25% discount off the Initial Franchise Fee. We also give certain credits for training to existing franchisees that purchase more than one franchise and who would not require initial training.

If you sign a Development Plan Agreement (Reservation Agreement), you pay us \$25,000 when you sign that agreement. The \$25,000 will be credited against the Initial Franchise Fee with the balance of \$34,000 due to us when you sign the Franchise Agreement. The \$25,000 is non-refundable even if you do not sign a Franchise Agreement within the term of the Reservation Agreement.

If you currently own a PUROCLEAN franchise and you are granted an option to purchase an additional franchise for a Franchise Business, the Initial Franchise Fee for the additional franchise will be reduced to \$25,000, which is non-refundable and payable at the time you sign the Franchise Agreement and the Multi-Unit Ownership Amendment.

During our fiscal year ended December 31, ~~2023~~[2024](#), we collected Initial Franchise Fees that ranged from \$25,000 to \$59,000.

##### **Conversion Franchise Agreement**

We offer Conversion Franchisees a discounted Initial Franchise Fee, based on the gross receipts their Existing Business earned from providing mitigation and/or reconstruction services within the 12-month period before the franchisee applied for a PUROCLEAN franchise. Conversion Franchisees are entitled to a 5% discount per \$200,000 in gross receipts earned by their Existing Business from providing mitigation and reconstruction services, up to a maximum 50% discount off the Initial Franchise Fee (\$29,500).

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

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks (Note 1)</b>
Royalty Fee	See Note 2	8 <sup>th</sup> day of each month on Gross Receipts for the prior month	Gross Receipts means all revenue and income of every kind relating to the operation of the Franchise Business (including deposits and interest and any revenue or income you receive from the sale of supplies, services or materials) and income derived from the direct or indirect use of our Proprietary Marks. Does not include taxes collected by the Franchise Business on behalf of the government.
Optional Training Program Fee	See Note 3	Before training	If you attend an optional program, course, or seminar, we may charge you a fee.
Transfer Fee	\$25,000 or the then-current Transfer Fee at the time of the transfer	Before transfer	Payable by the transferee, although any broker fee is paid by Franchisee and is in addition to the \$25,000 transfer fee. Transfer fee is reduced under the Multi-Unit Development Program to \$20,000 (further reduced to \$10,000 if transfer is (i) to a minority owner of the Franchise Business or (ii) as part of a transfer of multiple Franchise Businesses in a single transaction.
Renewal Fee	\$5,000	Before renewal	See Item 17 for more information regarding renewal
Accounting Fee	Cost of Accountant	As incurred	See Note 4
Administrative & Bank Fees	Actual Bank Fees plus \$25.00	As incurred	Insufficient Funds Fee & Verification of Balance Fees
Audit by Franchisor	Cost of Audit	As incurred	Required if audit reveals understatement of Gross Receipts by 5% or more in any month.
Indemnification	Will vary under circumstances	15 days after billing	You must reimburse us if we are held liable for claims from your operation of the Franchise Business.
Late Fee (Royalty Fees)	Greater of \$10 or 5% per day after the Royalty Fee due, although any rate will not exceed the lower of 18 percent per annum simple interest or the maximum permitted by applicable law	If funds are not available by the 8 <sup>th</sup> day of the month	Payable on overdue Royalty Fees
Taxes and Fees	Federal, state, or local taxes	As incurred	See Note 5

Type of Fee	Amount	Date Due	Remarks (Note 1)
Local Advertising	2% of Gross Receipts on local advertising and promotion	As agreed	See Note 6
Marketing Fee	2% of Gross Receipts	Same day as Royalty Fee	See Note 7
Annual International Convention Registration Fee	\$695 per year	30 days before Convention	See Note 8
Minimum Equipment and Supply Purchase Requirements	2% of Franchisee's Gross Receipts	As incurred	See Note 9
DASH Software	\$500	Monthly	Payable to Next Gear Solutions (third party supplier). For the Multi-Unit Ownership Program, you will need a separate license for each Franchise Business.
IICRC AMRT Course	\$595	Within 90 days of initial training	See Note 10
IICRC Examination Fees	\$310 (two exams at \$80 each and one exam at \$150)	As incurred	Payable to IICRC See Note 11
Optional Certified Priority Response Program Participation Fees	\$79 per job lead, plus costs of additional insurance and credit and criminal background checks	As agreed	See Note 12
Compliance Tracking Software	\$25	Monthly	Payable to Profile Gorilla (third party supplier)
Liquidated Damages	Greater of \$100,000 or the amount of the Royalty and Marketing Fees accrued under the Franchise Agreement during the 12 full calendar months of the operation of the Franchise Business preceding termination multiplied by the lesser of five or the number of years remaining under the Initial Term	Date of termination of the Franchise Agreement	Payment of liquidated damages is due if the Franchise Agreement is terminated due to your default or you otherwise prematurely terminate the Franchise Agreement.

**Notes:**

1. All fees are imposed and collected by and are payable to us or our affiliates, except as noted in this Item 6. All fees are non-refundable. Except as noted below, all fees are uniformly imposed. On occasion, we may consider reducing the royalty fee or other fees on a temporary basis to fit a particular concern or circumstance, taking into account a variety of factors relevant for the situation. Conversion Franchisees generally will pay the same Item 6 fees as new franchisees, except for the Royalty Fee as described below in Note 2.

2. On or before the 8<sup>th</sup> day of each month during the term of the Franchise Agreement, you will submit to us a royalty report (in the form we prescribe) and pay us a royalty fee (the “Royalty Fee”) as calculated below based upon your Gross Receipts during the preceding month.

Mitigation Services Royalty Fee:

Mitigation Services means and includes all work not included in Reconstruction Services including all drying, remediation, mitigation, cleaning, carpet cleaning, duct cleaning work, textiles, dry cleaning by in plant dry cleaning companies and related services on property casualty losses and related forms of property damage. Your Royalty Fee for Mitigation Services will be calculated as follows:

<u>On Cumulative Gross Receipts for the Current Calendar Year</u>	<u>You Pay</u>
For your first \$0 to \$249,999.99 of Mitigation Services Gross Receipts	10%
For your next \$250,000 to \$499,999.99 of Mitigation Services Gross Receipts	9%
For your next \$500,000 to \$749,999.99 of Mitigation Services Gross Receipts	8%
For your next \$750,000 to \$999,999.99 of Mitigation Services Gross Receipts	7%
For your next \$1,000,000 to \$1,249,999.99 of Mitigation Services Gross Receipts	6%
For your next \$1,250,000 to \$1,499,999.99 of Mitigation Services Gross Receipts	5%
For your next \$1,500,000 to \$1,749,999.99 of Mitigation Services Gross Receipts	4%
For any remaining Mitigation Services Gross Receipts of \$1,750,000 and over	3%

**Multi-Unit Program:**

Beginning January 1, 2025, the total Mitigation Services Gross Receipts for all Franchise Businesses owned by Franchisee as part of the Multi-Unit Program with a signed Multi-Unit Program Amendment will be aggregated and charged a Royalty Fee according to the scale below based upon the Franchisee’s cumulative Gross Receipts each calendar year. Franchisee must be a majority owner of each Franchise Business participating in the aggregate royalty scale below.

<u>On Cumulative Gross Receipts for Each Calendar Year</u>	<u>You Pay</u>
For your first \$0 to \$399,999.99 of Mitigation Services Gross Receipts	10%
For your next \$400,000 to \$799,999.99 of Mitigation Services Gross Receipts	9%
For your next \$800,000 to \$1,199,999.99 of Mitigation Services Gross Receipts	8%
For your next \$1,200,000 to \$1,599,999.99 of Mitigation Services Gross Receipts	7%
For your next \$1,600,000 to \$1,999,999.99 of Mitigation Services Gross Receipts	6%

<u>On Cumulative Gross Receipts for Each Calendar Year</u>	<u>You Pay</u>
For your next \$2,000,000 to \$2,399,999.99 of Mitigation Services Gross Receipts	5%
For your next \$2,400,000 to \$2,799,999.99 of Mitigation Services Gross Receipts	4%
For any remaining Mitigation Services Gross Receipts of \$2,800,000 and over	3%

Franchisee’s Royalty Fee Rate for Mitigation Services will reset to 10% on January 1<sup>st</sup> of each new calendar year, and Franchisee will restart the process of earning royalty rate reductions based on its cumulative aggregate Gross Receipts. We can terminate the modified Royalty Fee Rate for the Multi-Unit Program for your failure to comply with the operational requirements, performance standards and other conditions of the Multi-Program Amendment.

Reconstruction Services Royalty Fee:

Your Royalty Fee for Reconstruction Services will be 3% of your Reconstruction Services Gross Receipts without any deduction for subcontractor-performed work. We have temporarily reduced (until December 31, ~~2024~~2025) the individual franchisee Royalty Fee for Reconstruction Services to 2% of your Reconstruction Services Gross Receipts. Reconstruction Services means and includes all reconstruction work to repair damages from fire, flood, or other catastrophic events of loss which includes electrical, dry-wall, painting, plumbing, roofing, carpentry, cabinetry, a floor covering replacement or installation work. Reconstruction Services do not include remodeling or construction work unrelated to a casualty loss, demolition work, rental of dumpsters, electrical power generators, or other rental services.

If an audit shows that there has been an underreporting of Reconstruction Services Gross Receipts and/or Gross Receipts from Reconstruction Services cannot be validated, all Gross Receipts from Reconstruction Services will be subject to the Royalty Fee calculation for Mitigation Services.

If your combined Royalty Fee for Mitigation Services and Reconstruction Services for the preceding month is less than the Minimum Royalty Fee noted below, we will have the right to withdraw from your bank account an amount equal to the greater of the Minimum Royalty Fee as outlined in the table below and the actual Royalty Fee you paid.

<u>Period of Term</u>	<u>You Pay (per month)</u>
1 <sup>st</sup> year	\$400
2 <sup>nd</sup> year	\$1,000
3 <sup>rd</sup> year	\$1,500
4 <sup>th</sup> year	\$2,500
5 <sup>th</sup> year	\$2,500
6 <sup>th</sup> – 20 <sup>th</sup> year	Prior year plus CPI

For each year over the initial five years or for each year after the last year that there was a set Minimum Royalty, the Minimum Royalty Fee will be determined by the prior year’s Minimum Royalty Fee, plus an amount equal to the percentage change in the Consumer Price Index, all Urban Consumers (1982-84 = 100), published by the U.S. Department of Labor, Bureau of Labor Statistics (“CPI”) for the period from January 1 through December 31 of the year immediately prior to the upcoming year or renewal year of the Franchise Agreement.

At any time during any calendar year, if the Royalty Fees and Minimum Royalty Fees paid by Franchisee are equal to or greater than the total Minimum Royalty Fees payable for that calendar year, then no further Minimum Royalty Fee would be due for the balance of that calendar year. Once a Royalty Fee or Minimum Royalty Fee is paid, it is neither refundable nor creditable to any future or past fees owed. So long as the Franchise Business is opened within 60 days of signing this Agreement and there is no default of this Agreement during the first year, Minimum Royalty Fees for the first three months of this Agreement are waived (there is no waiver if this Agreement is signed as a renewal or transfer). Royalty Fees are not waived and must be paid in a timely manner.

Conversion Franchisees:

Conversion Franchisees must pay a Royalty Fee on Gross Receipts generated by the Franchised Business and on any non-mitigation and/or non-reconstruction services performed by the Existing Business as a result of a lead from the Franchised Business. Conversion Franchisees will not pay a Royalty Fee on any other gross receipts generated by the Existing Business when a construction business becomes a Conversion Franchisee the construction work that is not related to a fire, flood or other disaster remains separate from the Franchised Business – examples are adding a deck to a house, remodeling a dated kitchen, and basically anything cosmetic. If, however, the construction work came from a lead that we provide to the Conversion Franchisee, the Royalty Fee for Reconstruction Services would apply.

If the Conversion Franchisee maintains at least \$500,000 in yearly Gross Receipts for the mitigation and/or reconstruction services it provides and is otherwise compliant with the terms of the Franchise Agreement and Conversion Addendum, we will provide Conversion Franchisees with the following Royalty Fee Discounts during the following months of operation:

<b>Months of Operation</b>	<b>Mitigation Services Royalty Fee Discount</b>	<b>Reconstruction Services Royalty Fee Discount</b>
First 12 Months	50% on Franchisee’s Gross Receipts, up to the Baseline Gross Receipts (defined below); no royalty discount on additional sums earned	<ul style="list-style-type: none"> <li>100% on Franchisee’s Gross Receipts</li> </ul>
Months 13 to 24	40% Gross Receipts, up to the Baseline Gross Receipts; no royalty discount on additional sums earned	<ul style="list-style-type: none"> <li>90% on Franchisee’s Gross Receipts</li> </ul>
Months 25 to 36	30% Gross Receipts, up to the Baseline Gross Receipts; no royalty discount on additional sums earned	<ul style="list-style-type: none"> <li>80% on Franchisee’s Gross Receipts</li> </ul>
Months 37 to 48	No discount on Gross Receipts	<ul style="list-style-type: none"> <li>70% on Franchisee’s Gross Receipts</li> </ul>

“Prior Gross Receipts” equals the Gross Receipts earned by the Existing Business from providing mitigation and reconstruction services, respectively during the 12-month period immediately preceding the execution of the Franchise Agreement and Conversion Addendum. In order to remain eligible for the Royalty Fees Discount, Conversion Franchisees must maintain a revenue volume equal to the Prior Gross Receipts. We will conduct an annual review of each Conversion Franchisee’s Gross Receipts from providing mitigation and reconstruction services within 45 days after the receipt of full records and reports to determine whether each Conversion Franchisee remains eligible for the Royalty Fees Discount and will advise the Conversion Franchisee if we will continue to extend the discount. Conversion Franchisees must provide full records and reports as outlined in the Franchise Agreement and proprietary Manual in order to be eligible for discounts within 15 days after the close of each calendar year.

The Royalty Fee Discount will not apply to Conversion Franchisees who otherwise provide construction and remodeling services through their Existing Businesses.

3. We may charge each individual a fee for attending any optional or additional training seminars. If the seminar is held away from our Florida training center (“PuroClean Academy”), the fee will be determined by dividing the expenses (including salaries) we incur to travel to and stay at the site of the seminar by the number of seminar attendees. If, however, specific sales and marketing training is included in the seminar training, our training expenses may be paid out of the Marketing Fees or may be paid by you.

4. You are required, at your expense, to employ a competent accounting firm to produce annual financial statements and submit such financial statements to us by February 15th of the following year.

5. You are required to pay to us (or any subsidiary, affiliate, or designee) promptly and when due the amount of all sales taxes, use taxes, personal property taxes, filing fees or document stamps and similar taxes imposed upon, required to be collected, or paid by us on the account of services or goods furnished by us to you through sale, lease, loan or otherwise or on account of collection by us of the Initial Franchise Fee, Minimum Royalty Fee or any other payments to us under the Franchise Agreement.

6. You must spend at least 2% of your monthly Gross Receipts on approved and documented local advertising and promotional activities which include but are not limited to direct-mail, list acquisition, trade advertising, continuing education courses for agents spent for the direct benefit of your franchise. Expenditures for wages and referral fees will not count toward your local advertising requirements.

In addition, you must maintain (at your sole expense) a competitive advertising program that meets our requirements and specifications as outlined more fully in the proprietary Manuals.

We may designate a local or regional advertising cooperative and require you to contribute to and participate in the advertising cooperative. Each franchise business, including any company- or affiliate-owned businesses, will be a member of the advertising cooperative. Each franchise or company-owned business will have one vote per business.

7. You must pay a Marketing Fee of 2% of Gross Receipts. Marketing Fees will be collected by means of ACH and are due at the same time as the Royalty Fee. Certain franchisees whose franchises have been in existence since at least 2004 do not pay the Marketing Fee. The Marketing Fee cap for ~~2024~~2025 is \$~~22,000~~22,500 (the Marketing Cap applies separately to each Franchise Business under the Multi-Unit Program).

8. We have the right but not the obligation to hold an Annual International Convention (“Convention”). If we do hold a Convention, you must attend and pay us a registration fee. The registration fee for our last Convention was \$695 (\$595 for early registration), but we have the right to change the registration fee. The registration fee does not include your costs to attend the Convention such as transportation, lodging and meals. Additional optional training fees may apply. Registration and training fees may be collected by means of ACH 30 days prior to the Convention. We estimate that the total charge will range from \$595 to \$1,000.

9. You must purchase, at a minimum, an equivalent of 2% of your Gross Receipts per year of designated products from our designated supplier.

10. You will be required to complete the IICRC Applied Microbial Remediation Technician course within 90 days of completion of our PuroClean Academy initial training program. We offer this course from time to time at our location in Broward County, Florida at a cost of \$595.00. If may complete this course with another provider if you choose. Third parties offer the course for approximately \$1,000.

11. We provide IICRC-approved instruction during the initial training class for Water Restoration Technician (WRT) and Applied Structural Drying (ASD) certification. Following the initial training class, all franchisees must complete the IICRC exams to receive their IICRC certifications. The cost for the IICRC certification exam is currently \$80 per exam. The exam fee for the IICRC Applied Microbial Remediation Technician course is \$150, but this course is not included in the initial training class.

12. Qualified franchisees that choose to participate in the optional Certified Priority Response (“CPR”) Vendor Programs must pay us an administration fee of \$79 per job lead for certain administrative operations performed by our staff. The CPR administration fees may be adjusted from time-to-time, although as of the date of this Disclosure Document we do not anticipate that any increase will exceed 30% on an annual basis. In addition, participating franchisees must pay for the cost of obtaining and maintaining the minimum insurance requirements, as well as the cost of additional background checks, training, and equipment required under the CPR Participation Guidelines and Program Agreement.

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

**YOUR ESTIMATED INITIAL INVESTMENT**

**A. NEW FRANCHISEES**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee	\$59,000	Lump Sum	Upon Signing of Franchise Agreement	Franchisor
Vehicle (see Note 1)	\$3,000 to \$3,500 (Finance option)  \$65,000 - <del>\$67,000</del> (Base Purchase Price)	As Incurred – first 3 months  Lump Sum	30 Days Before Opening	Designated Vehicle Supplier or Financing Company
Equipment and Supplies Package (see Note 2)	<del>\$3,500</del> 4,000 to <del>\$5,000</del> 5,500 (Financed)  <del>\$65,000</del> 67,000 (Purchase)	As Incurred— first 3 months  Lump Sum	30 Days Before Opening	Designated Supplier or Financing Company
Insurance Premium (see Note 3)	<del>\$1,500</del> 1,750 to <del>\$1,875</del> 2,500	As Incurred – 3 month range	One Week Before Opening	Insurance Agent
Office Furniture (see Note 45)	\$0 to \$2,200	Lump Sum	15 to 30 days Before Opening	Suppliers
Office Supplies (see Note 4)	\$100 to \$300	As Incurred – 3 month range	15 to 30 Days Before Opening	Suppliers
Telephone & Utility Deposits and Fees (see Note 5)	\$350 to \$500	As Incurred	As Required	Utility Companies
High-Speed Internet Access	\$200 to <del>\$300</del> 400	As Incurred – 3 month range	As Required	Internet Service Provider
VOIP Telephone Equipment & Services Fee (see Note 6)	\$455	As incurred – 3 month range	As Required	Suppliers
Answering Service	\$100 to \$365			
Professional Fees (see Note 7)	\$0 to \$500	As Incurred – monthly	As Required	Professionals
Uniforms (see Note 8)	\$200 to \$500	As Agreed	As Required	Suppliers
Opening Advertising and Marketing Materials	\$0 to \$2,200	As Incurred – 3 month range	As Required	Suppliers
Training Expenses (see Note 9)	\$6,000	As Incurred	As Required	Third Parties
Mentoring Program	\$2,500 to \$4,500			
Continuing Education Courses (see Note 10)	\$0 to \$2,000	As incurred – 3 month range	As Required	Third Parties
Facility Rent	\$0 to <del>\$2,500</del> 4,000	Lump Sum	As Required	Landlord
Business Licenses (see Note 11)	\$0 to \$550	Lump Sum	As Required	Governmental Licensor
Laser Printer	\$150 to \$500	Lump Sum	30 Days Before Opening	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
DASH Software (see Note 12)	\$3,000	As Incurred – First three months	As Required	Third Party – Next Gear Solutions, Inc.
Insurance Industry Claims Estimating Software (see Note 13)	\$375	As Incurred – first 3 months	As Required	Third Party – Xactware Solutions, Inc.
Security Deposit (see Note 14)	\$0 to \$3,000	Lump Sum	As Required	Leasing or Financing Company
Camera	\$100 to \$300	Lump Sum	30 Days Before Opening	Third Parties
Additional Funds (three month period) (see Note <del>6</del> 15)	<del>\$15,000</del> 20,000 to <del>\$25,000</del> 35,000	As Needed – 3 month range	As Required	Third Parties
<b>Total (with Finance Options)</b>	<del>\$95,530</del> 101,280 to <del>\$124,420</del> 137,145			
<b>Total (with purchase of vehicle and Equipment and Supplies Package)</b>	<del>\$219,030</del> 226,280 to <del>\$245,920</del> 262,145			

Unless otherwise noted, all amounts are non-refundable. We provide indirect financing for vehicles and other required equipment through the programs described in Item 10.

Notes:

- To ensure that the system wide vehicle fleet is well kept and to project the highest brand standards, we require you to acquire your vehicle from our designated supplier. We reserve the right to change our designated vehicle supplier or identify other designated vehicle suppliers from time to time. You may purchase or lease your vehicle. The estimate for vehicle payments shown in the initial investment chart above represents the amount it will cost you to lease your vehicle from our current designated vehicle supplier for a period of 3 months, which is the initial phase for the Franchise Business. If you purchase your vehicle, the estimated base purchase price is \$~~65,000~~67,000.
- You also must obtain an initial package of inventory, equipment, and supplies that must be purchased from our designated supplier (the “Equipment and Supplies Package”). The initial costs associated with leasing these items will range from \$3,500 to \$5,000. If you buy (rather than lease) the Equipment and Supplies Package, then you will pay the designated supplier \$~~65,000~~67,000, which excludes freight and sales tax. The estimate in the above chart represents an estimate of the monthly finance payments for a period of 3 months which is the initial phase for the Franchise Business. You may be required to make a down payment. The Equipment and Supplies Package includes, among other items, new dehumidifiers, Computer System and other drying and cleaning equipment, carpet cleaners and an initial supply of cleaning products. The purchase of pre-owned equipment from unapproved sources, including other franchisees, is strictly prohibited. The third-party financing company will acquire these items from our designated supplier and then provide them to you.

The actual amount due at inception of a financing arrangement will depend on your credit history and rating. Depending on the type of financing you choose, you may owe additional amounts at the end of the financing term.

The initial package does not include certain equipment and products necessary for you to perform certain services that are not yet offered by the Franchise Business, but may be in the future. You will be given a reasonable time to purchase or lease equipment needed for any such future services.

3. The amount in the above chart represents an estimate of the monthly insurance premium payments for a period of three months which is the initial phase for the Franchise Business. Average annual expenses range from \$6,000 to \$7,500. You may be required to pay the entire annual premium initially or a portion as a down payment. These figures do not include Workers' Compensation Insurance. You must obtain Workers' Compensation insurance to cover your employees in amount required by applicable state law.
4. Supplies you will need include office furniture, calendar, stationery, and other general office supplies. The amount of office supplies identified in the chart represents an estimate of the monthly expenses for the initial phase of 3 months.
5. You will be required to pay telephone and utility deposits. The amount of the deposits will depend on the practices of the utility companies and the lessor. The amount in the above chart represents an estimated range of the monthly payments for the initial phase of 3 months for an office or rental facility.
6. Phone equipment must be purchased from our required supplier, currently Clarity Communication Advisors, Inc. The estimate in the table above includes the cost of required equipment, initial activation fees and 3 months of monthly service fees.
7. You may elect to consult the services of an accountant, attorney or other professional service provider.
8. At your sole expense, your technical employees and sales staff are required to wear the standard PUROCLEAN uniforms leased or sold to you by us or one of our approved vendors or by an alternative uniform service of your choice who is able to supply the required uniforms. Current charges are averaging \$100-\$250 per employee which initially includes one technician and owner.
9. You will incur expenses associated with our PuroClean Academy initial training program. The estimate in the table above includes the costs associated with the IICRC WRT and ASD certification and testing during our initial training program. The estimate also includes EPA Lead Renovation, Repair and Painting (RRP) certification, IICRC AMRT training, and subrogation training. You must obtain both individual and firm RRP certification prior to the initial training program. Subrogation training must be completed prior to the initial training program. IICRC AMRT training must be completed within 90 days of completion of the initial training program. We offer IICRC AMRT training from time to time at a cost of \$595, plus a \$150 exam fee. For the IICRC training we offer, we provide instructors and instructional materials, but you will need to arrange and pay for transportation, lodging, and food for yourself and any employees, and for any wages for

the employees. The total cost will depend on the distance you must travel to the training location, the type of accommodations you choose, and the number of people who attend training.

10. You must hold four continuing education courses during the first year after you begin operating your Franchise Business. We recommend that you hold one continuing education course every 3 months during the first 12 months that you operate your Franchise Business.
11. Some states (or other governmental bodies) require you to obtain a license before beginning operations. The specific requirements and the costs of the license will vary.
12. You must purchase and utilize the DASH Software provided by Next Gear Solutions, Inc., our current designated supplier. The initial setup fee is \$1,500. The monthly user license fee is approximately \$500. This fee may increase from time to time. We may require you to use an alternative operating system in the future. We reserve the right to change our designated programs and designated suppliers from time to time.
13. You will be required to purchase and utilize the Insurance Industry Claims Estimating Software provided by Xactware Solutions, Inc., our current designated supplier. In order to use the Insurance Industry Claims Estimating Software you also must sign an XactAnalysis License Agreement (attached as Exhibit L) and Xactware Solutions, Inc. License Agreement (attached as Exhibit M) with Xactware Solutions, Inc. The cost of this software is approximately \$125 per month for each user license you obtain. The estimate in the table above represents the cost to license this software for the initial period of 3 months. We may establish a master license arrangement for the Industry Claims Estimating Software from our designated supplier, currently Xactware Solutions, Inc. We reserve the right to change our designated programs and designated suppliers from time to time.
14. Depending on your credit score and credit history, you may be required to pay our designated vehicle supplier a security deposit. On average, the security deposit will range from \$1,000 to \$3,000.
15. You will need capital to support ongoing expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of operating the Franchise Business, which we calculate to be 3 months. This is only an estimate. We relied on our more than 30 years in the business to compile the amounts included in the chart. However, all figures are estimates. We have not calculated sales tax or any other type of tax or fee that may be levied in connection with the purchase of this franchise or any of the items listed above. You should review these figures carefully with an independent business advisor before making any decision to purchase the franchise.

**B. CONVERSION FRANCHISEES**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (see Note 1)	\$29,500 to \$59,000	Lump Sum	Upon Signing of Franchise Agreement	Franchisor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Vehicle (see Note 2)	\$0 to \$3,500 (Finance option)  \$0 to \$65,000 (Base Purchase Price)	As Incurred—first 3 months  Lump Sum	30 Days Before Opening	Designated Vehicle Supplier or Financing Company
Equipment and Supplies Package (see Note 3)	\$0 to <del>\$5,000</del> 5,500 (Financed)  \$0 to <del>\$65,000</del> 67,000 (Purchase)	As Incurred—first 3 months  Lump sum	30 Days Before Opening	Designated Supplier or Financing Company
Insurance Premium (see Note 4)	<del>\$1,500</del> 1,750 to <del>\$1,875</del> 2,500	As Incurred – 3 month range	One Week Before Opening	Insurance Agent
Office Furniture (see Note 5)	\$0 to \$2,200	Lump Sum	15 to 30 days Before Opening	Suppliers
Office Supplies (see Note 5)	\$0 to \$300	As Incurred – 3 month range	15 to 30 Days Before Opening	Suppliers
Telephone & Utility Deposits and Fees (see Note 6)	\$0 to \$500	As Incurred	As Required	Utility Companies
High-Speed Internet Access	\$0 to <del>\$300</del> 400	As Incurred – 3 month range	As Required	Internet Service Provider
VOIP Telephone Equipment & Services Fee (see Note 7)	\$0 to \$455	As incurred – 3 month range	As Required	Suppliers
Answering Service	\$100 to \$365			
Professional Fees	\$0 to \$500	As Incurred – monthly	As Required	Professionals
Uniforms (see Note 8)	\$200 to \$500	As Agreed	As Required	Suppliers
Opening Advertising and Marketing Materials	\$0 to \$1,100	As Incurred – 3 month range	As Required	Suppliers
Training Expenses (see Note 9)	\$1,000 to \$6,000	As Incurred	As Required	Third Parties
Mentoring Program	\$0 to \$4,500			
Continuing Education Courses (see Note 10)	\$0 to \$2,000	As incurred – 3 month range	As Required	Third Parties
Facility Rent	\$0 to <del>\$2,500</del> 5,000	Lump Sum	As Required	Landlord
Business Licenses (see Note 11)	\$0 to \$550	Lump Sum	As Required	Governmental Licensor
Laser Printer	\$150 to \$500	Lump Sum	30 Days Before Opening	Third Parties
DASH™ System (see Note 12)	\$1,500 to \$3,000	As Incurred—first 3 months	As Required	Third Party – Next Gear Solutions, Inc.
Insurance Industry Claims Estimating Software (see Note 13)	\$375	As Incurred – first 3 months	As Required	Third Party – Xactware Solutions, Inc.
Security Deposit (see Note 14)	\$0 to \$3,000	Lump Sum	As Required	Leasing or Financing Company
Camera	\$0 to \$300	Lump Sum	30 Days Before Opening	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds (three month period) (see Note 15)	<del>\$15,000</del> 20,000 to <del>\$25,000</del> 35,000	As Needed – 3 month range	As Required	Third Parties
<b>Total (with Finance Options)</b>	\$49,325 to <del>\$123,320</del> 137,045			
<b>Total (with Purchase Options)</b>	<del>\$49,325</del> 54,575 to <del>\$244,820</del> 260,045			

Unless otherwise noted, all amounts are non-refundable. We provide indirect financing for vehicles and other required equipment through the programs described in Item 10.

Notes:

1. Conversion Franchisees will receive a 5% discount off of the Initial Franchise Fee for every \$200,000 in gross receipts earned by their Existing Business from mitigation and reconstruction services earned in the 12 month period immediately preceding the date of their Franchise Agreement, up to a discount of 50% off of the Initial Franchise Fee.
2. Conversion Franchisees may continue to use their Existing Business’s vehicles, if the vehicles otherwise meet our standards and specifications. To the extent the Existing Business’s vehicles do not comply with our standards and specifications, Conversion Franchisees must acquire at least one vehicle meeting our standards and specifications from our designated supplier. We reserve the right to change our designated vehicle supplier or identify other designated vehicle suppliers from time to time. You may purchase or lease your vehicle. The estimate for vehicle payments shown in the initial investment chart above represents the amount it will cost you to lease your vehicle from our current designated vehicle supplier for a period of 3 months, which is the initial phase for the Franchise Business. If you purchase your vehicle, the estimated base purchase price is ~~\$60,000~~67,000. 50% of all vehicles must be rebranded within 30 days of completing initial training, and the remainder must be rebranded within 12 months after a Conversion Franchisee signs the Franchise Agreement.
3. Conversion Franchisees can continue to use equipment which is not branded with our logos but otherwise meets our standards and specifications until the earlier of: (a) 5 years after the original manufactured date; or (b) 3 years from the date of their Franchise Agreement. To the extent Conversion Franchisees do not have equipment meeting our standards and specifications, they must purchase all required equipment within 30 days of signing a Franchise Agreement. We strongly recommend that Conversion Franchisees finance their initial Equipment and Supplies Package from an unrelated third party. The low end of the estimate assumes that the Existing Business has equipment that meets our standards and specifications. The high end of the estimate assumes that the Existing Business does not have any equipment meeting our standards and specifications and new equipment is purchased. The estimated cost to purchase the Equipment and Supplies from our designated supplier is ~~\$65,000~~67,000.

4. The amount in the above chart represents an estimate of the monthly insurance premium payments for a period of three months, which is the initial phase for the Franchise Business. Average annual expenses range from \$6,000 to \$7,500. You may be required to pay the entire annual premium initially or a portion as a down payment. These figures do not include Workers' Compensation Insurance. You must obtain Workers' Compensation insurance to cover your employees in amount required by applicable state law. You must maintain the required minimum amounts of insurance solely in connection Franchised Business.
5. To the extent their Existing Businesses do not already have such goods, Conversion Franchisees will need to purchase office supplies and equipment including office furniture, calendar, stationery, and other general office supplies. The amount of office supplies identified in the chart represents an estimate of the monthly expenses for the initial phase of 3 months.
6. To the extent Existing Businesses do not have telephone and utilities services providers, Conversion Franchisees will be required to pay telephone and utility deposits. The amount of the deposits will depend on the practices of the utility companies and the lessor. The amount in the above chart represents an estimated range of the monthly payments for the initial phase of 3 months for an office or rental facility.
7. Conversion Franchisees can use their Existing Business's telephone numbers in connection with the operation of the Franchised Business, provided the numbers are assigned to us within 15 days after signing a Franchise Agreement. If Conversion Franchisees wish to create a new telephone number solely in connection with their Franchised Businesses, then they must purchase their phone equipment from our required supplier, currently Clarity Communication Advisors, Inc. The low estimate in the table above assumes the Conversion Franchisee uses their existing telephone equipment and number and the high estimate includes the cost of required equipment, the initial activation fees, and 3 months of monthly service fees to be paid to Clarity.
8. All technical employees and sales staff engaged in the operation of the Franchised Business must wear the standard PUROCLEAN uniforms, and generally average \$100-\$250 per employee which initially includes one technician and owner.
9. Conversion franchisees will incur expenses associated with our PuroClean Academy initial training program. The estimate in the table above includes the costs associated with the IICRC WRT and ASD certification and testing during our initial training program. The estimate also includes IICRC AMRT training and subrogation training that must be completed within 90 days of completion of the initial training program. We offer IICRC AMRT training from time to time at a cost of \$595, plus a \$150 exam fee. For the IICRC training we offer, we provide instructors and instructional materials, but you will need to arrange and pay for transportation, lodging, and food for yourself and any employees, and for any wages for the employees. The total cost will depend on the distance you must travel to the training location, the type of accommodations you choose, and the number of people who attend training.

10. Conversion Franchisees must hold four continuing education courses during their first year of operations. We recommend holding one continuing education course every 3 months during the first 12 months of operation.
11. Conversion Franchisees must obtain any licenses necessary to provide the products and services authorized under the Franchise Agreement.
12. Conversion Franchisees must purchase and utilize the DASH Software provided by Next Gear Solutions, Inc., our current designated supplier. The initial setup fee is \$1,500. The monthly user license fee is approximately \$500. This fee may increase from time to time. We may require you to use an alternative operating system in the future. We reserve the right to change our designated programs and designated suppliers from time to time.
13. You will be required to purchase and utilize the Insurance Industry Claims Estimating Software provided by Xactware Solutions, Inc., our current designated supplier. In order to use the Insurance Industry Claims Estimating Software you also must sign an XactAnalysis License Agreement (attached as Exhibit L) and Xactware Solutions, Inc. License Agreement (attached as Exhibit M) with Xactware Solutions, Inc. The cost of this software is approximately \$125 per month for each user license you obtain. The estimate in the table above represents the cost to license this software for the initial period of 3 months. We may establish a master license arrangement for the Industry Claims Estimating Software from our designated supplier, currently Xactware Solutions, Inc. We reserve the right to change our designated programs and designated suppliers from time to time.
14. Conversion Franchisees may be required to pay security deposits ranging from \$1,000 to \$3,000 for required vehicles, depending on their credit scores.
15. Conversion Franchisees will need capital to support ongoing expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of operating the Franchise Business, which we calculate to be 3 months. This is only an estimate. We relied on our decades in the business to compile the amounts included in the chart. However, all figures are estimates. We have not calculated sales tax or any other type of tax or fee that may be levied in connection with the purchase of this franchise or any of the items listed above.

**C. MULTI-UNIT PROGRAM**

If you are an existing franchisee adding an additional unit franchise, the following chart shows your estimated initial investment for the additional franchise, calculated based on the information in the first table above in this Item 7.

<b><u>YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT PROGRAM</u></b>				
<b><u>Type of Expenditure</u></b>	<b><u>Amount</u></b>	<b><u>Method of Payment</u></b>	<b><u>When Due</u></b>	<b><u>To Whom Payment is to be Made</u></b>
<b><u>Initial Franchise</u></b>	<b><u>\$25,000</u></b>	<b><u>Lump Sum</u></b>	<b><u>When</u></b>	<b><u>Us</u></b>

<u>YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT PROGRAM</u>				
<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be Made</u>
<u>Fee*</u>			<u>Franchise Agreement is Signed</u>	
<u>Other Expenditures** for Additional Franchise</u>	<u>\$36,530 to \$75,420 (with Finance Options)</u> <u>\$160,030 to \$186,920 (with Purchase/No Finance Option)</u>	<u>As Disclosed in first Item 7 Table above</u>	<u>As Disclosed in first Item 7 Table above</u>	<u>As Disclosed in first Item 7 Table above</u>
<u>Total</u>	<u>\$61,530 to \$100,420 (with Finance Options)</u> <u>\$185,030 to \$211,920 (with Purchase/No Finance Option)</u>			

\* This amount covers the Initial Franchise Fee for an additional franchise under the Multi-Unit Program. See Item 5.

\*\* This is the estimated initial investment amount for a New Franchise, copied from the first table in this Item 7, except that we subtracted the \$59,000 Initial Franchise Fee from such amount, although your initial investment may be reduced in the event we determine that the equipment or other items you use in your existing PUROCLEAN Franchised Business can also be used for your additional franchise.

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

You must obtain your initial Equipment and Supplies Package of restoration, remediation, mitigation and purification equipment and products (i.e. drying, remediation and cleaning equipment and chemical products) and the Computer System before you begin operating your Franchise Business. Aramsco/Interlink Supply is the only approved supplier of the items included in the Equipment and Supplies Package and we are the only approved supplier of the Computer System. As described below, you also must purchase replacement or additional products and equipment from Aramsco/Interlink Supply. As of the date of this Disclosure Document, Aramsco/Interlink Supply is the only approved source for restoration products and equipment, and we do not have any obligation to you to appoint additional sources.

The required purchases in this Item 8 contributed \$~~869,768.93~~621,066 or ~~2.62~~2.62% of our \$~~33,011,017~~31,475,738 total revenue in the last fiscal year, as noted in our ~~2023~~2024 audited financial statements included as Exhibit C. This revenue came in the form of rebates and direct sales.

During the first 18 months following the effective date of the Franchise Agreement, and for each full calendar year after the 18 months, you must purchase an equivalent of 2% of your

Gross Receipts in consumable branded products from Aramsco/Interlink Supply. We may conduct a review of your purchase history to ensure your compliance with the minimum purchase requirements. All products, equipment and supplies used and offered for sale by you in the Franchise Business must meet our then-current standards and specifications, including but not limited to branding requirements (including our color and label requirements) as established in the proprietary Manuals or otherwise in writing.

As noted in the previous paragraph, you must purchase all products and equipment solely from suppliers who demonstrate to our continuing satisfaction, the ability to meet our standards and specifications, who possess adequate quality control and capacity to supply your needs promptly and reliably, and who have been approved by us in the proprietary Manuals or otherwise in writing. For example, you must use the DASH Software and enter into a License Agreement for the DASH Software, a copy of which is attached as Exhibit K. You must also enter into an XactAnalysis License Agreement (attached as Exhibit M) and Xactware Solutions, Inc. License Agreement (attached as Exhibit N) with Xactware Solutions, Inc., our designated supplier for the Insurance Industry Claims Estimating Software.

Additionally, we will obtain, in our name, a telephone number(s) for use in the operation of your Franchised Business. The telephone number will include a local area code and prefix reflective of your approved office location. You will not be permitted to use non-local prefixes in your Franchised Business' telephone number, including, but not limited to, 800, 844, 855, 866, 877 or 888. The telephone number(s) will belong to us, but you will be permitted to use it during the term of the Franchise Agreement. You will pay our designated supplier (currently, Clarity Communication Advisors, Inc.) for your monthly telephone fees. You must sign Clarity's Telephone Number Release Agreement (attached as Exhibit I). We reserve the right to change our designated supplier or add additional approved suppliers at any time. Future additional approved suppliers may include, but are not limited to, Voicicity LLC.

You also must obtain your vehicle from one of our designated vehicle suppliers. We reserve the right to change our designated vehicle supplier or identify additional designated vehicle suppliers at any time. We reserve the right to change our designated suppliers and designated products and requirements from time to time, and you will be responsible for complying with these changes at your expense.

We also may identify certain products you must use without reference to a particular manufacturer. For example, at this time we require that you use Low Grain Refrigerant Dehumidifiers and no other type. We reserve the right to change these requirements and you will be responsible, at your expense to make the changes.

As of the issuance date of this Disclosure Document, no officer has an ownership interest in any approved suppliers.

Except for the Equipment and Supplies Package and the PUROCLEAN branded equipment you must purchase from us or our designated affiliate or supplier on an ongoing basis [and the Computer System that you must use in the operation of your Franchise Business](#), there are no other products and equipment needed to operate your Franchise Business that you must purchase or license from us or our affiliate as of the date of this Disclosure Document. We reserve the right to designate a primary or single source of supply for other required items, and we or an affiliate may

be that single source. [Although you are not required to use, our affiliate PDS may be an approved supplier for equipment rental for your Franchise Business.](#)

Except for items where we have designated a single source, if you wish to purchase products, supplies, materials or equipment from other suppliers, you must submit to us a written request to approve the proposed supplier, together with the evidence of conformity with our specifications as we may require. For example, certain equipment and uniforms must be of a specific model and color. We will have the right to require you to permit our representatives to inspect the supplier's facilities, and that you deliver samples from the supplier for evaluation and testing either to us or to an independent testing facility that we designate. We may charge you an amount not to exceed the reasonable cost of the evaluation and testing. We must, within 30 days after our receipt of the completed request and completion of the evaluation and testing (if required), notify you in writing of our approval or disapproval of the proposed supplier. We will not unreasonably withhold approval. You must not sell or offer for sale any products nor use any equipment of the proposed supplier until you receive our written approval of the proposed supplier. We may revoke our approval of particular products, equipment, or suppliers when we determine that such products, equipment, or suppliers no longer meet our standards. We review a number of criteria in determining whether a particular supplier meets our standards including, among others: (1) whether the product, supply or material meets our standards and/or specifications; (2) the supplier's facilities must be adequate to meet the needs of our franchisees; (3) the supplier's facilities must be accessible to our periodic evaluation; (4) the supplier must possess adequate quality controls; and (5) each supplier must require each manufacturer of equipment or supplies to name us as an additional named insured on a liability insurance policy in the amount of two million dollars (\$2,000,000.00) or more at no cost to us. Upon receipt of written notice of our revocation of approval, you must cease to use or sell any disapproved products and cease to purchase from any disapproved supplier.

You must conduct all advertising and promotional activities either through our designated advertising agents or according to our requirements, as noted in the proprietary Manuals or otherwise in writing or on our Intranet Support site. You must not use any advertising or promotional materials until you have received written approval from us. You must submit samples of all advertising and promotional plans and materials to us, for our prior approval if the plans and materials have not been prepared or previously approved by us. If you have not received written notice of disapproval within 15 days after our receipt of the materials, we will be deemed to have approved them. Any advertising or marketing materials you create or produce in connection with the operation of your Franchised Business can be used only by you. You must spend 2% of your annual Gross Receipts on local advertising and pay to us a 2% Marketing Fee.

You must procure and maintain during the term of the Franchise Agreement, the types and amounts of insurance covering the operation of the Franchise Business and the Office from insurance carriers reasonably acceptable to us. [As of the date of this Disclosure Document, the insurance requirements in the following types/minimum:](#)

[i. ISO Commercial General Liability coverage of \\$1,000,000 per occurrence with a \\$2,000,000 aggregate limit. Coverage must include premises and operations liability with no exclusion for subcontracted work or restrictions of coverage for any operation customary to the Franchised Business;](#)

ii. Contractor Pollution Liability coverage with minimum limits of \$1,000,000 per pollution event and \$1,000,000 in aggregate coverage. Said policy must include coverage for mold, bacteria, and all other substances encountered in the normal course of the Franchise Business; and

iii. Auto Liability coverage of \$1,000,000 combined single limit of liability per occurrence. Said policy must include coverage for “Any Auto” or “All Owned, Hired and Non-Owned” vehicles.

We may increase the insurance coverage requirements, including coverage types and amounts, through the proprietary Manuals. You also shall carry such insurance as may be required by the lease for the Office or by any lender or equipment lessor. You must add us, our affiliates, officers, directors, and employees to all insurance policies as additional named insured, the cost of which shall be paid by you.

The cost of insurance purchased in accordance with our specifications will represent approximately 1% of your total purchases in connection with the establishment of your business, and 2% of your total purchases in the operation of your business. These percentages do not include workers’ compensation insurance, which will vary with the payroll amount and category of employees. Workers’ compensation insurance may be as high as 10% of payroll. You must obtain workers’ compensation insurance in an amount required by applicable state law.

Of your total purchases and leases that must conform to our specifications, we estimate that 80% will be purchased from us, our affiliates, our designated suppliers or suppliers with products that meet our specifications in connection with the establishment of your Franchise Business. Of your total purchases and leases that must conform to our specifications, we estimate that approximately 10% to 20% will be purchased from us, our affiliates, our designated suppliers or suppliers with products that meet our specifications in the ongoing operation of your Franchised Business.

We may negotiate purchase and lease arrangements with suppliers for the benefit of the System, but not on behalf of individual franchisees. Currently, we have arrangements with a number of suppliers, including suppliers of paint and painting products, flooring, carpet, stationery, insurance, software, ASP, vehicle financing and leases and uniforms. We also have arrangements with a background screening company. Specifically, we currently receive rebates ranging from 2.5% to 20%, based upon our franchisees’ purchases and leases of products and equipment, marketing materials, printing needs, promotional products, business gifts and apparel/uniforms. We also receive a rebate from ADP, Inc. (“ADP”) based on payments you make to ADP for payroll and tax processing and filing services (collectively “Payroll Services”). Specifically, we receive an 8% to 17% rebate based on number of clients sold in a calendar year. All rebates are paid into our general revenue fund. We reserve the right to be compensated by a supplier for creating or maintaining a relationship or arrangement with approved or recommended suppliers.

You will pay the then-current price in effect for any approved supplies or products we identify. In some instances, the cost for the approved supplies or products may be higher than the cost of other similar supplies and products on the market.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with the requirements described above.

Conversion Franchisee Purchasing Requirements

To the extent Conversion Franchisees do not already own or lease equipment meeting our standards and specifications, they must purchase or lease the equipment before opening their Franchised Business, as noted above. We will conduct an audit of each Conversion Franchisee’s existing equipment and will provide a list of additional equipment and supplies to be purchased within 30 days after they sign a Franchise Agreement. Such equipment and supplies must be obtained from our designated supplier, Aramsco/Interlink Supply.

Conversion Franchisees may continue to use equipment which is not branded with our logos but otherwise meets our standards and specifications, until the earlier of (a) 5 years after the original manufactured date; or (b) 3 years from the effective date of the Franchise Agreement.

In terms of rebranding each vehicle, 50% of all vehicles must be rebranded within 30 days of completing initial training, and the remainder must be rebranded within 12 months of executing this Agreement.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document. [References to MUA means the Multi-Unit Program Amendment.](#)**

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§ 3 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	§§ 7.4, 7.5, 7.6, and 7.7 of Franchise Agreement	Items 5, 7, and 8
c. Site development and other pre-opening requirements	§§ 3 and 7 of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	§ 7.1 and 7.2 of Franchise Agreement	Item 11
e. Opening	Not Applicable	Item 11
f. Fees	§§ 5 and 6 of Franchise Agreement <a href="#">§§ 1-5 of MUA</a>	Items 5, 6, 7 & 10
g. Compliance with standards and policies/Operating proprietary Manual	§§ 7 and 9 of Franchise Agreement <a href="#">§ 10 of MUA</a>	Items 8, 11, and 14

Obligation	Section in Franchise Agreement	Disclosure Document Item
h. Trademarks and proprietary information	§ 8 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/ services offered	§§ 7.4, 7.5, 7.6 and 7.7 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 11
k. Territorial development and sales quotas	<del>Not Applicable</del> <a href="#">§ 9 of MUA</a>	Item 12
l. Ongoing product/service purchases	§§ 7.4, 7.5, 7.6 and 7.7 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	§ 7 of Franchise Agreement	Item 11
n. Insurance	§ 7.10 of Franchise Agreement	Item 7
o. Advertising	§ 6 of Franchise Agreement	Items 6, 7, and 11
p. Indemnification	§ 10 of Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	§§ 7.3 and 7.8 of Franchise Agreement	Item 15
r. Records/reports	§§ 5.2 and 7.4 of Franchise Agreement	Item 6
s. Inspections/audits	§§ 7.9 and 7.10 of Franchise Agreement	Items 6, 8, and 11
t. Transfer	§ 11 of Franchise Agreement	Item 17
u. Renewal	§ 2.2 of Franchise Agreement	Item 17
v. Post-termination obligations	§§ 13 and 14 of Franchise Agreement	Item 17
w. Non-competition covenants	§ 14 of Franchise Agreement	Item 17
x. Dispute resolution	§§ 17 and 20 Franchise Agreement	Item 17
y. Other	§21	Item 17
Conversion Program	Schedule 1 to the Franchise Agreement	Items 1, 5, 6, 7, 8, 10, 11, 17, 19
PuroClean Clean Start Program	Schedule 2 to the Franchise Agreement	Item 10

## **ITEM 10** **FINANCING**

We do not offer any direct financing assistance. We offer indirect financing to our franchisees through AGS Fleet and Bush Business Enterprises. Your ability to obtain a lease through either of these designated vehicle suppliers will depend on a number of factors including current market conditions, your credit history and your personal financial condition. We do not guarantee your notes, leases or other obligations and we are unable to estimate whether you will be able to obtain a lease through either supplier or any other third party for any or all of your

investment. [We do not receive any consideration for placing financing with any lender.](#) It is not our practice or intent to sell, assign or discount to a third party all or part of any financing arrangement.

### Vehicle Financing

You must lease or purchase your vehicle from one of our designated vehicle suppliers. Our current designated vehicle suppliers are AGS Fleet and Bush Business Enterprises (collectively referred to below as our “Vehicle Lease Suppliers”), but we reserve the right to change our designated vehicle supplier or identify additional designated vehicle suppliers. If you lease your vehicle from one of our designated vehicle suppliers, your actual payment terms will vary depending on the terms offered by our designated vehicle suppliers at the time you sign your Franchise Agreement, your credit history, and other factors. [No one other than the franchisee or any owner of a franchisee entity is required to personally guarantee the debt on any financing.](#)

Sample copies of the Vehicle Lease Suppliers’ Lease Agreements are attached to this Disclosure Document as Exhibit N. The terms and conditions of the attached sample agreements may change. Below is a summary of the lease/financing terms offered by each:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term	APR %	Monthly Payment	Pre-payment Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Vehicle	See Note (1)	As low as \$0	Up to 100%	See Note (2)	Varies based on individual profile (3)	See Note (4)	See Note (5)	See Note (6)	See Note (7)	No (8)

(1) We reserve the right to change our designated supplier or identify additional designated suppliers at any time.

(2) The term of the lease offered must be for a minimum of 12 months. The most commonly requested term is 60 months (or five years).

(3) The rates will vary (6-12% APR) based upon current market conditions, your individual credit history, your personal financing condition, and other factors the lender may deem appropriate.

(4) The total number of monthly payments will depend on the term of your lease or loan. Payments will be due monthly, and the installment payments will consist of a fixed payment each month. On average, monthly payments under a Vehicle Lease Agreement range from \$450 to \$1,100 per month.

(5) The remaining base rental figure (the balance owed) under your Vehicle Lease Agreement can be satisfied at any time after the 24<sup>th</sup> month (may vary) without penalty.

(6) The Vehicle Lease Suppliers maintain ownership of the vehicle leased under the Lease Agreement. Additionally, depending on your credit score, you may be required to pay the Vehicle Lease Suppliers a security deposit and/or capitalized price reduction.

(7) If any lease payment is not paid within the cure period after it is due, you will pay a late fee. If you default under the Vehicle Lease Agreement, the lender may demand immediate payment

of the total outstanding balance due and owing under the Vehicle Lease Agreement, plus all costs for collection including attorney's fees. The lender will also have the right to retake possession of the vehicle, with all equipment, instruments and accessories and subsequently lease or sell the vehicle to a third party.

(8) [You are not required to waive defenses or other legal rights, although each Vehicle Lease Agreement does include a limit on the lender's liability and disclaimer of certain damages or a waiver of jury trial. You are not barred from asserting any defenses.](#) A default under the terms of your Vehicle Lease Agreement will not result in a default of your Franchise Agreement.

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

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

### Pre-Opening Obligations

Before you open the Franchise Business, we must provide the following assistance and services to you:

1. Training at our location. (Franchise Agreement, § 4.2). We will provide Conversion Franchisees and/or their designated managers with initial training at the next available training session after they sign a Franchise Agreement. Any additional persons required to attend training under Section 7.1 of the Franchise Agreement may attend a subsequent initial training class during the first six months of opening the Franchised Business. (Conversion Addendum, § 12).

2. One copy of the proprietary Manuals (which may be supplied to you on computer disk, on our website or through print or other electronic media), on loan for the term of the Franchise Agreement, as more fully described below (Franchise Agreement, § 4.3).

3. Use of our trade and operating procedures and methods (which must be maintained in strict confidentiality) (Franchise Agreement, § 4.4).

4. Provide you with standards and specifications for the furniture, fixtures, equipment, vehicles, and inventory necessary to operate a Franchised Business. (Franchise Agreement, §§ 7.5, 7.6). We will conduct an inventory of each Conversion Franchisee's Existing Business's furniture, fixtures, equipment, vehicles, and inventory and provide each Conversion Franchisee with a detailed list of additional purchases each Conversion Franchisee will need to make to conform the Existing Business to our current standards. (Conversion Addendum § 11).

We are not obligated by the Franchise Agreement or any other agreement to provide any other supervision, assistance or services before the opening of the Franchise Business.

### Site Selection

You must operate the Franchise Business only from a location within the POL as described in the Franchise Agreement. You must select an Office only within the POL, which we must approve in advance. We will approve or disapprove the proposed site within 14 days of receiving

notification from you as to the site. If the site selection cannot be agreed upon, there are no other consequences other than the Franchise Business cannot be operational. We do not provide you with assistance in selecting a location for the Office. You must not relocate the Office without our prior written approval. (Franchise Agreement, § 3.4). [The disclosures in this paragraph also apply to an additional franchise under the Multi-Unit Program.](#)

Before you can schedule and attend field training (as described in more detail below), an approved site for your Office must be acquired and secured. We may, but are not required to, permit you to schedule your field training prior to securing a site for your Office if a signed letter of intent to lease or purchase your Office Site is provided in advance of scheduling the field training.

Conversion Franchisees must operate their Franchised Businesses from their Existing Business's location. (Conversion Addendum, § 14).

### Opening the Franchise Business

The length between the signing of the Franchise Agreement and the opening of the Franchise Business ranges from 30 to 120 days. Factors that affect this time period are the timely payment of fees, purchase of equipment and completion of training. Conversion Franchisees must complete their pre-opening obligations and open the Franchised Business within 60 days of signing the Franchise Agreement.

### Continuing Obligations

During the operation of the Franchise Business, we must provide the following assistance and services to you:

1. Use of the Proprietary Marks and copyrighted materials during the term of the Franchise Agreement (Franchise Agreement, § 4.1);
2. Ongoing support and technical information by telephone, internet, intranet, ASP or other technology that may be available in the future (Franchise Agreement, § 4.5);
3. Marketing consulting (Franchise Agreement, § 4.6); and
4. Advertising consulting (Franchise Agreement, § 4.6).

We are not obligated by the Franchise Agreement or any other agreement to provide any other supervision, assistance or services after the opening of the Franchise Business, [although pricing at which you provide your products and services may be a part of any regional or national strategic alliance accounts we establish, as further described in Item 12 of this Disclosure Document.](#)

### Marketing

We collect a "Marketing Fee" from you in an amount equal to 2% of your Gross Receipts. The Marketing Fees will be paid in the same manner and at the same time as the Royalty Fee. We intend to use the Marketing Fees to build brand awareness and to provide marketing, advertising

and promotional materials and services to benefit the System as well as conduct marketing, advertising or promotional campaigns for the System. We have temporarily capped (until December 31, ~~2024~~2025) the individual franchisee and company-owned Marketing Fee contribution at a maximum of ~~\$22,000~~22,500 annually. Our company-owned PuroClean businesses pay the Marketing Fee at the same rate as the franchisees. All franchisees do not pay the Marketing Fee. While not required, we also may contribute to Marketing Fees from time to time. We will administer the Marketing Fees and will, at your written request, provide you with an annual unaudited statement of the receipts and disbursements of the Marketing Fees. We are not required to spend any particular amount on marketing, advertising, or promotion in the area where your Franchise Business is located. We may conduct up to one week of marketing training within the first 30 days of opening your Franchise Business without any cost to you. We have the right to receive an administrative fee to cover related sales promotion, marketing and administrative expenses. We will have no fiduciary duty to you with respect to the collection or expenditure of Marketing Fees, and the Marketing Fees will not be held in a trust or escrow account. If all of the Marketing Fees are not spent in the fiscal year in which they accrue, the remaining amounts will be retained for use in the following years.

During our fiscal year ending December 31, ~~2023~~2024, the Marketing Fees were spent in the following approximate amounts: 45% travel and trade shows, ~~51~~49% national account development, 25% marketing programs and public relations, ~~19~~20% internet marketing and 1% general and administrative. We or our affiliate may be reimbursed for administrative costs and overhead incurred in administering the Marketing Fees. We will not use the Marketing Fees to advertise principally for franchise sales, but we do reserve the right to add internet links, subset ads and other types of add-on advertising that would be used for selling franchises.

There is a franchisee advisory council known as the Network Leadership Council (“NLC”) that will also act as the Marketing Fees advisory council. Currently, the NLC is comprised of 8 franchisees that are elected for a two-year term. We may appoint additional franchisees to serve on the NLC from time to time. As the PUROCLEAN system grows, however, we may form a different franchisee advisory council or marketing committee that will, in part, provide advice on advertising and promotional activities to us. We likely will retain the power to form, change or dissolve any franchisee advisory council established in the future.

As of the date of this Disclosure Document, we do not fund any advertising or marketing program for the products or the services offered by you. Although we are not contractually required to do so, we may make marketing material available to you.

Although we do not presently require, in the future we may require you to participate in a local or regional advertising cooperative. The primary purpose of any cooperative will be to help establish a larger overall presence in a particular market. The Franchise Agreement does not provide and we do not currently have a plan for determining: 1) how the area or membership of the cooperative is defined; 2) who is responsible for administration of the cooperative; 3) whether the cooperative must operate from written governing documents; or 4) whether cooperatives must prepare annual or periodic financial statements. The Franchise Agreement does give us the power to require that cooperatives be formed, changed or merged.

You may use your own advertising materials so long as you obtain prior written approval of the proposed advertising materials from us. You must submit samples of all advertising and

promotional materials to us for our prior approval of such plans and materials have not been prepared or previously approved by us. If written notice of disapproval is not received by you from us within 15 days of our receipt of such materials, we shall be deemed to have approved them. These materials must be directed to our Marketing Department. Any advertising or marketing materials you create or produce in connection with the operation of your Franchised Business can be used only by you. Our Field Support Specialists will determine the best approach for marketing support for Conversion Franchisees immediately after they have attended initial training. (Conversion Addendum, § 6).

We are not obligated to continue or add to any specific existing programs or other types of services nor are we obligated for future development of programs.

### Computer Systems

New franchisees will receive a computer system that we develop or select for the Franchise Business (the “Computer System”). The Computer System is not included in the Initial Franchise Fee is the Initial Franchise Fee discounted as part of a transfer or the Multi-Unit or Conversion Programs (in which case the Computer System must be purchased separately). The Computer System includes a laptop computer and all hardware, software, and office automation capabilities described below and the data used to record and analyze sales, inventory, product usage and tax information. As of the date of this Disclosure Document, there is no cost to new franchisees for the Computer System. The Computer System you receive will include all hardware, software and office automation capabilities that we currently require. As of the date of this Disclosure Document, the Computer System includes the items below:

- Apple iPad
- One IBM ThinkPad or an equivalent laptop that we select, including a docking station and wireless mouse
- Microsoft® Windows 10 Professional operating system (or a higher version of Microsoft Operating System);
- An anti-virus program that meets our specifications, which may include Microsoft Windows Defender, Malwarebytes®, Norton® or McAfee®;
- One-year Microsoft® Office Home & Business Edition (or a higher version of Microsoft Office) from Microsoft Corporation subscription;
- One-year Adobe Acrobat Standard subscription;
- QuickBooks® Desktop Pro by Intuit®. We have developed a PuroClean customized chart of accounts to be used in conjunction with QuickBooks® Pro, which cannot be altered unless we authorize in writing;
- Badger web-based routing software. The first six months license fee is included. After the first six months, at Franchisee’s option and expense, there is a renewal license fee of approximately \$500 per year;

- Xactimate® from Xactware® software for the Insurance Industry Claims Estimating Software (monthly subscription payable to Xactware directly);
- DASH™ System (monthly subscription payable to Next Gear Solutions, Inc. directly); and
- Access to PuroFAB and PuroDrive (web-based software).

You are required to use our proprietary web-based financial analysis and benchmarking royalty reporting program, PuroFAB. We will provide you with access to PuroFAB. There is no cost to you to access PuroFAB.

In addition to PuroFAB, you also must use the DASH restoration business and job management software or other operating system we designate. The cost to license DASH is currently \$500 per month per office. This fee may increase from time to time. You will be required to sign a user license agreement with Next Gear Solutions, Inc. in connection with your use of DASH. We may access messages, information and data stored on or transmitted through DASH.

In order to access the Insurance Industry Claims Estimating Software, you must enter into an Xactware Solutions, Inc. License Agreement with Xactware Solutions, Inc. You may be required to license additional proprietary software from us, an affiliate or a third party, and you also may be required to pay a software licensing or use fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software.

You may not substitute a comparable software package for these functions. Additional software may be required in order to qualify to participate in National Accounts Programs and receive National Call Center job referrals.

We anticipate that certain companies and individuals will begin to conduct business over the Internet or Intranet. In order for you to participate in this business you will be required to pay a transaction fee to the service provider. We have used our best efforts to insure that we have a ‘favorite’ pricing arrangement on our current transaction fee structure (as outlined below) with XACTWARE INFORMATION SYSTEMS, INC. for our franchisees that wish to participate in the program. There are other minor fees that may be charged including cancellation, toll free phone charges, etc. At this time we do not anticipate those charges to be over \$10 per transaction. We have no exclusive agreement and XACTWARE INFORMATION SYSTEMS, INC. has the right to market their products to the general public (Franchise Agreement, §7.13).

#### **Fee Structure XactNet**

<b>Estimate Value</b>	<b>Charge</b>
\$0 - \$499.00	\$5.59
\$500.00 - \$1,999.00	\$11.23
\$2,000.00 - \$9,999.00	\$19.14

## **Fee Structure XactNet**

<b>Estimate Value</b>	<b>Charge</b>
\$10,000.00 and higher	\$33.85

You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. We will have the right to independently access the information, application and data stored on your Computer System at any time. You also must have your Franchise Business connected to the internet using a connection method we approve, currently DSL, Broadband or Cable modem. You may use any local ISP of your choice as long as the access path complies with the DASH Software specifications. Mobile Broadband Internet access generally costs between \$75 and \$100 per month.

We have the right to determine the content and use of any website or other online or electronic media associated with the Proprietary Marks. You may not separately register or use any domain name or any portion of a domain name or other Web site or URL name associated with the Proprietary Marks, or participate in any website or other electronic media (including social media) that markets goods and services similar to those offered through your Franchise Business unless it is approved in writing by Franchisor. Your general conduct on the Internet or other electronic media, including your use of the Proprietary Marks or any advertising is subject to the terms and conditions of the Franchise Agreement or any other rules, requirements or policies that we may identify from time to time.

The data storage, phone line, modem, communication software, internet access, internet e-mail account and all additional hardware and software needed to implement and maintain these services is at your cost. We may own, maintain, and control all software, hardware, websites, telephone numbers, e-mail addresses, facsimile numbers and other forms of internal and external communication you use in connection with your Franchise Business.

Neither we, nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Computer System, but we reserve the right to do so in the future. The current annual cost of a service contract is \$200 to \$500.

We do not provide support or warranties for hardware or third party software; any support or warranties are provided solely by the manufacturer.

We reserve the right to designate changes or enhancements to the Computer System used in your Franchise Business including changes or enhancements to computer hardware, software and other equipment. You must upgrade or update hardware and software, as directed by us. There are no contractual limitations on the frequency and cost of this obligation. At such time as we designate the change or enhancement to the Computer System, you may be required to make certain payments to us or our designated suppliers. You will have 60 days to install and commence using the changed or enhanced Computer System. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced Computer System all at your cost.

We will advise you in writing of any required upgrades to your computer software and give you a reasonable time period in which to comply.

Proprietary Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchise Business in accordance with the standards, methods, policies, and procedures specified in the proprietary Manuals or on our online training site, one copy of which will be available to you through our password protected Internet web page, on CD or through print or other electronic media for the term of the Franchise Agreement. You must treat the proprietary Manuals, and the other written materials created for or approved for use in the operation of the Franchise Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce the materials, in whole or in part, or otherwise make them available to any unauthorized person. The proprietary Manuals will remain our sole property and must be kept in a secure place in the Office. We may, from time to time, revise the contents of the proprietary Manuals, and you must comply with each new or changed standard (Franchise Agreement, §16 & §9). The Table of Contents from our proprietary Manuals is attached as Exhibit D. The proprietary Manuals contain a total of 523 pages.

Training

Our New Franchise Training (NFT) is offered through our state-of-the-art PuroClean Academy located at our corporate facility in Tamarac, FL. NFT consists of ~~15~~17 days of instruction. Approximately three days of instruction will be offered online. Approximately ~~12~~14 days of instruction and hands-on training will be conducted at our location. The ~~15~~17 days of instruction may not be consecutive. We will conduct our initial training program as follows:

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom and Online Training</b>	<b>Hours of Hands-On Training</b>	<b>Location</b>
Product and Equipment Orientation. In person – Includes hands on carpet cleaning demo (Online training and/or 1/2-day in-person session, 1 <sup>st</sup> wk.)	3	1	Tamarac, Florida
Safety Program (4-hour session, 1 <sup>st</sup> wk.)	4	0	Tamarac, Florida
Estimating & Pricing (Online training and/or 1.25-day in-person session, 1st wk.)	10	10	Tamarac, Florida
Marketing Route Generation (Online training and/or 4-hour in-person session, 1 <sup>st</sup> wk.)	2	2	Tamarac, Florida
Business Management (Online training and/or 2-hour in-person session, 1 <sup>st</sup> wk.)	2	0	Tamarac, Florida
Accounting (Online training and/or 1-hour in-person session, 1 <sup>st</sup> wk.)	2	1	Tamarac, Florida
Sales Training ( <del>1<sup>st</sup> -&amp;</del> 3 <sup>rd</sup> wk.)	<del>8</del> 12	2	Tamarac, Florida

Subject	Hours of Classroom and Online Training	Hours of Hands-On Training	Location
DASH/PuroLogic (Operations / Administration) (1 Day 2 <sup>nd</sup> wk.)	8	8	Tamarac, Florida
Water Damage Restoration (5 days) (2nd wk.)	28	15	Tamarac, Florida
Mold Remediation (2-hour session) (3 <sup>rd</sup> wk.)	2	0	Tamarac, Florida
Marketing Training 1 hr. 1 <sup>st</sup> wk.) 2 sessions – Online post academy 8 hrs. total	9	0	Tamarac, Florida
Business Development/CPR 1 hour class/3 hrs. online post academy	4	0	Online
<b>Total: 116 Hours/160 Hours with AMRT class</b>	<del>82</del> <b>86</b> Hours/114 with AMRT	<b>39Hours/49</b> hrs. with AMRT	

It is not unusual for certain segments of the training to vary somewhat from what is shown above. Business requirements and other factors may result in changes to the schedule. We will attempt to give you advanced notice when this occurs.

We may conduct some of the initial training identified above through computer-based training or at other locations we designate.

Training materials will include the proprietary Manuals and use of equipment and supplies. We reserve the right to alter the training program to accommodate special circumstances.

The PuroClean Academy NFT will be led by Darren Hudema and conducted by other members of our training staff and IICRC instructors who have experience in various aspects of the restoration industry, building industry, support industry and/or have various degrees related to business and administration. In addition, some of our vendors and suppliers may present during the PuroClean Academy initial training program. The PuroClean Academy NFT program is mandatory and must be completed by you if you are an individual, and, at our option, each of your principals owning 25% or more of the Franchise Business (if you are a corporation or partnership), and your manager (if you or a principal will not manage the Franchise Business). Training must be completed to our satisfaction before the opening of the Franchise Business.

For all required PuroClean Academy NFT courses, including the required IICRC Certifications, we will provide, at no charge to you, instructors, online training and training materials for up to two attendees. Additional attendees may be charged a fee. The fee for additional attendees is currently \$699 but may change from time to time. You, however, are responsible for all costs associated with completing the IICRC exams to receive your IICRC certifications. The cost for the IICRC certification exam is currently \$80 per exam and \$150 for AMRT. PuroClean requires that someone maintains their IICRC certification and maintain the IICRC's guidelines for IICRC CEC's which may require training outside of the PuroClean

Academy initial training at a cost to you. You or your employees will be responsible for all other expenses incurred by them in connection with any such courses, seminars, and programs including all travel related costs and wages.

We may require, any manager subsequently employed by you to complete our NFT program, to our satisfaction. You and your manager and other employees also must attend such additional courses, seminars, and other training programs as we may reasonably require from time to time which also includes maintaining IICRC credentials. We may offer optional training programs, courses, mentoring and seminars to you and we may charge you a reasonable fee for the additional training programs. For all optional training programs, courses, and seminars, you or your employees will also be responsible for the expenses described above. (Franchise Agreement, § 7.2)

~~After successfully completing NFT, we~~ We may require you to participate in a five-day mentoring program after signing your Franchise Agreement, but before your initial field training. However, we are not obligated to offer a mentoring program. The mentoring program may include, among other things, time spent with an experienced PuroClean franchisee on production, administration, sales and/or marketing. We will assign you the closest available mentor to your Protected Office Location. You will be responsible for all travel, lodging and related expenses you incur while participating in the mentoring program. We estimate you will spend approximately \$2,500 on such expenses. Regardless of the costs you actually incur, you will receive a \$2,500 royalty credit on your account with us upon your successful completion of the mentoring program. The mentoring program will not be available or required for existing PuroClean franchisees who purchase an additional franchise.

We may also provide field training for up to two days. Field training typically occurs after your completion of the mentoring program. Our Initial Field Trainers or our Regional Directors may provide the initial field training. Field training may be conducted virtually. You may not schedule or attend field training until you have completed NFT and an approved site for your Office is acquired and secured. If you request a change in the agreed-upon field training schedule, you will be responsible for any associated costs and expenses as a result of the requested change in schedule, including any travel related penalties or change fees.

You will be required to complete the IICRC Applied Microbial Remediation Technician course within 90 days of completion of our PuroClean Academy initial training program. We offer this course from time to time at our location in Broward County, Florida at a cost of \$695.00. You may complete this course with another provider if you choose. Third parties offer the course for approximately \$1,000-1300.

We provide IICRC-approved instruction during NFT for Water Restoration Technician (WRT) and the Applied Structural Drying (ASD). All franchisees must complete and pass the IICRC exams to receive their IICRC certifications. The cost for the IICRC WRT and ASD certification exam's is currently \$80 per exam per designation and is payable to the IICRC by check or credit card. The exam fee for the IICRC Applied Microbial Remediation Technician course is \$150, which is not included during the initial NFT.

We have the right but not the obligation to hold an Annual International Convention ("Convention"). If we do hold a Convention, you must attend and pay us a registration fee. The

registration fee for our last Convention was \$695 (\$595 for early registration), but we have the right to change the registration fee. The registration fee does not include your costs to attend the Convention such as transportation, lodging and meals. Additional optional training fees may apply as well. Registration and training fees may be collected by means of ACH 30 days prior to the Convention. We estimate that the total charge will range from \$595 to \$1,000.

### Warranty

We do not offer or authorize you to offer any type of warranty under our name.

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

You will be assigned a Protected Office Location (“POL”) where you must establish and operate an Office for your Franchise Business from a single location within your POL. PuroClean offers an “open territory” system, and except as described in this Item 12, there are no restrictions or limitations as to the customers you or any other PuroClean franchisee may market or service. Further, there are no limitations on the customers we or our affiliates may market or service. Although you will receive a POL, you will not receive an exclusive territory [under either the Franchise Agreement or Multi-Unit Program](#). You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control or that are otherwise affiliated with us. You may market and service customers located inside and outside of your POL.

The POL is a specific agreed upon area identified in your Franchise Agreement containing a population generally of up to 100,000. We must approve in advance the location of your Office. You may not relocate the Office without our prior written approval, which we will not unreasonably withhold provided the proposed relocation site is within your POL and otherwise meets our then-current site and layout criteria and all lease agreements and assignment of lease agreements have been approved and signed by all parties. During the term of the Franchise Agreement we will not establish or operate, or license any other party the right to establish or operate, a PuroClean business from an office or business address located inside your POL. Except as otherwise provided in this Item 12, other PuroClean franchisees or company-owned businesses may market and service customers located inside and outside of your POL.

We reserve the right to create and implement regional or national strategic alliance accounts. For example, we may create a strategic alliance account consisting of regional or national insurance program managers and/or administrators and real estate and property managers (“Account Participants”). Through a strategic alliance account, we will serve as the central contact within the PuroClean System for Account Participants to refer business. We have the absolute right to assign any business received through the strategic alliance account program to a third party. The third party may or may not be a PuroClean franchisee, but is qualified to participate in the strategic alliance account program and who is able to perform the services requested within the timeframe and in accordance with the specific circumstances and requirements identified by the Account Participant.

Our right to assign business received through the strategic alliance account to any third party who is qualified to participate in the strategic alliance account program is absolute and will

not be restricted by any growth strategy we may implement. Additionally, we have the right to designate anyone as an Account Participant and assign the business received from the Account Participant to any PuroClean franchisee or third party.

If you are assigned business that is referred through the strategic alliance account program, the terms, conditions and procedures under which you provide services may differ from your standard terms, conditions and procedures. We will identify the terms, conditions, and procedures for providing services to a customer referred through a strategic alliance account program in the proprietary Manual or other system communications. These terms, conditions and procedures will govern any services you provide to a customer referred to you through a strategic alliance account program.

We retain all rights that are not expressly granted to you under the Franchise Agreement. For example, we may establish and operate a franchised or company-owned PuroClean business whose office or business address is located outside your POL. This right will correspond with our then-current market growth strategies. Additionally, we may establish and operate, and/or license others to establish and operate, within and outside of your POL, any business providing services under marks other than the PuroClean Proprietary Marks in the areas of casualty contracting, casualty restoration, remediation, mitigation, construction, purification, drying, cleaning, painting, repair, and replacement services and/or subcontract services to insurance companies, business and residential clients and others who have been subject to fire, flood, vandalism, trauma, mold and/or other casualties, as well as, purification, cleaning and odor removal services whether or not casualty related, which business or businesses may solicit and provide services to any customer located inside and outside your POL. In addition, our affiliate Signal Restoration Services may establish and operate, and/or license others to establish and operate, its business within and outside of your POL in the areas of emergency and environmental property restoration services. We also may offer, sell or distribute, within and outside your POL, any products associated with the PuroClean System (now or in the future) or identified by the PuroClean Proprietary Marks, or any other marks, through any distribution channels or methods. This includes, without limitation, to other cleaning or restoration service businesses, stores or locations, or any business or store of any kind, or by mail order, catalogue, or the Internet (or any other existing or future form of electronic commerce). For example, we may distribute products through retail stores and locations. Finally, we may merge with, acquire or become associated with any businesses or stores of any kind under other systems and/or other marks, which businesses and stores may convert to or operate under the PuroClean Proprietary Marks and offer or sell products and services that are the same as, similar to, or different than the products and services offered at or from your Franchise Business. Such businesses may be located anywhere within or outside your POL. We are not required to pay you any compensation if we exercise any of the rights specified above inside your territory (POL).

Although we have the right to do so (as described above), we have not operated or franchised, and have no plans to operate or franchise, other businesses selling similar products or services under different proprietary marks.

Upon request and as part of our current Multi-Unit Program, we will consider granting you an additional Franchise Business based on your compliance with your existing Franchise Agreement and other qualifications and conditions. Those conditions include (a) the franchisee's current Franchise Business must continue to generate a minimum of \$1,000,000 in annual Mitigation Services Gross Receipts: (b) each subsequent Franchise Business established by the

franchisee must remain in compliance with the terms of its Franchise Agreement, and reach the following annual levels of Mitigation Services Gross Receipts in its first five years of operation: (i) Year one: \$200,000, (ii) Year two: \$300,000, (iii) Year three: \$500,000, and Year five: \$1,000,000. After five years of operation, a Franchise Business must maintain \$1,000,000 in annual Mitigation Services Gross Receipts. If any Franchise Business fails to achieve \$1,000,000 annual Mitigation Services Gross Receipts, it will have a one-year probationary period to return to the required revenue level. [Failure to meet these performance standards will not alone result in the termination of your Franchise Agreement, but any such failure will result in you no longer being eligible for participation in the Multi-Unit Program, including the reduced royalty rates.](#) In order to expand beyond three Franchise Businesses, each of franchisee's existing Franchise Businesses must be generating a minimum of \$1,000,000 in annual Mitigation Services Gross Receipts before additional franchises will be approved.



Continuation of your franchise does not depend on you achieving a certain sales volume, market penetration, or other contingency.

Except as otherwise provided in this Item 12, we do not restrict you from soliciting or accepting orders from outside your territory (POL), but you do not have the right to use other channels of distribution, such as the Internet to make sales inside or outside your territory (POL).

In addition to your POL, you may be assigned a "Halo" territory containing a population generally of up to 150,000. Your Office cannot be located within the Halo territory. As long as you remain in good standing under the Franchise Agreement and the Halo program is in effect, PuroSystems will not establish or operate, nor license any other person the right to establish or operate, a PuroClean business using the PuroClean proprietary marks from an office or business address located within the Halo zip codes, which are non-exclusive. We retain all of our rights applicable to POL's for Halo territories. Your Halo territory will be terminated with no right to reinstatement if you are in default (with or without notice) of your Franchise Agreement. PuroSystems will review the Halo program at the end of each calendar year, and may modify or discontinue the program, including any and all Halo territories, at that time.

### **ITEM 13** **TRADEMARKS**

The Franchise Agreement grants you the right to operate your Franchise Business under the name PUROCLEAN and under any other proprietary marks currently used or that we may use in the future in the operation of the Franchise Business (collectively, the "Proprietary Marks"). We also claim common law trademark rights for all of the Proprietary Marks. We have filed or intend to file all required affidavits and renewals for the Proprietary Marks listed below:

Trademark	Application/ Registration No.	Filing/ Registration Date	Register
	5291763	September 19, 2017	Principal
 PUROCLEAN THE PARAMEDICS OF PROPERTY DAMAGE & Design	5147759	February 21, 2017	Principal
THE PARAMEDICS OF PROPERTY DAMAGE (STYLIZED)	2981448	August 2, 2005	Principal
PUROCLEAN (STYLIZED)	2977204	July 26, 2005	Principal
THE REAL RECESSION PROOF FRANCHISE	3888980	December 14, 2010	Principal

There are no agreements currently in effect that significantly limit our rights to use or license the use of such proprietary marks that are material to the franchise.

Your use of the Proprietary Marks and any goodwill is to our exclusive benefit and you retain no rights in the Proprietary Marks. You also retain no rights in the Proprietary Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Proprietary Marks unless we direct in writing. We may change the System presently identified by the Proprietary Marks including the adoption of new Marks, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Proprietary Mark. We will have no liability or obligation as to your modification or discontinuance of any Proprietary Mark.

There are no current effective determinations of the United States Patent and Trademark Office, the trademark administrator of this state, or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Proprietary Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation or proceeding related to the Proprietary Marks and we have the sole right to decide to pursue or settle any infringement action related to the

Proprietary Marks. You must notify us promptly of any infringement or unauthorized use of the Proprietary Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Proprietary Marks, you must make the changes or substitutions at your own expense.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or any other state.

#### **ITEM 14** **PATENT, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We claim common law copyright and trade secret protection for several aspects of the franchise System including our Operations proprietary Manual, advertising, and business materials.

There are currently no effective determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding our pending patent or materials in which we claim a common law copyright interest. We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the payment valuation system/service or other intellectual property, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to our intellectual property, and we have the sole right to decide to pursue or settle any infringement action related to our intellectual property. You must notify us promptly of any infringement or unauthorized use of the intellectual property of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the intellectual property, you must make the changes or substitutions at your own expense.

#### **Confidential Operations Proprietary Manuals**

You must operate the Franchise Business in accordance with the standards, methods, policies, and procedures specified in the proprietary Manuals, one copy of which we will provide to you on loan for the term of the Franchise Agreement. The proprietary Manuals may be supplied to you through a secured area of our website, on CD, or through other electronic or print media.

You must treat the proprietary Manuals, training materials, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. The proprietary Manuals will remain our sole property and must be kept in a secure place. You may not divulge any password for access to our web site or CD to an unauthorized person.

We may from time to time revise the contents of the proprietary Manuals, and you must comply with each new or changed standard.

#### **Ownership of Innovations**

All ideas, concepts, procedures, techniques, processes or marketing materials concerning the PUROCLEAN Franchise Business or containing the Proprietary Marks, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of

the System or works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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

If you are an individual, you must exclusively and directly supervise the Franchise Business for at least forty hours of each business week and must devote a full-time effort to directing outside sales (or hire an experienced outside salesperson). If you are a corporation or partnership, one of the equity owners or partners must exclusively and directly supervise the Franchise Business on its premises for at least forty hours of each business week. If you are a legal entity, each shareholder (if you are a corporation) or general and limited partner (if you are a partnership) must sign a written agreement with us personally guaranteeing the performance of all obligations under the Franchise Agreement. If you have purchased an additional franchise from us, you may employ a fully trained manager for the management and operation of the second Franchise Business. The manager must have attended our initial classroom-training program prior to employment. The manager need not have an equity interest in the Franchise Business. The manager must maintain all of our trade secrets, and we may require all managers to sign a non-disclosure agreement in a form we accept. The franchisor places no limitations on you as to whom you may hire as a manager. There are no other restrictions that we require to be placed on your manager.

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

The Franchise Agreement prohibits you from offering or selling any goods or services that Franchisor has not approved in writing. You must sell all goods and services that we authorize. You must discontinue selling and offering for sale any services or products that we may disapprove in writing at any time. We have the right to change the types of authorized goods and services, and there are no limits on our right to make such changes. Except as otherwise prohibited, you may market and service customers located inside and outside of your POL. There are no limits on the customers to whom you may sell goods or services.

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

**THE FRANCHISE RELATIONSHIP**

**The table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. [The](#)**

**provisions noted below are not specifically addressed in the Multi-Unit Program Amendment itself but in the Franchise Agreement signed under that Amendment.**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	§ 2.1 of Franchise Agreement	20 years
b. Renewal or extension of the term	§ 2.2 of Franchise Agreement	One consecutive term of 20 years
c. Requirements for franchisee to renew or extend	§ 2.2 of Franchise Agreement	<p>Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, payment of renewal fee, release, execute new Franchise Agreement, and others</p> <p>If you seek to renew your franchise at the expiration of the initial term or a renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights</p>
d. Termination by franchisee	Schedule 3 to Franchise Agreement	Under the terms of the Clean Start Program, qualifying franchisees may notify us of their desire to terminate the Franchise Agreement and we will assume the franchisee’s obligations under the franchisee’s vehicle lease agreement (provided the vehicle is leased from our designated supplier) and initial Equipment and Supplies Package lease, subject to state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 12 of Franchise Agreement	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see § 12.
g. “Cause” defined – curable defaults	§ 12.1 of Franchise Agreement	You have 30 days following receipt of written notice from us to cure defaults not specified in § 12.2 of the Franchise Agreement.
h. “Cause” defined – non-curable defaults	<p>§§ 12.2 and 21 of Franchise Agreement</p> <p>§ 16 of the Conversion Addendum</p>	<p>Bankruptcy; fraud; voluntary abandonment; conviction of felony, and others; see §§ 12.2 and 21.</p> <p>In addition, we have the right to terminate the franchise agreement with notice but without opportunity to cure if Conversion Franchisees: (a) relocate their Existing Businesses without our prior written consent, or operate use the franchise granted to them in connection with any other businesses they may now or in the future own, without our prior written consent; and (b) transfer any interest in their Existing Businesses without our prior written consent.</p>
i. Franchisee’s obligations on termination/ non-renewal	§§ 13 and 14 of Franchise Agreement	Obligations include complete de-identification; payment of amounts due; comply with post-term covenants; and others: see § 13.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
j. Assignment of contract by franchisor	§ 11.1 of Franchise Agreement	There are no limits on our right to assign the Agreement.
k. “Transfer” by franchisee - defined	§ 11.2 of Franchise Agreement	Includes transfer of interest in Franchise Agreement, Franchisee, or all or substantially all of the assets of the Franchise Business.
l. Franchisor approval of transfer by franchisee	§ 11 of Franchise Agreement	We have the right to approve transfers.
m. Conditions for franchisor approval of transfer	§ 11 of Franchise Agreement	Includes payment of money owed, non-default, release by you, execution of new Franchise Agreement, and payment of transfer fee and any applicable referral fee. A transfer to a corporation for convenience of ownership also requires our approval. See § 11.4 of Franchise Agreement.
n. Franchisor’s right of first refusal to acquire franchisee’s business	§ 11.5 of Franchise Agreement	We can match any offer.
o. Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
p. Death or disability of franchisee	§ 11.6 of Franchise Agreement	Interest in Franchise Business will be transferred to a third party approved by us.
q. Non-competition covenants during the term of the franchise	§ 14.1.1 of Franchise Agreement	Includes prohibition on engaging in any other type of business similar to any PuroSystems Franchise Businesses
r. Non-competition covenants after the franchise is terminated or expires	§ 14.1.2 of Franchise Agreement  § 14 of the Conversion Addendum	Includes 2-year prohibition similar to (q) within the Protected Office Location or within a 50-mile radius of the Office and a prohibition against soliciting or accepting business from prior referral sources.  We will permit franchisees who sign the Conversion Addendum to continue offering and selling any products or services which are not offered or authorized for sale by System franchisees during and after the term of the Franchise Agreement, if the additional products or services offered by Conversion Franchisees are not substantially similar to or serve a similar purpose as the goods and services authorized or offered for sale by System franchisees.
s. Modification of the agreement	§ 22 of Franchise Agreement	Must be in writing signed by both parties.
t. Integration/merger clause	§ 22 of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	§ 17 of Franchise Agreement;	Mediation by mutually acceptable mediator or through established mediation service selected by us. In lieu of mediation, we may require you to submit certain disputes to a group of franchisees selected by the National Leadership Council. Arbitration in Broward County, Florida according to AAA or CPR Rules (subject to state law).
v. Choice of forum	§ 20.1 of Franchise Agreement	Florida (subject to state law)
w. Choice of law	§ 20.1 of Franchise Agreement	Florida (subject to state law)

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

We do not use any public figures to promote our 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. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

**Background**

This Item 19 contains certain historical data submitted to us by our franchisees for the period January 1, ~~2023~~2024 to December 31, ~~2023~~2024 (the “~~2023~~2024 Measurement Period”). There were ~~334~~387 PUROCLEAN Franchisees in operation for the full ~~2023~~2024 Measurement Period that had been opened for one or more full years. This does not include the ~~65~~32 Franchisees who opened during ~~2023~~2024 and were not open the full ~~2023~~2024 Measurement Period or the ~~17~~15 franchisees that closed in ~~2023~~ ~~(with one of those opening and closing~~2024, ~~although no franchisees opened and closed~~ during the ~~2023~~2024 Measurement Period). Of the ~~334~~387 Franchisees opened during the ~~2023~~2024 Measurement Period, ~~334~~387 Franchisees reported their sales data for every month of the ~~2023~~2024 Measurement Period and are included as part of a sub-set in this Item 19 (the “Reporting Franchisees”). Included in this Item 19 is information regarding the Average and Median Annual Gross Sales for the Reporting Franchisees, based on the number of years of operation.

The information contained in this Item 19 includes data was submitted to us by our franchisees through the royalty reporting tool PuroFAB Financial Analysis & Benchmarking. We have not audited this information, nor independently verified this information.

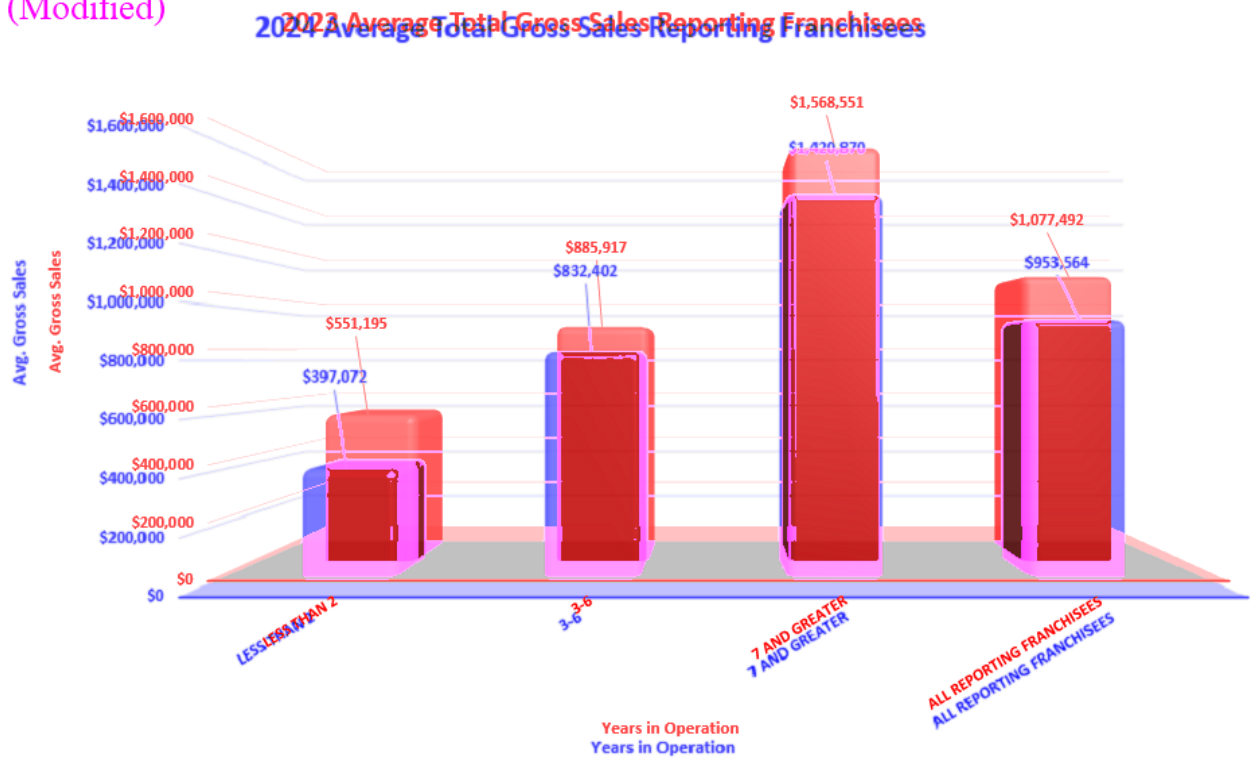
The franchisees included in this Item 19 operate businesses substantially similar to the business being offered in this Disclosure Document.

**Average and Median Annual Gross Sales**

The following tables and graphs present the Average and Median Annual Gross Sales for the Reporting Franchisees broken down on (1) the number of years of operation and (2) the top, 2<sup>nd</sup>, 3<sup>rd</sup>, and bottom quarter gross sales.

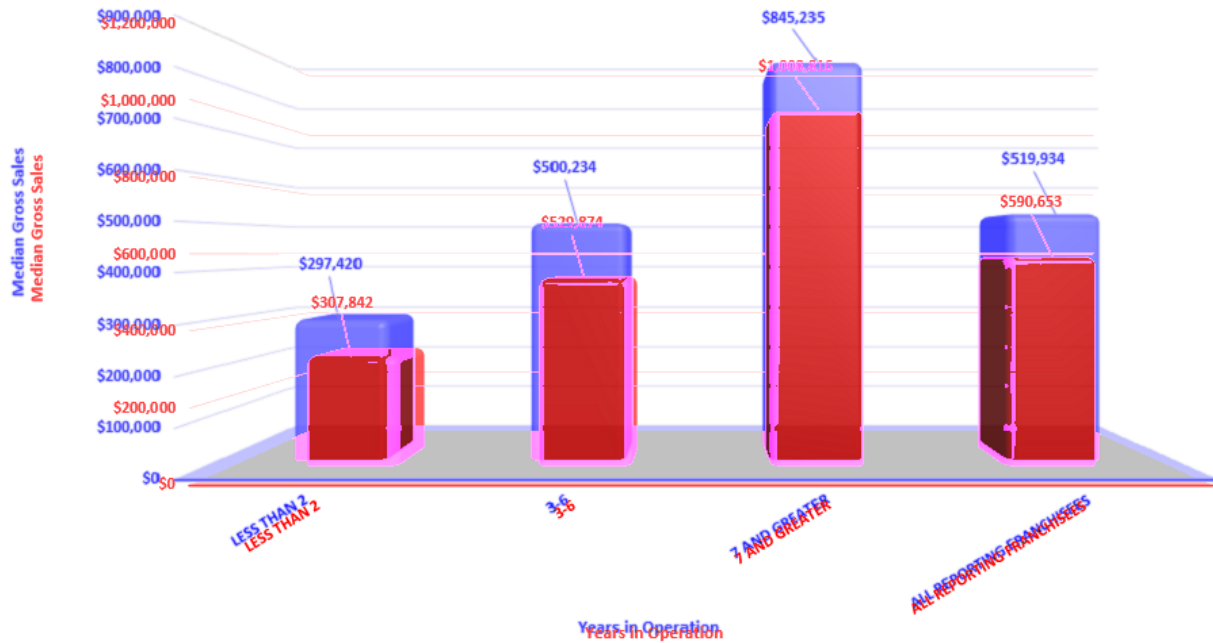
Years in Operation	Average Annual Gross Sales <del>2023</del> 2024	Median Annual Gross Sales <del>2023</del> 2024	Number of Reporting Franchisees
Less than 2	\$ <del>551,195</del> 397,072	\$ <del>307,842</del> 297,420	7691 ( <del>2135</del> or <del>2838</del> % exceeded average)
3 - 6	\$885,917832,402	\$529,874500,234	127149 (4243 or 3329% exceeded average)
7 and Greater	\$1,568,5511,420,870	\$1,008,816845,235	131147 (3845 or 2931% exceeded average)
All Franchisees	\$1,077,492953,564	\$590,653519,934	334387 ( <del>165292</del> or 4975% exceeded average)

(Modified)



(Modified)

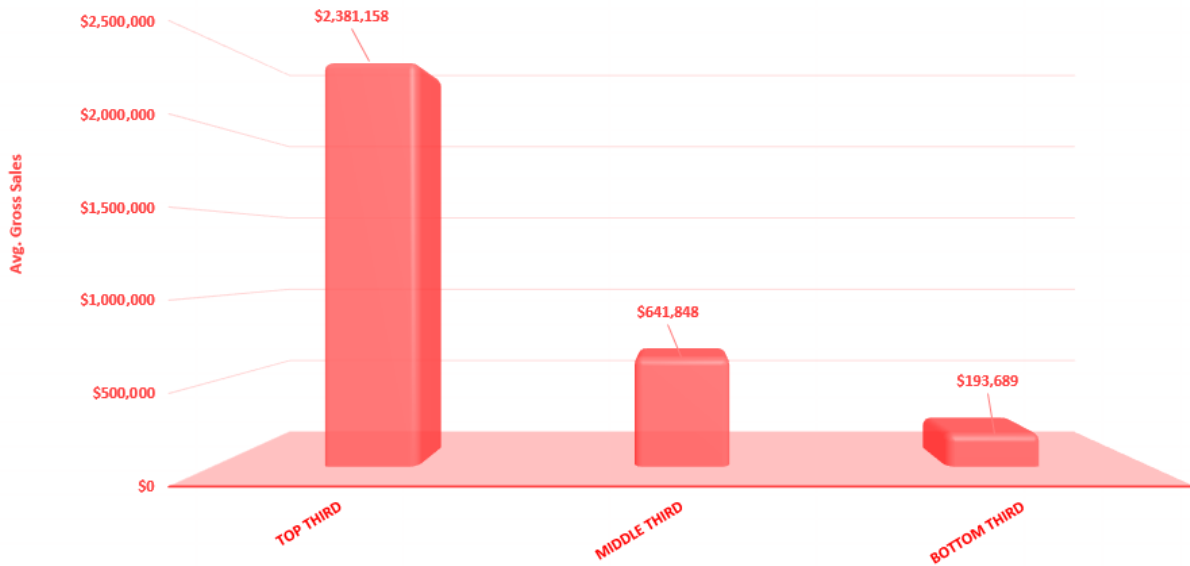
**2023 Median Total Gross Sales Reporting Franchisees**



Tier	Average Annual Gross Sales 2023	Median Annual Gross Sales 2023	Number of Reporting Franchisees
Top Third	\$2,381,158	\$1,698,865	112 (32 or 29% exceeded average)
Middle Third	\$641,848	\$583,697	112 (45 or 40% exceeded average)
Bottom Third	\$193,689	\$204,057	110 (58 or 53% exceeded average)

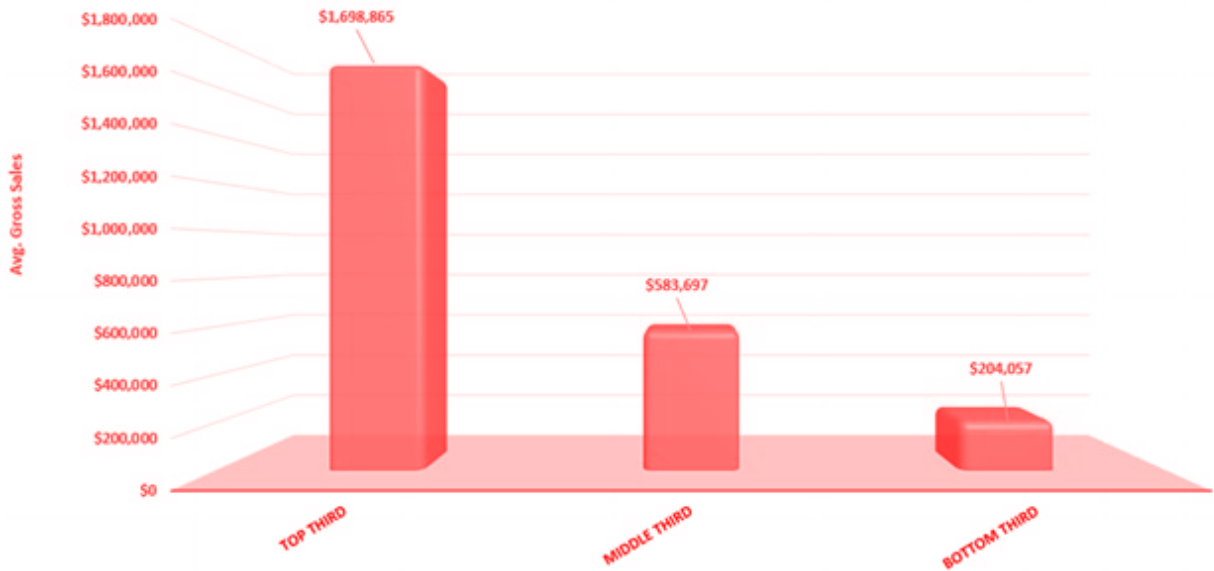
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2023 Average Total Gross Sales Reporting Franchisees



(Deleted)

2023 Median Total Gross Sales Reporting Franchisees



**Notes:**

1. “Average Annual Gross Sales” is defined as the total of all paid and/or collected sales invoices or other items or services billed to the customer for all “completed sales” less any discounts. Sales of products and services are considered “completed sales” when the franchisee collects payment from the customer. The average is determined by dividing the

sum of the Reporting Franchisee's Annual Gross Sales by the number of Reporting Franchisees.

2. "Median Annual Gross Sales" is defined as the middle value, above and below which an equal number of Reporting Franchisees lie. In other words, half of the Reporting Franchisees for each sub-set exceeded this value and half of them did not.
3. Summary of All Franchisees during the 20232024 Measurement Period  
As of December 31, ~~2023~~2024, there were ~~334~~387 Reporting Franchisees in operation, with an average Annual Gross Sales of ~~\$1,077,492~~953,564, of which ~~165~~292 franchisees (~~49~~75%) attained or exceeded the stated average ~~and the~~. The median Annual Gross Sales was ~~\$590,653~~519,934. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$0 and ~~\$21,692,164~~19,059,836 for the highest performing Reporting Franchisee.
4. Summary of Reporting Franchises Opened Less than 2 Years during the 20232024 Measurement Period  
During the ~~2023~~2024 Measurement Period, there were ~~76~~91 Reporting Franchisees in operation less than 2 years, with an average Annual Gross Sales of ~~\$551,195~~397,072, of which ~~21~~35 franchisees (~~28~~38%) attained or exceeded the stated average ~~and the~~. The median Annual Gross Sales was ~~\$307,842~~297,420. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$5000 and ~~\$4,213,171~~2,485,032 for the highest performing Reporting Franchisee.
5. Summary of Reporting Franchises Opened 3 to 6 Years during the 20232024 Measurement Period  
During the ~~2023~~2024 Measurement Period, there were ~~127~~149 Reporting Franchisees in operation 3 to 6 years, with an average Annual Gross Sales of ~~\$885,917~~832,402, of which ~~42~~43 franchisees (~~33~~29%) attained or exceeded the stated average ~~and the~~. The median Annual Gross Sales was ~~\$529,874~~500,234. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was ~~\$3,166~~0 and ~~\$5,759,443~~5,579,863 for the highest performing Reporting Franchisee.
6. Summary of Reporting Franchises Opened 7 or More Years during the 20232024 Measurement Period  
During the ~~2023~~2024 Measurement Period, there were ~~131~~147 Reporting Franchisees in operation 7 or more years, with an average Annual Gross Sales of ~~\$1,568,551~~1,420,870, of which ~~38~~45 franchisees (~~29~~31%) attained or exceeded the stated average ~~and the~~. The median Annual Gross Sales was ~~\$1,008,816~~845,235. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$0 and ~~\$21,692,164~~19,059,836 for the highest performing Reporting Franchisee.
7. Summary of Top Third of Reporting Franchises during the 2023 Measurement Period  
~~During the 2023 Measurement Period, the top third or 112 of the 334 Reporting Franchisees had been in operation an average of 9.1 years. The average Annual Gross Sales for the top third of the Reporting Franchisees in operation was \$2,381,153, of which 32 (29%) attained or exceeded the stated average, and the median Annual Gross Sales was \$1,698,865. For~~

~~this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$1,058,603 and \$21,692,164 for the highest performing Reporting Franchisee.~~

~~8. Summary of Middle Third of Reporting Franchises during the 2023 Measurement Period~~

~~During the 2023 Measurement Period, the middle third or 112 of the 334 Reporting Franchisees had been in operation an average of 6.7 years. The average Annual Gross Sales for the middle third of the Reporting Franchisees in operation was \$641,848, of which 45 (40%) attained or exceeded the stated average, and the median Annual Gross Sales was \$583,697. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$365,394 and \$1,058,561 for the highest performing Reporting Franchisee.~~

~~9. Summary of Bottom Third of Reporting Franchises during the 2023 Measurement Period~~

~~During the 2023 Measurement Period, the bottom third or 110 of the 334 Reporting Franchisees had been in operation an average of 4.8 years. The average Annual Gross Sales for the bottom third of the Reporting Franchisees in operation was \$193,689, of which 58 (53%) attained or exceeded the stated average, and the median Annual Gross Sales was \$204,057. For this sub-set, the Annual Gross Sales for the lowest performing Reporting Franchisee was \$0 and \$362,736 for the highest performing Reporting Franchisee.~~

**Assumptions:**

- 1. Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**
2. This analysis does not contain any information concerning the operating costs and expenses that you will incur in operating your business. Operating costs and expenses may vary substantially from business to business.
- ~~3.~~ Written substantiation of the data used in preparing this information will be made available upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Timothy Courtney, VP Franchise Development at 6001 Hiatus Road, Suite 13, Tamarac, Florida 33321 and (954) 379-5825, 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

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
<del>Franchised Outlets</del>	<del>2021</del>	<del>277</del>	<del>311</del>	<del>+34</del>
<u>Franchised Outlets</u>	2022	311	350	+39
	2023	350	402	+52
<del>Company Owned</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>402</u>	<del>0</del> <u>411</u>	<del>0</del> <u>+9</u>
<u>Company Owned</u>	2022	0	0	0
	2023	0	0	0
<del>Total Outlets</del>	<del>2021</del> <u>2024</u>	<del>277</del> <u>0</u>	<del>311</del> <u>0</u>	<del>+34</del> <u>0</u>
<u>Total Outlets</u>	2022	311	350	+39
	2023	350	402	+52
	<u>2024</u>	<u>402</u>	<u>411</u>	<u>+9</u>

**TABLE NO. 2**

**Transfers of Outlets From Franchisees to New Owners  
(Other than the Franchisor) For Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Number of Transfers
<u>Alabama</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
<del>Alabama</del>	<del>2021</del> <u>2024</u>	1
<u>Arizona</u>	2022	<del>0</del> <u>1</u>
	2023	0
<del>Arizona</del>	<del>2021</del> <u>2024</u>	0
<u>Arkansas</u>	2022	1
	2023	0
<del>Arkansas</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>1</u>
<u>California</u>	2022	1

State	Year	Number of Transfers
	2023	<del>0</del> <u>1</u>
<del>California</del>	<del>2021</del> <u>2024</u>	0
<u>Colorado</u>	2022	1
	2023	<del>1</del> <u>2</u>
<del>Colorado</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>3</u>
<u>Connecticut</u>	2022	<del>1</del> <u>0</u>
	2023	<del>0</del> <u>0</u>
<del>Florida</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>1</u>
<u>Florida</u>	2022	0
	2023	1
	<u>2024</u>	<u>1</u>
<u>Georgia</u>	<del>2021</del> <u>2022</u>	0
	<u>2023</u>	<u>2</u>
	<u>2024</u>	<u>0</u>
<u>Illinois</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Indiana</u>	2022	0
	2023	<del>0</del> <u>0</u>
<del>Michigan</del>	<del>2021</del> <u>2024</u>	1
<u>Michigan</u>	2022	2
	2023	2
<del>Missouri</del>	<del>2021</del> <u>2024</u>	0
<u>Missouri</u>	2022	1
	2023	0
<del>New Jersey</del>	<del>2021</del> <u>2024</u>	0
<u>New Jersey</u>	2022	1
	2023	0
<del>New York</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>0</u>
<u>New York</u>	2022	1
	2023	1
<del>North Carolina</del>	<del>2021</del> <u>2024</u>	0
<u>North Carolina</u>	2022	1
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>

State	Year	Number of Transfers
<u>Ohio</u>	<u>2022</u>	<u>1</u>
	2023	0
<del>Ohio</del>	<del>2021</del> <u>2024</u>	0
<u>Pennsylvania</u>	2022	<del>1</del> <u>0</u>
	2023	0
<del>South Carolina</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>2</u>
<u>South Carolina</u>	2022	1
	2023	0
<del>Tennessee</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>1</u>
<u>Tennessee</u>	2022	1
	2023	0
<del>Texas</del>	<del>2021</del> <u>2024</u>	0
<u>Texas</u>	2022	0
	2023	2
<del>Virginia</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>2</u>
<u>Virginia</u>	2022	1
	2023	0
<del>Washington</del>	<del>2021</del> <u>2024</u>	0
<u>Washington</u>	2022	1
	2023	0
<del>Wisconsin</del>	<del>2021</del> <u>2024</u>	0
<u>Wisconsin</u>	2022	1
	2023	0
<del>Total</del>	<del>2021</del> <u>2024</u>	<del>6</del> <u>0</u>
<u>Total</u>	2022	16
	2023	11
	<u>2024</u>	<u>14</u>

Transfers of outlets from franchisees to new owners occurred only in the states identified above. For those states not identified in the table, no transfers of outlets from franchisees to new owners occurred in ~~2021~~, 2022 ~~or~~, 2023 or 2024.

TABLE NO. 3

Status of Franchised 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	Outlets at End of Year
							Other Reasons	
<del>Alabama</del>	<del>2021</del>	<del>7</del>	<del>1</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>7</del>
<u>Alabama</u>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
<del>Arizona</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>47</del>	0	0	0	0	0	<del>47</del>
<u>Arizona</u>	2022	4	2	0	0	0	1	5
	2023	5	2	0	0	0	0	7
<del>Arkansas</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>27</del>	0	0	0	0	0	<del>27</del>
<u>Arkansas</u>	2022	2	0	0	0	0	1	1
	2023	1	1	0	0	0	0	2
<del>California</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>272</del>	<del>80</del>	0	0	0	0	<del>352</del>
<u>California</u>	2022	35	8	1	0	0	1	41
	2023	41	13	0	0	0	1	53
<del>Colorado</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>1053</del>	<del>07</del>	<del>02</del>	0	0	0	<del>1058</del>
<u>Colorado</u>	2022	10	0	0	0	0	0	10
	2023	10	2	0	0	0	0	12
<del>Connecticut</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>212</del>	1	0	0	0	0	<del>313</del>
<u>Connecticut</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>Florida*</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>263</del>	<del>20</del>	0	<del>10</del>	0	<del>10</del>	<del>263</del>
<u>Florida*</u>	2022	26	10	0	1	0	0	35
	2023	35	5	0	0	0	1	39
<del>Georgia</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>939</del>	<del>32</del>	0	<del>01</del>	0	<del>41</del>	<del>839</del>
<u>Georgia*</u>	2022	8	3	0	0	0	0	11
	2023	11	5	0	0	0	1	15
<del>Hawaii</del>	<del>2021</del> <del>20</del> <del>24</del>	<del>115</del>	0	0	0	0	<del>04</del>	<del>111</del>
<u>Hawaii</u>	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
							Other Reasons	
<del>Idaho</del>	<del>2021</del> <u>2024</u>	<del>32</del> <u>32</u>	<del>10</del> <u>10</u>	0	0	0	<del>10</del> <u>10</u>	<del>32</del> <u>32</u>
<u>Idaho</u>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
<del>Illinois</del>	<del>2021</del> <u>2024</u>	<del>134</del> <u>134</u>	<del>20</del> <u>20</u>	0	0	0	0	<del>154</del> <u>154</u>
<u>Illinois</u>	2022	15	1	0	0	0	0	16
	2023	16	2	1	0	0	0	17
<del>Indiana</del>	<del>2021</del> <u>2024</u>	<del>617</del> <u>617</u>	<del>01</del> <u>01</u>	0	0	0	<del>01</del> <u>01</u>	<del>617</del> <u>617</u>
<u>Indiana</u>	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
<del>Iowa</del>	<del>2021</del> <u>2024</u>	<del>17</del> <u>17</u>	<del>03</del> <u>03</u>	0	0	0	0	<del>110</del> <u>110</u>
<u>Iowa</u>	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
<del>Kansas</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>2</u>	<del>1</del> <u>1</u>	<del>01</del> <u>01</u>	0	0	0	<del>32</del> <u>32</u>
<u>Kansas</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
<del>Kentucky</del>	<del>2021</del> <u>2024</u>	<del>32</del> <u>32</u>	0	0	0	0	0	<del>32</del> <u>32</u>
<u>Kentucky</u>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
<del>Louisiana</del>	<del>2021</del> <u>2024</u>	<del>4</del> <u>4</u>	0	<del>01</del> <u>01</u>	0	0	0	<del>43</del> <u>43</u>
<u>Louisiana</u>	2022	4	1	0	0	0	0	5
	2023	5	2	0	1	0	0	6
<del>Maine</del>	<del>2021</del> <u>2024</u>	<del>26</del> <u>26</u>	0	0	0	0	<del>01</del> <u>01</u>	<del>25</del> <u>25</u>
<u>Maine</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
<del>Maryland</del>	<del>2021</del> <u>2024</u>	<del>81</del> <u>81</u>	1	0	0	0	<del>01</del> <u>01</u>	<del>91</del> <u>91</u>
<u>Maryland</u>	2022	9	1	0	0	0	0	10
	2023	10	0	0	0	0	0	10
<del>Massachusetts</del>	<del>2021</del> <u>2024</u>	<del>610</del> <u>610</u>	<del>01</del> <u>01</u>	0	0	0	<del>10</del> <u>10</u>	<del>511</del> <u>511</u>
<u>Massachusetts</u>	2022	5	1	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
							Other Reasons	
	2023	6	1	0	0	0	0	7
<del>Michigan*</del>	<del>2021</del> <u>2024</u>	<del>10</del> <u>7</u>	<del>2</del> <u>1</u>	<del>0</del> <u>1</u>	0	0	<del>0</del> <u>1</u>	<del>12</del> <u>6</u>
<u>Michigan*</u>	2022	12	0	0	0	0	4	8
	2023	8	3	1	0	0	0	10
<del>Minnesota</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>10</u>	1	<del>1</del> <u>0</u>	0	0	0	<del>2</del> <u>11</u>
<u>Minnesota</u>	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
<del>Mississippi</del>	<del>2021</del> <u>2024</u>	2	0	0	0	0	0	2
<u>Mississippi</u>	2022	2	0	0	0	0	1	1
	2023	1	1	0	0	0	0	2
<del>Missouri</del>	<del>2021</del> <u>2024</u>	<del>5</del> <u>2</u>	0	0	0	0	0	<del>5</del> <u>2</u>
<u>Missouri</u>	2022	5	0	0	0	0	0	5
	2023	5	1	0	1	0	0	5
<del>Nebraska</del>	<del>2021</del> <u>2024</u>	<del>3</del> <u>5</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>3</del> <u>4</u>
<u>Nebraska</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>Nevada</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>3</u>	<del>2</del> <u>0</u>	0	0	0	0	<del>4</del> <u>3</u>
<u>Nevada</u>	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
<del>New Hampshire</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>4</u>	0	0	0	0	0	<del>1</del> <u>4</u>
<u>New Hampshire</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>New Jersey</del>	<del>2021</del> <u>2024</u>	<del>7</del> <u>1</u>	<del>5</del> <u>0</u>	0	0	0	0	<del>12</del> <u>1</u>
<u>New Jersey*</u>	2022	12	4	0	0	0	0	16
	2023	16	5	0	0	0	0	21
<del>New York</del>	<del>2021</del> <u>2024</u>	<del>17</del> <u>21</u>	1	0	0	0	1	<del>17</del> <u>21</u>
<u>New Mexico</u>	2022	<del>1</del> <u>0</u>	<del>1</del> <u>0</u>	0	0	0	0	<del>1</del> <u>0</u>
	2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2024	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>New York</u>	2022	17	1	0	0	0	0	18

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
							Other Reasons	
	2023	18	2	1	0	0	0	19
<del>North Carolina</del>	<del>2021</del> <u>2024</u>	<del>19</del> <u>20</u>	<del>20</del> <u>20</u>	<del>0</del> <u>1</u>	0	0	<del>10</del> <u>10</u>	<del>11</del> <u>18</u>
<u>North Carolina</u>	2022	11	1	1	0	0	0	11
	2023	11	0	0	0	0	1	10
<del>North Dakota</del>	<del>2021</del> <u>2024</u>	<del>10</del> <u>10</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>11</del> <u>11</u>
<u>North Dakota</u>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<del>Ohio</del>	<del>2021</del> <u>2024</u>	<del>21</del> <u>21</u>	<del>10</del> <u>10</u>	<del>10</del> <u>10</u>	0	0	0	<del>21</del> <u>21</u>
<u>Ohio</u>	2022	12	2	0	0	0	0	14
	2023	14	0	0	1	0	0	13
<del>Oklahoma*</del>	<del>2021</del> <u>2024</u>	<del>13</del> <u>13</u>	0	0	0	0	<del>10</del> <u>10</u>	<del>3</del> <u>13</u>
<u>Oklahoma</u>	2022	3	1	0	0	0	1	3
	2023	3	0	0	0	0	0	3
<del>Oregon*</del>	<del>2021</del> <u>2024</u>	<del>3</del> <u>4</u>	<del>10</del> <u>10</u>	0	0	0	0	<del>5</del> <u>3</u>
<u>Oregon*</u>	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
<del>Pennsylvania</del>	<del>2021</del> <u>2024</u>	<del>7</del> <u>5</u>	<del>30</del> <u>30</u>	0	0	0	0	<del>8</del> <u>7</u>
<u>Pennsylvania</u>	2022	8	2	0	0	0	0	10
	2023	10	5	0	0	0	1	14
<del>Rhode Island</del>	<del>2021</del> <u>2024</u>	<del>14</del> <u>14</u>	0	0	0	0	0	<del>14</del> <u>14</u>
<u>Rhode Island</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>South Carolina</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>8</u>	<del>10</del> <u>10</u>	0	0	0	0	<del>9</del> <u>1</u>
<u>South Carolina</u>	2022	9	0	0	0	0	0	9
	2023	9	1	0	0	0	0	10
<del>Tennessee</del>	<del>2021</del> <u>2024</u>	<del>10</del> <u>8</u>	<del>10</del> <u>10</u>	0	0	0	<del>10</del> <u>10</u>	<del>8</del> <u>10</u>
<u>Tennessee</u>	2022	8	1	1	0	0	0	8
	2023	8	0	0	0	0	0	8
<del>Texas*</del>	<del>2021</del> <u>2024</u>	<del>8</del> <u>18</u>	<del>80</del> <u>80</u>	0	<del>10</del> <u>10</u>	0	1	<del>24</del> <u>7</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
							Other Reasons	
<a href="#">Texas</a>	2022	24	9	0	1	0	0	32
	2023	32	8	0	0	0	1	39
<del>Utah</del>	<del>2021</del> <u>2024</u>	<del>39</del> <u>39</u>	<del>5</del> <u>5</u>	0	0	0	<del>3</del> <u>3</u>	<del>40</del> <u>40</u>
<a href="#">Utah</a>	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
<del>Vermont</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>2</u>	0	0	0	0	0	<del>2</del> <u>2</u>
<a href="#">Vermont</a>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>Virginia</del>	<del>2021</del> <u>2024</u>	<del>9</del> <u>9</u>	<del>20</del> <u>20</u>	0	0	0	0	<del>41</del> <u>41</u>
<a href="#">Virginia*</a>	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
<del>Washington*</del>	<del>2021</del> <u>2024</u>	<del>7</del> <u>7</u>	1	0	0	0	<del>1</del> <u>1</u>	<del>8</del> <u>8</u>
<a href="#">Washington*</a>	2022	8	0	0	0	0	1	7
	2023	7	2	0	0	0	1	8
<del>Wisconsin</del>	<del>2021</del> <u>2024</u>	<del>5</del> <u>5</u>	<del>4</del> <u>4</u>	0	0	0	0	<del>12</del> <u>12</u>
<a href="#">Wisconsin</a>	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
<del>Puerto Rico</del>	<del>2021</del> <u>2024</u>	<del>6</del> <u>6</u>	0	0	0	0	0	<del>6</del> <u>6</u>
<a href="#">Puerto Rico*</a>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>Total</del>	<del>2021</del> <u>2024</u>	<del>277</del> <u>277</u>	<del>51</del> <u>51</u>	<del>30</del> <u>30</u>	<del>20</del> <u>20</u>	0	<del>120</del> <u>120</u>	<del>342</del> <u>342</u>
<a href="#">Total</a>	2022	311	54	3	2	0	10	350
	2023	350	67	3	3	0	9	402
	<u>2024</u>	<u>402</u>	<u>33</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>16</u>	<u>411</u>

\*In 2021, an Oklahoma franchise relocated to Texas.

\*In 2022, a Michigan franchise relocated to Florida.

\*In 2022, a Washington franchise relocated to Oregon.

[\\*In 2024, a Georgia franchise relocated to Washington.](#)

[\\*In 2024, a New Jersey franchise relocated to Florida.](#)

\*In 2024, a Virginia franchise relocated to Puerto Rico.

For those states not identified in the table, no franchised activity occurred in those states. If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

As of December 31, ~~2023~~2024, there were three active PUROFIRST® franchises. The PUROFIRST® Franchise Business is not materially different than the PUROCLEAN® franchise described in this Disclosure Document.

**TABLE NO. 4**

**Status of Company-Owned Outlets  
For Years ~~2021~~2022 To ~~2023~~2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
All States	<del>2021</del> 2022	0	0	0	0	0	0
	<del>2022</del> 2023	0	0	0	0	0	0
	<del>2023</del> 2024	0	0	0	0	0	0
Total	<del>2021</del> 2022	0	0	0	0	0	0
	<del>2022</del> 2023	0	0	0	0	0	0
	<del>2023</del> 2024	0	0	0	0	0	0
		0	0	0	0	0	0

**TABLE NO. 5**

**Projected New Franchised Outlets  
As of December 31, ~~2023~~2024 for the ~~2024~~2025 Fiscal Year**

State	Franchise Agreements Signed But Business Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	21	0
<del>Arkansas</del> Arizona	0	21	0
Arizona <del>Arkansas</del>	0	21	0
California	3	86	0

State	Franchise Agreements Signed But Business Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	0	<del>2</del> <u>3</u>	0
<del>Connecticut</del>	<del>0</del>	<del>2</del>	<del>0</del>
<del>Delaware</del> <u>Connecticut</u>	0	1	<u>0</u>
Florida	1	<del>5</del> <u>4</u>	0
Georgia	0	2	0
Illinois	<del>0</del> <u>1</u>	<del>4</del> <u>3</u>	0
Indiana	0	<del>4</del> <u>1</u>	0
Kansas	<del>0</del> <u>1</u>	1	0
Kentucky	0	1	0
Louisiana	0	<del>2</del> <u>1</u>	0
Maine	0	<del>1</del> <u>2</u>	0
Maryland	0	<del>1</del> <u>2</u>	0
Massachusetts	0	2	0
Michigan	0	2	
Minnesota	<del>0</del> <u>1</u>	<del>1</del> <u>2</u>	0
Mississippi	0	1	0
Missouri	1	1	0
Montana	0	1	0
Nevada	0	<del>1</del> <u>2</u>	0
<u>New Hampshire</u>	<u>0</u>	<u>2</u>	
New Jersey	1	<del>2</del> <u>3</u>	0
New <del>York</del> <u>Mexico</u>	0	<del>4</del> <u>1</u>	<del>0</del>
<u>New York</u>	<u>1</u>	<u>3</u>	<u>0</u>
North Carolina	0	<del>4</del> <u>2</u>	0
Ohio	0	2	0
Oklahoma	0	1	0
Oregon	0	1	0
Pennsylvania	<del>0</del> <u>1</u>	2	0
South Carolina	0	<del>2</del> <u>1</u>	0
Tennessee	0	2	0
Texas	1	<del>5</del> <u>3</u>	0

State	Franchise Agreements Signed But Business Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Utah	<del>10</del>	1	0
Virginia	0	<del>12</del>	0
Washington	<del>10</del>	2	0
Wisconsin	0	1	0
<b>Wyoming Total</b>	<del>0</del> <b>12</b>	<del>17</del> <b>1</b>	0
<b>Total</b>	<b>9</b>	<b>80</b>	<b>0</b>

Exhibit A lists the names of all of our operating franchisees and the addresses and telephone numbers of their Franchise Businesses as of December 31, ~~2023~~2024. Exhibit A also lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. Exhibit A also identifies the franchisees that were not yet operational as of our last fiscal year end. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years certain franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We have created and support the Network Leadership Council:

Network Leadership Council (NLC)  
6001 Hiatus Road, Suite 13  
Tamarac, Florida 33321  
1-800-775-7876  
www.PuroClean.com

## **ITEM 21** **FINANCIAL STATEMENTS**

The following audited financial statements of ours are included in this Disclosure Document as Exhibit C: Balance Sheets as of December 31, 2024, 2023, and 2022~~-and-2021~~, and the related statements of income, changes in members' equity and cash flows for the years ended December 31, 2024, 2023, and 2022~~-and-2021~~, together with the report of independent certified public accountants. Also included as part of Exhibit C are an unaudited balance sheet and income statement, as of March 31, 2025. Our fiscal year ends December 31.

**ITEM 22**  
**CONTRACTS**

The following contracts are attached to this Disclosure Document:

1. Franchise Agreement (Exhibit E)
2. Protected Office Location (Schedule 1 to the Franchise Agreement)
3. Conversion Addendum (Schedule 2 to the Franchise Agreement)
4. Clean Start Program (Schedule 3 to the Franchise Agreement)
5. State Addenda (Exhibit F)
6. Franchisee Compliance Certification (Exhibit G)
7. Affirmation (Exhibit H)
8. Telephone Number Release Agreement (Exhibit I)
9. Telephone Service Agreement (Exhibit J)
10. DASH User Agreement (Exhibit K)
11. XactAnalysis License Agreement (Exhibit L)
12. Xactware Solutions, Inc. License Agreement (Exhibit M)
13. Sample [Puro Drying Solutions Rental Agreement](#) Third Party Lease Agreements (Exhibit N)
14. Sample Release/Renewal Addendum (Exhibit O)
15. Multi-Unit Program Amendment (Exhibit P)
16. Development Plan Agreement (Exhibit Q)

**ITEM 23**  
**RECEIPTS**

Two copies of a receipt of this disclosure document appear at the end of this Disclosure Document. Please return one copy to us and retain the other one for your records (identified in Exhibit S).

**EXHIBIT A**  
**LIST OF FRANCHISEES**

**Franchised Offices as of ~~12/31/2023~~ 12/31/2024**

<b>First Name</b>	<b>Last Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
Hunter	Jones	25 W. Oxmoor Rd., #20a	Birmingham	AL	35209	(205) 407-1155
Chrystal	Ingle	2320 Pack Road, NW	Fort Payne	AL	35968	(256) 273-4900
Kenny	Ashcraft	211 Nichols Creek Lane	Huntsville	AL	35806	(256) 924-3070
Hunter	Jones	2812 5th Avenue South	Irondale	AL	35210	(205) 994-7227
Hunter	Jones	733 Lakeside Drive West	Mobile	AL	36693	(205) 994-7227
Hunter	Jones	596 George Todd Drive	Montgomery	AL	36117	(866) 997-7876
Hunter	Jones	2215 9th Avenue, Suite B	Northport	AL	35476	(205) 579-1515
Avelina	Lamb	75 W. Baseline Rd Suite 21	Gilbert	AZ	85233	(480) 587-4000
Avelina	Lamb	31 W. Lone Cactus Road, #8	Phoenix	AZ	85027	(623) 404-2004
Bonnie	Lanyon	3334 W. Wilshire Drive	Phoenix	AZ	85009	(623) 290-2550
Sean	LeVine	19260 S. 186th Dr.	Queen Creek	AZ	85142	(480) 566-2300
Matt	Heileman	15029 N. Thompson Peak Pkwy, #B-111-512	Scottsdale	AZ	85260	(480) 767-5588
Luis	Arvizu	5806 S. Nogales Highway, Ste B	Tucson	AZ	85706	(520) 416-4477
Rick	Belmont	2517 N 1st Avenue	Tucson	AZ	85719	(520) 614-6534
Ryan	Lawrence	9301 E. Brown Rd	Lowell	AR	72745	(479) 332-3100
John	Bennett	4613 Parkway Drive	Texarkana	AR	71854	(870) 292-3225
James	Larsen	39 Stone Creek Place	Alamo	CA	94507	(925) 466-4690
Danny	Ognean	790 E. Debra Lane	Anaheim	CA	92805	(714) 782-0140
Curtis	Elowe	5682 Leitrim Court	Antioch	CA	94531	(925) 303-4488

First Name	Last Name	Address	City	State	Zip	Phone
John	McMurtrey	1901 N Chester Ave	Bakersfield	CA	93308	(661) 316-3090
Mohammad	Elzarou	22130 Sonoma Place Office Location	Chatsworth	CA	91311	(818) 998-3137
Alberto	Quintero	505 Main Street	Chula Vista	CA	91911	(619) 816-4480
Danny	Ognean	2236 Monterey Peninsula Dr.	Corona	CA	92882	(909) 270-4191
Douglas	Akins	3071 Promenade	Costa Mesa	CA	92626	(866) 721-7876
<a href="#">David</a>	<a href="#">Martinez-Palacio</a>	<a href="#">10601 Walker Street</a>	<a href="#">Cypress</a>	<a href="#">CA</a>	<a href="#">90630</a>	<a href="#">(714) 820-9050</a>
Kent	Stanley	16501 Ventura Boulevard #400	Encino	CA	91436	(747) 377-4200
Diego	Rojas	2821 N. Miami Ave #101	Fresno	CA	93727	(559) 500-1818
<del>Francisco</del>	<del>Rojas</del>	<del>1060 Fulton Street, STE 301</del>	<del>Fresno</del>	<del>CA</del>	<del>93721</del>	<del>(559) 512-2220</del>
Nazareth	Abovyan	1995 Erin Way	Glendale	CA	91206	(818) 945-9777
Ara	Martirosyan	2041 E. Gladstone Street #K	Glendora	CA	91740	(909) 830-8900
Douglas	Akins	15571 Graham Street	Huntington Beach	CA	92649	(714) 845-7299
Danny	Ognean	49 Largo Street	Laguna Niguel	CA	92677	(720) 617-9494
<del>Jarrett</del>	<del>Hale</del>	<del>18501 Collier Avenue, Ste B-102</del>	<del>Lake Elsinore</del>	<del>CA</del>	<del>92530</del>	<del>(951) 566-1600</del>
Juan	Diaz	1333 Oregon Avenue	Long Beach	CA	90813	(562) 549-5505
Frank	Forray	8601 Lincoln Boulevard Suite 180 No. 561	Los Angeles	CA	90045	(310) 846-0900
<del>Riek</del>	<del>Belmont</del>	<del>5631 Leeds St Unit C</del>	<del>Los Angeles</del>	<del>CA</del>	<del>90280</del>	<del>(323) 364-8080</del>
Ebipade Charles	Omajuwa	1301 W 2nd Street Suite 117	Los Angeles	CA	90026	(213) 328-3550
<a href="#">Noel</a>	<a href="#">Cornejo</a>	<a href="#">2891 Bedford Drive</a>	<a href="#">Merced</a>	<a href="#">CA</a>	<a href="#">95340</a>	<a href="#">(209) 720-4653</a>
Tomas	Mejia	25676 Morales	Mission Viejo	CA	92691	(949) 876-5200

First Name	Last Name	Address	City	State	Zip	Phone
Dale	Doria	11202 Shadyridge Drive	Moorpark	CA	93021	(805) 292-3620
<a href="#">Michael</a>	<a href="#">Pitigliano</a>	<a href="#">952 Live Oak Ridge Rd</a>	<a href="#">Nipomo</a>	<a href="#">CA</a>	<a href="#">93444</a>	<a href="#">(805) 975-0800</a>
Nazareth	Abovyan	11523 Sherman Way	North Hollywood	CA	91605	(818) 927-0177
Cynthia	Varjabedian	10009 Wilbur Avenue	Northridge	CA	91324	(818) 900-9944
Jacob	Beaty	78005 Wildcat Drive Suite 107	Palm Desert	CA	92211	(760) 836-5800
<a href="#">Wajih (Jack)</a>	<a href="#">Asmar</a>	<a href="#">39529 Dunbar Street</a>	<a href="#">Palmdale</a>	<a href="#">CA</a>	<a href="#">93551</a>	<a href="#">(661) 544-1885</a>
Sulma	Itzep	8632 Tyrone Avenue	Panorama City	CA	91402	(747) 292-9244
Emmanuel	Mutabaruka	15309 Rancho Polermo rd	Paramount	CA	90723	(562) 356-8500
Rick	Belmont	<del>155 North Lake Avenue, Suite 800</del> <a href="#">1596 E Walnut Street</a>	Pasadena	CA	<del>91104</del> <a href="#">91106</a>	<del>(626) 323-514-1400</del> <a href="#">364-8080</a>
<a href="#">Rick</a>	<a href="#">Belmont</a>	<a href="#">1596 E Walnut St.</a>	<a href="#">Pasadena</a>	<a href="#">CA</a>	<a href="#">91106</a>	<a href="#">(213) 788-4353</a>
Steven	Malloy	1057 E. Imperial Hwy, #416	Placentia	CA	92870	(714) 983-0600
<a href="#">Daniel Yezhou</a>	<a href="#">Camara Pei</a>	<del>11315 Sunrise Gold Circle, Suite M3076</del> <a href="#">West Temple Avenue</a>	<del>Rancho Cordova</del> <a href="#">Pomona</a>	CA	<del>95742</del> <a href="#">91766</a>	<del>(866) 626-722-7876</del> <a href="#">502-8980</a>
<a href="#">Frank</a>	<a href="#">Gazale</a>	<a href="#">3308 Tualatin Way</a>	<a href="#">Rancho Cordova</a>	<a href="#">CA</a>	<a href="#">95670</a>	<a href="#">(916) 633-1977</a>
Bonnie	Lanyon	9559 Center Avenue	Rancho Cucamonga	CA	91730	(909) 481-4399
Kurt	Nix	1200 Arizona Avenue Unit 1A	Redlands	CA	92374	(909) 792-1360
Wilmer (Will)	Campos Quispe	7130 Fiesta Avenue	Riverside	CA	92504	(951) 289-3999
Petru-Daniel	Iorgoni	12735 Canyonwind Road	Riverside	CA	92503	(951) 710-2050
<a href="#">Frank</a>	<a href="#">Gazale</a>	<a href="#">801 Riverside Ave Ste# 160</a>	<a href="#">Roseville</a>	<a href="#">CA</a>	<a href="#">95678</a>	<a href="#">(916) 633-1977</a>

First Name	Last Name	Address	City	State	Zip	Phone
<a href="#">Andy</a>	<a href="#">Tai</a>	<a href="#">2943 Westbourne Place</a>	<a href="#">Rowland Heights</a>	<a href="#">CA</a>	<a href="#">91748</a>	<a href="#">(626) 923-9992</a>
<a href="#">Daniel</a>	<a href="#">Camara</a>	<a href="#">9891 Horn Road, Suite C.</a>	<a href="#">Sacramento</a>	<a href="#">CA</a>	<a href="#">95827</a>	<a href="#">(866) 722-7876</a>
<a href="#">Saul</a>	<a href="#">Yanez</a>	<a href="#">5675 Power Inn Road</a>	<a href="#">Sacramento</a>	<a href="#">CA</a>	<a href="#">95824</a>	<a href="#">(916) 272-1105</a>
<a href="#">Phuntsok (Phil)</a>	<a href="#">Dhargyal</a>	<a href="#">1050 Calle Cordillera</a>	<a href="#">San Clemente</a>	<a href="#">CA</a>	<a href="#">92673</a>	<a href="#">(949) 994-4004</a>
Danny	Ognean	9360 Activity Road Suite F	San Diego	CA	92126	(858) 566-7876
Tyrone	Thomas, Jr.	5555 Magnatron Blvd Suite K	San Diego	CA	92111	(858) 869-1313
Tyrone	Thomas, Jr.	5555 Magnatron Blvd	San Diego	CA	92111	(858) 203-2300
<a href="#">Nicholas</a>	<a href="#">Ondrejka</a>	<a href="#">3095 Kerner Boulevard</a>	<a href="#">San Rafael</a>	<a href="#">CA</a>	<a href="#">94901</a>	<a href="#">(628) 888-2911</a>
Travis	Waterman	2702 N. Linwood Street	Santa Ana	CA	92705	(657) 210-0700
Charles	Omajuwa	2922 Pico Boulevard	Santa Monica	CA	90405	(424) 454-1170
Bill & Barbara	Rummonds	3194 Coffey Lane, #405	Santa Rosa	CA	95403	(707) 538-1772
Douglas	Akins	2882 Gundry Avenue	Signal Hill	CA	90755	(844) 528-7876
Ray	Shamoony	2235 First Street, Ste. 107	Simi Valley	CA	93065	(805) 424-1221
Tyrone	Thomas, Jr.	512 Ramona Avenue	Spring Valley	CA	91977	(619) 765-4445
<a href="#">Peter</a>	<a href="#">Girgis</a>	<a href="#">15751 Roxford Street</a>	<a href="#">Sylmar</a>	<a href="#">CA</a>	<a href="#">91342</a>	<a href="#">(818) 922-8330</a>
Jonathan	Chalker	31280 Tommy Lane	Temecula	CA	92591	(951) 651-0202
Larry	Katz	5776-D Lindero Canyon Rd, #140	Thousand Oaks	CA	91362	(805) 367-3118
Jacob	Beaty	73821 El Portal	Thousand Palms	CA	92276	(760) 834-9449
Hensley	Chukwudobe	17707 Crenshaw Boulevard #260	Torrance	CA	90504	(424) 699-5000

First Name	Last Name	Address	City	State	Zip	Phone
Bonnie	Lanyon	12520 Business Center Dr. Bldg F	Victorville	CA	92395	(760) 245-5545
Jerry	Hammons	1611 S. Melrose Drive, Suite a #189	Vista	CA	92081	(760) 585-9600
Chris	Lechman	4255 S Buckley RD #1344	Aurora	CO	80550	(970) 795-8200
Christopher	Lechman	977 Pinehurst Court	Bennett	CO	80102	(720) 773-3388
Bruce	Helart	6901 W 117th Avenue	Broomfield	CO	80020	(720) 773-3400
Scott	Nuttall	7079 S Jordan Rd #4	Centennial	CO	80112	(303) 876-0006
Tomas	Mejia	15 Buchanan Street, Unit 110	Colorado Springs	CO	80907	(303) 664-4030
Tomas	Mejia	2650 West 2nd Avenue Unit 14	Denver	CO	80223	(303) 993-1313
Tomas	Mejia	2650 W. 2nd Ave, Unit 14	Denver	CO	80219	(720) 603-8055
<a href="#">Jesus Miguel Villalobos</a>	<a href="#">Rubio</a>	<a href="#">6145 Broadway</a>	<a href="#">Denver</a>	<a href="#">CO</a>	<a href="#">80216</a>	<a href="#">(720) 445-4343</a>
Ryan	Engle	2411 Delwood Avenue	Durango	CO	81301	(970) 426-5005
Tomas	Mejia	14143 Denver West Parkway #100	Golden	CO	80401	(303) 664-4030
Chris	Lechman	10756 Skydance Drive	Highlands Ranch	CO	80126	(720) 316-0500
Christopher	Schatz	12260 Pennsylvania Street	Thornton	CO	80241	(720) 713-3400
Christopher	Schatz	12260 Pennsylvania Street,	Thornton	CO	80241	(720) 773-3400
Francis	Fiolek	110 Hunyadi Avenue	Fairfield	CT	06824	(203) 763-1155
Alejandro	Restrepo	<del>24 Danbury Road</del> <a href="#">1266 E Main St, Suite 700R</a>	<del>Wilton</del> <a href="#">Stamford</a>	CT	<del>06897</del> <a href="#">06902</a>	<del>(475203) 277-2400</del> <a href="#">399-0001</a>
Alejandro	Restrepo	24 Danbury Road	Wilton	CT	06897	(203) 399-0001
Julia	Jones	4654 East SR 64 #115	Bradenton	FL	34208	(941) 877-2288

First Name	Last Name	Address	City	State	Zip	Phone
<del>Art</del>	<del>Curtis</del>	<del>1971 W. Lumsden, Suite 119</del>	<del>Brandon</del>	<del>FL</del>	<del>33511</del>	<del>(813) 413-5055</del>
David	Shiffman	4360 Oakes Road	Davie	FL	33314	(954) 233-1100
Joaquin	Seminario	440 S. Federal Highway, Unit #204A	Deerfield Beach	FL	33441	(954) 645-2999
Natalia	Sanchez	1240 Tangelo Terrace, Unit B-15	Delray Beach	FL	33444	(561) 277-6999
Edward	Gailey	3901 TigerPoint Blvd.	Gulf Breeze	FL	32563	(850) 932-3232
<a href="#">Carlos</a>	<a href="#">Niemes</a>	<a href="#">2719 Hollywood Boulevard, Suite A- 2058</a>	<a href="#">Hollywood</a>	<a href="#">FL</a>	<a href="#">33020</a>	<a href="#">(754) 732-8383</a>
Wayne	Terry	6001-21 Argyle Forest Boulevard	Jacksonville	FL	32244	(904) 573-3566
Wayne	Terry	12620-3 Beach Blvd., Suite 338	Jacksonville	FL	32246	(904) 821-1620
Russell	Benes	841 Prudential Drive 12th Floor	Jacksonville	FL	32207	(904) 428-0002
Aurelio	Lopez-Pagan	6577 49th Avenue North	Kenneth City	FL	33709	(727) 291-8988
Diego	Barros	1987 Corporate Square Drive, Unit 159	Longwood	FL	32750	(407) 961-7474
Diego	Barros	1987 Corporate Square Drive, Unit 159	Longwood	FL	32750	(321) 999-9660
Jeremy	O'Dwyer	1700 Banks Road, Suite 30	Margate	FL	33063	(954) 775-3805
Nikita (Nick)	Schupbach	739 North Drive, Suite B	Melbourne	FL	32934	(321) 378-2400
Thomas	Avila	4842 SW 75th Avenue, Miami FL 33155	Miami	FL	33155	(305) 894-4343
Hugo	Urribarri	14375 SW 120 Street, Suite 101	Miami	FL	33186	(305) 752-4019
David	Shiffman	114 NW 25th Street #41	Miami	FL	33127	(305) 894-4334

First Name	Last Name	Address	City	State	Zip	Phone
<a href="#">James</a>	<a href="#">Daughtry</a>	<a href="#">533 Forrest Shore Dr.</a>	<a href="#">Miramar Beach</a>	<a href="#">FL</a>	<a href="#">32550</a>	<a href="#">(850) 399-3380</a>
Joseph	Thomas	3422 Tigris Lane	Naples	FL	34119	(734) 245-0800
Joseph	Thomas	3422 Tigris Lane	Naples	FL	34119	(239) 330-3939
Giancarlo	Cortes	7234 Congress Street	New Port Richey	FL	34653	(727) 339-7277
Mitchell	Woods	1882 North Tamiami Trail (Mailing Address)	North Fort Myers	FL	33903	(239) 985-5566
David	Shiffman	1950 NE 149 Street	North Miami Beach	FL	33181	(305) 907-7373
Frank	Garcia	7338 Marseille Circle	Orlando	FL	32822	(407) 751-1550
Jorge	Mojica	3017 Youngford St	Orlando	FL	32824	(407) 751-1677
Russell	Benes	1685 Airport Boulevard	Ormond Beach	FL	32174	(386) 777-4770
<del>Carlos</del>	<del>Niemes</del>	<del>10031 Pines Boulevard #236</del>	<del>Pembroke Pines</del>	<del>FL</del>	<del>33024</del>	<del>(754) 732-8383</del>
<del>Jose</del>	<del>Pureco</del>	<del>200 Torchwood Ave.</del>	<del>Plantation</del>	<del>FL</del>	<del>33324</del>	<del>(954) 477-7007</del>
Jeffrey	Jensen	1404 Mercantile Court Unit B	Plant City	FL	33563	(863) 450-3993
<del>Keneice Kay</del> <a href="#">Jose</a>	<del>Henriques</del> <a href="#">Pureco</a>	<del>900 E ATLANTIC BLVD, SUITE # 2200 Torchwood Ave.</del>	<del>Pompano Beach</del> <a href="#">Plantation</a>	FL	<del>33060</del> <a href="#">33324</a>	(954) <del>820-8886</del> <a href="#">477-7007</a>
Julia	Jones	1949 Barber Road	Sarasota	FL	34240	(941) 233-7876
<del>Karen</del>	<del>Argus</del>	<del>7803 SW Ellipse Way #B8</del>	<del>Stuart</del>	<del>FL</del>	<del>34997</del>	<del>(772) 763-1313</del>
Russell	Benes	155 International Golf Parkway	St. Augustine	FL	32095	(904) 495-0950
Cristian Anton	Ciobanu	3135 39th Ave N	St. Petersburg	FL	33714	(727) 284-1800
<a href="#">Karen</a>	<a href="#">Argus</a>	<a href="#">7803 SW Ellipse Way #B8</a>	<a href="#">Stuart</a>	<a href="#">FL</a>	<a href="#">34997</a>	<a href="#">(772) 763-1313</a>
Kevin	Wint	6604 Harney Road, Suite A	Tampa	FL	33610	(813) 825-0800

First Name	Last Name	Address	City	State	Zip	Phone
Joseph	Mack, Jr.	6089 Johns Road. Ste 6	Tampa	FL	33634	(813) 515-2444
Samuel	Dyson	8919 Hannigan Court	Tampa	FL	33626	(813) 614-8008
<a href="#">Peter</a>	<a href="#">Shine</a>	<a href="#">9212 Lazy Lane</a>	<a href="#">Tampa</a>	<a href="#">FL</a>	<a href="#">33614</a>	<a href="#">(848) 412-5700</a>
Jose (Antonio)	Medina	9712 Phipps Lane	Wellington	FL	33414	(561) 412-5566
Romel	Molina	711 Business Park Blvd STE 104	Winter Garden	FL	34787	(407) 848-5888
Victor Gutierrez & Manuel Opazo	Gutierrez	39033 County Road 54	Zephyrhills	FL	33542	(813) 528-4060
Daniel	Guerra	296 Ardmore Circle NW Apt 7	Atlanta	GA	30309	(404) 777-7876
<del>Temoh</del>	<del>Nesbitt</del>	<del>5825 Glenridge Drive, Bldg. 4, Ste 405</del>	<del>Atlanta</del>	<del>GA</del>	<del>30328</del>	<del>(770) 202-4994</del>
Timothy	Summers	<del>3481 Walnut Ridge</del> <a href="#">467 Circle 85 Unit F</a>	Atlanta	GA	30349	(404) 682-5400
Richard	Sasnett III	1500 Wrightsboro, Ste 100	Augusta	GA	30904	(706) 723-8989
<del>David</del>	<del>Leopard</del>	<del>4341 Gainsville Highway</del>	<del>Blairsville</del>	<del>GA</del>	<del>30512</del>	<del>(706) 400-6110</del>
<del>David</del>	<del>Nieman</del>	<del>441 Hospital Road</del>	<del>Canton</del>	<del>GA</del>	<del>30114</del>	<del>(770) 720-2320</del>
Samit	Patel	3367 W. Hospital Avenue	Chamblee	GA	30341	(770) 290-3200
<del>Nicholas</del>	<del>Oliveri</del>	<del>70 Oak Hill Circle</del>	<del>Covington</del>	<del>GA</del>	<del>30016</del>	<del>(770) 430-7876</del>
Eric Shane	George	276 Billy Bullock Road EXT	Dallas	GA	30157	(678) 224-1040
Bobby	Barnette, Jr.	840 Custer Street	Hapeville	GA	30354	(404) 689-5580
<del>Robert</del>	<del>Jordan</del>	<del>210 Humming Bird Lane</del>	<del>Kathleen</del>	<del>GA</del>	<del>31047</del>	<del>(425) 268-8072</del>
Jiselle	Francis	500 Pike Park Dr	Lawrenceville	GA	30046	(770) 810-5499
Sam T	Springer	1281 Kennestone Cir, Suite 600	Marietta	GA	30066	(770) 627-0900
Omar	BarahonaCuan	6500 McDonough Drive	Norcross	GA	30093	(770) 954-5020

First Name	Last Name	Address	City	State	Zip	Phone
Jeffrey	Meier	500 Buford Hwy, Suite 1001-10	Suwanee	GA	30024	(678) 361-7066
<a href="#">Jeffrey</a>	<a href="#">Meier</a>	<a href="#">110 Londonderry Court, Suite 130</a>	<a href="#">Woodstock</a>	<a href="#">GA</a>	<a href="#">30188</a>	<a href="#">(770) 720-2320</a>
Gregory	Arianoff	161 Malia Street	HILO	HI	96720	(808) 460-4400
Michelle	Ramos	96-1185 Waihona St., Unit D-1	Pearl City	HI	96797	(808) 548-7876
John	Marsh	213 Rio Vista Boulevard	McCall	ID	83638	(208) 314-0070
John	Marsh	3303 Caldwell Boulevard	Nampa	ID	83651	(208) 391-6226
John	Marsh	TBD	Nampa	ID	83616	(208) 563-3900
Daniel	Pintilie	55 N. Cedar Street, Ste 109	Post Falls	ID	83854	(208) 508-2300
Aurelian	Calafeteanu	12540 S. Holiday Drive	Alsip	IL	60803	(708) 929-9696
John	Modugno	160 Bartlett Plaza	Bartlett	IL	60103	(630) 823-0424
Buddy	Lee	210 East Street Unit A/B	Carol Stream	IL	60188	(630) 653-7876
Paul	Reiss	1934 North 81 Street	Caseyville	IL	62232	(618) 206-7055
Keegan	Trudgen	3536 W. Potomac Avenue	Chicago	IL	60651	(312) 453-1500
<del>Yosip</del>	<del>Varda</del>	<del>9066 Hollyberry Avenue</del>	<del>Des Plaines</del>	<del>IL</del>	<del>60016</del>	<del>(224) 319-0100</del>
Alejandro	Tribin	5200 Thatcher Rd	Downers Grove	IL	60515	(630) 796-0206
<a href="#">Christopher</a>	<a href="#">Louangrath</a>	<a href="#">215 E Higgins Rd.</a>	<a href="#">Gilberts</a>	<a href="#">IL</a>	<a href="#">60136</a>	<a href="#">(224) 642-1124</a>
<del>Barbara</del> <a href="#">Mark</a>	<del>Bielski</del> <a href="#">Foster</a>	<del>28144 W. Industrial Avenue, Ste 118</del> <a href="#">28835 North Herky Drive</a>	Lake <del>Barrington</del> <a href="#">Bluff</a>	IL	<del>60010</del> <a href="#">60044</a>	(847) 991-1600
Timothy	Kreczmer, Jr.	600 Industrial Drive	Naperville	IL	60563	(630) 474-7876
Brian	Towne	112 Merle Lane, Units 101-102	Normal	IL	61761	(309) 433-0900

First Name	Last Name	Address	City	State	Zip	Phone
Keegan	Trudgen	555 Skokie Boulevard	Northbrook	IL	60062	(773) 203-0959
John	Carney	912 Wenonah Avenue	Oak Park	IL	60304	(708) 665-6800
Keegan	Trudgen	11545 W. 183rd Street Unit #16	Orland Park	IL	60467	(708) 580-0909
Stephen	Sherwood	584 W. Taylor Road	Romeoville	IL	60446	(815) 905-2225
Peter	McLiverty	As of June 1, 2022 - 8049 Ridgeway Avenue	Skokie	IL	60076	(312) 767-4600
Marlan	Brown	513 N Kankakee St.	Wilmington	IL	60481	(779) 429-3100
Keegan	Trudgen	917 AEC Drive	Wood Dale	IL	60191	(888) 787-6911
<a href="#">Zac</a>	<a href="#">Osborn</a>	<a href="#">1429 Dubois Street, Unit 1A</a>	<a href="#">Fort Wayne</a>	<a href="#">IN</a>	<a href="#">46803</a>	<a href="#">(260) 600-8257</a>
<a href="#">Benjamin</a>	<a href="#">Schwyn</a>	<a href="#">2727 Lofty Drive</a>	<a href="#">Fort Wayne</a>	<a href="#">IN</a>	<a href="#">46808</a>	<a href="#">(260) 263-9788</a>
Daniel	Irmscher	9665 State Road 64	Georgetown	IN	47122	(812) 951-1300
Jeff	Rush	625 S. State Street	Greenfield	IN	46140	(317) 467-4436
Jerry	Beck	5845 Poinsettia Drive	Lafayette	IN	47905	(765) 701-4242
Charles	Polley	1846 Gullion Drive	Madison	IN	47250	(812) 801-4485
Zac	Osborn	4319 W. Clara Lane #299	Muncie	IN	47304	(765) 216-3210
Zac	Osborn	13398 Tegler Drive STE 120	Noblesville	IN	46060	(317) 606-0353
<a href="#">Aurelian</a>	<a href="#">Calafeteanu</a>	<a href="#">710 65th Avenue</a>	<a href="#">Schererville</a>	<a href="#">IN</a>	<a href="#">46375</a>	<a href="#">(219) 800-7876</a>
Brock	Phillips	500 W Honey Creek Drive	Terre Haute	IN	47802	(812) 514-8555
<a href="#">John</a>	<a href="#">Alessio</a>	<a href="#">201 SE Shurfine Drive</a>	<a href="#">Ankeny</a>	<a href="#">IA</a>	<a href="#">50021</a>	<a href="#">(515) 207-7959</a>
Adam	Feldmann	314 8th Street NW	Cedar Rapids	IA	52405	(319) 804-8288
<del>Michael</del>	<del>Walters</del>	<del>805 32nd Avenue</del>	<del>Council Bluffs</del>	<del>IA</del>	<del>51501</del>	<del>(712) 435-3434</del>
Nicholas	Theisen	25079 W 150th Terrace	Olathe	KS	66061	(913) 353-8300

First Name	Last Name	Address	City	State	Zip	Phone
Tim	James	1922 N Split Rail Ct	Wichita	KS	67230	(316) 500-2288
<del>Greg</del>	<del>Hilyeord</del>	<del>1101 2nd Ave.</del>	<del>Dayton</del>	<del>KY</del>	<del>41074</del>	<del>(859) 982-9900</del>
Kenneth	Afenya	133 N. Locust Hill Drive	Lexington	KY	40509	(859) 436-1717
Rob	Hunter	2251 Stanley Gault Parkway	Louisville	KY	40223	(502) 244-1510
Kenneth	Brown	7608 LaGrange Road, Ste 100	Pewee Valley	KY	40056	(502) 520-4448
Fernando	Puebla	264 Lobdell Avenue	Baton Rouge	LA	70806	(225) 963-5550
Caleb	Fitzmorris	74030 Highway 1077, Ste 3	Covington	LA	70434	(985) 590-6600
<del>Jeremy</del>	<del>Gonzalez</del>	<del>201 Antigua Drive</del>	<del>Lafayette</del>	<del>LA</del>	<del>70503</del>	<del>(337) 205-5235</del>
Michael	Keppner	2701 Airline Drive	Metairie	LA	70001	(504) 799-0400
Douglas	Malone	2005 Melrose St	Pineville	LA	71360	(318) 541-8899
Charles Bradley	Brossette	668 W Bert Kouns Industrial Loop	Shreveport	LA	71118	(318) 532-6700
<del>Chris Eleanor</del>	<del>Anderson Terlecki</del>	<del>398 Harold Dow Highway Unit 37328 Rodman Road</del>	<del>Eliot Auburn</del>	ME	<del>03903 04210</del>	<del>(603 207) 570-6996 531-1200</del>
<u>Ion</u>	<u>Barbus Sr.</u>	<u>10761 Tucker Street</u>	<u>Beltsville</u>	<u>MD</u>	<u>20705</u>	<u>(301) 323-8902</u>
Edward	Lineaweaver	307 N. Bridge St. Suite 211	Elkton	MD	21921	(888) 787-7876
Javier	Perez	885 Clopper Road, Apt. A-3	Gaithersburg	MD	20878	(571) 483-8400
Tim	Walsh	201 International Circle, Suite 230	Hunt Valley	MD	21030	(443) 330-7722
Edward	Porter	4720 Boston Way, Suite L	Lanham	MD	20706	(301) 277-2755
Timothy	Walsh	805 Barkwood Court	Linthicum Heights	MD	21090	(443) 973-3233
Justin	McCabe	313 Najoles Road	Millersville	MD	21108	(443) 961-2200
Edward	Lineaweaver	7701 Bel Air Road	Nottingham	MD	21236	(410) 657-3200
Robert	Schattner	1078 Taft Street	Rockville	MD	20850	(800) 500-2399

First Name	Last Name	Address	City	State	Zip	Phone
Edward	Porter	8720 Georgia Avenue, Suite 302	Silver Spring	MD	20901	(240) 650-3355
Justin	McCabe	216-F Log Canoe Circle	Stevensville	MD	21666	(410) 919-4275
Nigel	Belgrave	482 Southbridge Street, Suite 331	Auburn	MA	01501	(774) 321-3232
Joseph / Justin	Cadette / Rivers	89 Lancaster Street	Leominster	MA	01453	(978) 549-8620
Nigel	Belgrave	841 Worcester St, Suite 334	Natick	MA	01760	(781) 474-0200
<a href="#">Jeremy Diego Rangel</a>	<a href="#">Brigham Desouza</a>	<del>320 Nevada Street Suite 301</del> <a href="#">140 River Road</a>	<del>Newton</del> <a href="#">New Bedford</a>	MA	<del>02460</del> <a href="#">02745</a>	<del>(617) 774-992-7400</del> <a href="#">770-6994</a>
David	Fimiani	99 Albion Street	Somerville	MA	02144	(857) 995-6440
Frank	Greenwood	80 New Salem Street	Wakefield	MA	01880	(781) 486-3200
<b>David</b>	<b>Brauer</b>	<b>422 High Plain St.</b>	<b>Walpole</b>	<b>MA</b>	<b>02081</b>	<b>(508) 734-3022</b>
Nickolaus	Pinaire	4621 Freedom Drive, Suite 2	Ann Arbor	MI	48108	(734) 926-5900
Joseph	Thomas	6335 Golfview Drive	Bloomfield Hills	MI	48301	(248) 756-5155
Daron	Underwood	41767 Joy Road	Canton	MI	48187	(734) 238-3200
<a href="#">Magid</a>	<a href="#">Beydoun</a>	<a href="#">14201 Prospect</a>	<a href="#">Dearborn</a>	<a href="#">MI</a>	<a href="#">48126</a>	<a href="#">(313) 774-2230</a>
Joseph	Thomas	5778 E. Grand River Avenue	Howell	MI	48843	(517) 292-8700
Rebecca	Hayner	3421 Wright Road	Leslie	MI	49251	(517) 247-2220
Aleem	Khan	1878 Star Batt Drive	Rochester Hills	MI	48309	(248) 434-5334
Steve	Marceau	56700 Mound Road	Shelby Township	MI	48316	(586) 697-8100
Alexander	Ho	4682 W. Walton Blvd	Waterford	MI	48329	(248) 724-1500
<a href="#">Keegan</a>	<a href="#">Trudgen</a>	<a href="#">4682 W. Walton Blvd</a>	<a href="#">Waterford Township</a>	<a href="#">MI</a>	<a href="#">48329</a>	<a href="#">(734) 738-0444</a>
Steven	Shearer	508 Riverbank Street	Wyandotte	MI	48192	(734) 225-2552

First Name	Last Name	Address	City	State	Zip	Phone
<del>Mikias</del>	<del>Lulseged</del>	<del>9124 Grand Ave S, Suite 100</del>	<del>Bloomington</del>	<del>MN</del>	<del>55420</del>	<del>(952) 222-8550</del>
Ryanne	Back	4319 Steiner Street; Suite B	St. Bonifacius	MN	55375	(952) 246-0200
<del>Mikias</del>	<del>Lulseged</del>	<del>801-803 Transfer Road, Unit E19</del>	<del>St. Paul</del>	<del>MN</del>	<del>55114</del>	<del>(952) 222-8550</del>
Bonnie	Teichert	3110 Government St	Ocean Springs	MS	39564	(228) 456-3200
Edward	Middleton, Jr.	441 Lake Eddins 1638	Pachuta	MS	39347	(601) 909-8885
<del>Johnathon</del>	<del>Tripp</del>	<del>8953 North Service Road</del>	<del>Bourbon</del>	<del>MO</del>	<del>65441</del>	<del>(573) 468-8797</del>
John	Collins	2321 NE Independence Avenue Suite B	Lees Summit	MO	64064	(816) 272-4664
Chad	Jameson	1625 N. WestBypass	Springfield	MO	65803	(417) 233-3111
James	Richard	7580 Watson Road	St. Louis	MO	63119	(314) 227-9855
Kevin	Brown	762 Luetkenhaus Boulevard #628	Wentzville	MO	63385	(636) 445-5115
Michael	Mauch	502 East 4 Street N	North Platte	NE	69101	(308) 535-1453
John	Gudenrath	13333 A Street	Omaha	NE	68144	(402) 509-3939
Christopher	Paul	13333 A Street	Omaha	NE	68144	(402) 509-3939
Daniel	Ferrando	25 Blue Valley Drive	Henderson	NV	89022	(702) 848-4244
Hyrum	Pereira	2777 N. Lamb Boulevard	Las Vegas	NV	89115	(702) 551-3040
Steven	Lai	11700 W. Charleston Blvd., 170-653	Las Vegas	NV	89135	(702) 608-8668
Joshua	Nelson	1550 Glendale Avenue	Sparks	NV	89431	(775) 446-4646
Tyson	Bostrom	404 Stage Road	West Nottingham	NH	03291	(603) 664-3727
<del>Nelson</del>	<del>Rivera</del>	<del>2 Broad Street, Unit 507</del>	<del>Bloomfield</del>	<del>NJ</del>	<del>07003</del>	<del>(973) 842-7311</del>
Sharjil (Sal)	Ahmad	42 Hilltop Terrace	Bloomington	NJ	07403	(973) 946-8833

First Name	Last Name	Address	City	State	Zip	Phone
Robin / Chris	Hoy	16 South Avenue West Suite 279	Cranford	NJ	07016	(908) 577-9120
Harry	Allcroft	1810 Underwood Blvd., Suite 1	Delran	NJ	08075	(877) 750-7876
<del>Sandra</del> <a href="#">Anson</a>	<del>White</del> <a href="#">Orr</a>	<del>TBD</del> <a href="#">4-14 Saddle River Road</a>	<del>Edison</del> <a href="#">Fair Lawn</a>	NJ	<del>07080</del> <a href="#">07410</a>	<del>(732) 551-482-</del> <del>1210</del> <a href="#">751-1288</a>
George	Kidonis	66 Palisade Avenue, Unit 2	Garfield	NJ	07026	(973) 330-8505
Jeff	Uddo	199 Lexington Ave	Hackensack	NJ	07601	(201) 261-0162
<del>Peter</del>	<del>Shine</del>	<del>17 Western Avenue</del>	<del>Jersey City</del>	<del>NJ</del>	<del>07307</del>	<del>(201) 868-4817</del>
Peter	Kane	35 O'Brien Street, Ste 018	Kearny	NJ	07032	(973) 755-9900
<a href="#">Nelson</a>	<a href="#">Rivera</a>	<a href="#">7 Industrial Parkway #14</a>	<a href="#">Livingston</a>	<a href="#">NJ</a>	<a href="#">07039</a>	<a href="#">(973) 993-6444</a>
<a href="#">Nelson</a>	<a href="#">Rivera</a>	<a href="#">7 Industrial Parkway #14</a>	<a href="#">Livingston</a>	<a href="#">NJ</a>	<a href="#">07039</a>	<a href="#">(973) 842-7311</a>
<a href="#">Nelson</a>	<a href="#">Rivera</a>	<a href="#">7 Industrial Parkway #14</a>	<a href="#">Livingston</a>	<a href="#">NJ</a>	<a href="#">07039</a>	<a href="#">(973) 842-7311</a>
Robin	Hoy	171 Main Street, Suite 300	Matawan	NJ	07747	(732) 351-2442
Sandra	White	432 Lincoln Blvd	Middlesex	NJ	08846	(732) 366-9300
<del>Peter</del> <a href="#">Sandra</a>	<del>Shine</del> <a href="#">White</a>	<del>TBD</del> <a href="#">432 Lincoln Blvd</a>	<del>Ocean Township</del> <a href="#">Middlesex</a>	NJ	<del>07711</del> <a href="#">08846</a>	<del>(845) 732-709-</del> <del>4360</del> <a href="#">482-1210</a>
<del>Nelson</del>	<del>Rivera</del>	<del>180 Hickory Street</del>	<del>Orange</del>	<del>NJ</del>	<del>07050</del>	<del>(973) 842-7311</del>
Nelson	Rivera	3633-B Hill Road	Parsippany	NJ	7054	(973) 993-6444
<del>Nelson</del>	<del>Rivera</del>	<del>3633-B Hill Road</del>	<del>Parsippany</del>	<del>NJ</del>	<del>07054</del>	<del>(862) 371-7713</del>
Sandra	White	TBD	Princeton	NJ	08502	(609) 436-5959
Archie	Arigorat, Jr.	75 East Cherry Street Office, 10B	Rahway	NJ	07065	(732) 454-7774
<a href="#">Peter</a>	<a href="#">Shine</a>	<a href="#">300 Lighting Way, Suite 303</a>	<a href="#">Secaucus</a>	<a href="#">NJ</a>	<a href="#">07094</a>	<a href="#">(201) 868-4817</a>
Peter	Shine	300 Lighting Way	Secaucus	NJ	07094	(551) 309-7900
Alex	Gonzalez	858 Portobello Road	Toms River	NJ	08753	(732) 930-2330
Juan	Rios	1599 Route 22 West	Union	NJ	07083	(973) 315-5165

First Name	Last Name	Address	City	State	Zip	Phone
Karl	Grebe	23 Torbet Drive	Wayne	NJ	07470	(973) 988-2121
Justin	Patnode	431 New Karner Road	Albany	NY	12205	(518) 362-2700
Taiwo	Akinyemi	750 Saw Mill River Rd	Ardsley	NY	10502	(914) 330-8333
Alexandra	Fajardo	9229 Lamont Avenue, Apartment 3H	Elmhurst	NY	11373	(718) 360-5741
Mathew	Bonnen	9 Boulevard Ave	Greenlawn	NY	11740	(631) 402-9700
Tishaun	Dennis	33 South Service Road	Jericho	NY	11753	(516) 421-6400
Jonathan	Beever	625 NY-28	Kingston	NY	12401	(845) 481-9060
Sammy	Shrem	219-05 Merrick Boulevard	Laurelton	NY	11413	(718) 801-3055
Frank	Cassese	110 C North Clinton Avenue	Lindenhurst	NY	11757	(631) 703-3280
Kayur	Patel	250 Commerce Boulevard	Liverpool	NY	13088	(315) 314-9090
Joseph	Choi	421 Waverly Avenue	Mamaroneck	NY	10543	(914) 740-8686
Salvatore	Pusateri	5620 Old Sunrise Highway	Massapequa	NY	11758	(516) 604-1200
Milton	Valerio	130 Wickham Avenue	Middletown	NY	10940	(845) 869-5999
Alexandra	Fajardo	249 Elm Place	Mineola	NY	11501	(516) 387-0900
Mitch	Cohen	228 East Rte 59, Suite 179	Nanuet	NY	10954	(845) 570-5060
Bill	Nyitrai	3689 California Road Suite 7	Orchard Park	NY	14127	(716) 662-0188
Peter	Meringolo	66 North Highland Avenue	Ossining	NY	10562	(914) 502-9400
Jonathan	Beever	9 W Oakley St	Poughkeepsie	NY	12601	(845) 320-4646
Danny	Fontana	30 Laredo Avenue	Staten Island	NY	10312	(646) 767-5885
Doris	Obasohan	213 Simonson Avenue	Staten Island	NY	10303	(347) 501-6155

First Name	Last Name	Address	City	State	Zip	Phone
Aaron	Davis	207 E. Saunders Street	Carthage	NC	28327	(910) 294-6137
Chris	Lupton	920 W. Chatham Street Suite #4	Cary	NC	27511	(919) 481-4600
Jeffrey	Hennings	TBD	Charlotte	NC	28079	(980) 313-3700
Bruce	Powell	19701 Bethel Church Rd, #103-227	Cornelius	NC	28031	(704) 992-6046
Aaron	Davis	5851 Ramsey Street, Suite C	Fayetteville	NC	28311	(888) 318-7876
John	McCall	19618 US HWY 17	Hampstead	NC	28443	(910) 787-1881
Johnny	Hicks	409 E. Main Street	Havelock	NC	28532	(252) 444-4747
Chris	Nowak	2240 Wilson Rd.	Linwood	NC	27299	(866) 950-7876
JeffreyKevin	Hennings	521 Eagleton Downs Dr. Ste. E	Pineville	NC	28134	(704) 243-4484
Kevin	Hennings	521 Eagleton Downs Dr. Ste. E	Pineville	NC	28134	(980) 313-3700
William (Billy)	Soots	4819 Port Loop Road SE	Southport	NC	28461	(910) 477-3800
Gerard	Wynne	114 S. Kerr Avenue	Wilmington	NC	28403	(910) 793-8586
Tony	Rickert	<del>1902 1st Avenue</del> <del>85076 53rd Street</del>	South Fargo	ND	<del>58103</del> 58104	(701) 997-2273
William	Hagey	974 Wye Drive	Akron	OH	44303	(330) 800-4300
Mike	Moorhead	1126 Industrial Pkwy, North, Suite 1	Brunswick	OH	44212	(866) 944-7876
Steven	Jenson	17588 Plum Creek Trail	Chagrin Falls	OH	44023	(216) 354-0444
Philip	Peters	554 Water Street Suite B	Chardon	OH	44024	(440) 286-2209
Rick	Gutridge	2967 E. Sixth Avenue	Columbus	OH	43219	(614) 309-5739
-Sadiq	Isu	707 Hadley Drive	Columbus	OH	43228	(614) 689-0012
James	Crouse	886 Stratford Road	Delaware	OH	43015	(740) 369-9500

First Name	Last Name	Address	City	State	Zip	Phone
Dudley	Bell	129 Reaser Court	Elyria	OH	44035	(440) 653-8222
<a href="#">(Muhammed) Sadiq</a>	<a href="#">Isu</a>	<a href="#">4324 Reynolds Drive</a>	<a href="#">Hilliard</a>	<a href="#">OH</a>	<a href="#">43026</a>	<a href="#">(614) 689-0012</a>
Philip	Peters	400 Highland Rd. E Suite 3	Macedonia	OH	44056	(440) 286-2209
Rebecca	Edgren	2029 Edgefield Drive	Moraine	OH	45439	(937) 401-9700
Rebecca	Edgren	2029 Edgefield Drive	Moraine	OH	45439	(513) 897-8990
Muhammed Sadiq	Isu	2020 Brice Road	Reynoldsburg	OH	43068	(614) 697-4800
Sadiq	Isu	520B South State Street, Suite 309	Westerville	OH	43081	(614) 942-3663
James	Hoover	10718 S Lynn Lane Rd E	Broken Arrow	OK	74011	(918) 574-1484
James	Hoover	1361 Rond Leaf Road	Edmond	OK	73034	(918) 877-7373
Joe	Fugate	425 Opportunity Drive	Norman	OK	73071	(405) 292-4800
Nkomo	Brooks	1010 TYINN ST.	Eugene	OR	97402	(541) 780-2700
Benjamin	Doebler	5882 NE Pinefarm Court	Hillsboro	OR	97124	(503) 820-5200
Benjamin	Doebler	1887 SE Milport Road	Milwaukie	OR	97222	(503) 908-6464
Diriba	Sapanie	6800 NE 59th Place	Portland	OR	97218	(503) 894-6100
Ben	Doebler	2303 N. Randolph Avenue Ste 3	Portland	OR	97227	(971) 254-1133
Ben	Doebler	147 Commercial Street NE #14	Salem	OR	97301	(971) 254-1133
Adam	Miller	31961 Rolland Drive	Tangent	OR	97389	(541) 286-3111
Damian	Guzman	1038 Trexlertown Road	Breinigsville	PA	18031	(610) 904-8399
Daniel	Owusu-Anim	3477 Corporate Parkway, Suite 100	Center Valley	PA	18034	(484) 750-2700

First Name	Last Name	Address	City	State	Zip	Phone
Raymond	Rutkowski	205 Willow Drive	Denver	PA	17517	(717) 690-0100
Avijot	Sohal	902 South 25th Street	Easton	PA	18042	(610) 614-8600
Avijot	Sohal	1145 Interchange Road	Gilbert	PA	18331	(610) 438-3373
Hunter	Jones	7601 Derry St Rear	Harrisburg	PA	17111	(717) 210-0155
Djaber	Benarieb	630 Freedom Business Center, 3rd Flr.	King of Prussia	PA	19406	(610) 595-5777
Roger	Gauert	800 New Holland Ave	Lancaster	PA	17602	(717) 690-0435
Tyler	Sunshine	4611 West Chester Pike	LL Newtown Square	PA	19073	(610) 766-7788
Peter	Shine	3500 Scott's Lane	Philadelphia	PA	19129	(800) 893-9721
David	Spierto	477 Oaklawn Drive	Pittsburgh	PA	15241	(412) 831-7876
Christian	Carpico	4440 Township Line Road, Ste 202	Schwenksville	PA	19473	(267) 834-5900
Christian	Carpico	2033 Lucon Rd	Schwenksville	PA	19473	(484) 412-4422
Laurence	Goodman	1180 Old Mill Lane	Wyomissing	PA	19610	(484) 668-1133
Christopher	Sanford	P.O. Box 6154	Warwick	RI	02887	(866) 787-6474
Steven	Starn	1540 Pearman Dairy Road	Anderson	SC	29625	(864) 844-8080
Dawn	Erickson	461 Jessen Lane Suite D.	Charleston	SC	29492	(843) 972-4200
Thomas	Maguire	2651 Shop Road Unit 5	Columbia	SC	29209	(803) 500-9227
Jeffrey L.	Hennings	313 Corner Lake Drive	Fort Mill	SC	29715	(980) 237-6188
Emily	Bohan	121-A Rutherford Road	Greenville	SC	29609	(864) 908-3590
James	Pitts	417 South Buncombe Road, Ste 2	Greer	SC	29650	(864) 565-7500
Robin	Martin	1834 Bluebird Road	John's Island	SC	29455	(843) 580-8988

First Name	Last Name	Address	City	State	Zip	Phone
Joseph	Martin	2411 N. Oak Street, Suite 305-C	Myrtle Beach	SC	29577	(854) 854-9700
Thomas	Maguire	427 Alexander Avenue	Spartanburg	SC	29306	(864) 285-3530
Dawn	Erickson	1511 West 5th North Street	Summerville	SC	29483	(843) 640-0099
<del>Joseph Robert</del>	<del>Hughes</del>	<del>314 Irene Drive</del>	<del>Clarksville</del>	<del>TN</del>	<del>37043</del>	<del>(931) 444-1177</del>
Charles	Atkins	2405 Buchanan Rd, SE	Cleveland	TN	37323	(423) 790-3500
Donald	Slagle	9 Glen Mize Way	Gray	TN	37615	(423) 477-8400
Wayne	Zumwalt	129 Highland Ridge	Hendersonville	TN	37075	(615) 348-7200
Frankie	Stephens	123 Center Park Drive, Suite 215	Knoxville	TN	37922	(865) 999-7876
Marcus	Fors	7505 Appling Center Drive, Ste 101	Memphis	TN	38133	(901) 237-2040
James	Scalf	2618 Wellington Place	Murfreesboro	TN	37128	(615) 295-8080
James	Scalf	TBD	Nashville	TN	37207	(615) 351-6359
<a href="#">Paul</a>	<a href="#">Barnett</a>	<a href="#">1001 FM 89</a>	<a href="#">Abilene</a>	<a href="#">TX</a>	<a href="#">79606</a>	<a href="#">(325) 305-7005</a>
Chris	Dyer	4305 Fairway Drive	Amarillo	TX	79124	(806) 318-9700
Michael	Wogu	2607 Hollywood Drive	Arlington	TX	76013	(817) 259-0995
Dalila	Vazquez	9705 Burnet Road	Austin	TX	78758	(512) 956-5700
Ana Maria	Ospina Arteaga	15510 Ranch Road 620 N	Austin	TX	78717	(737) 289-5800
Oswaldo	Loor	1700 S. Lamar Boulevard, Ste 338	Austin	TX	78704	(512) 953-2548
<del>USA Roofing Dalila</del>	<del>US Roofing Vazquez</del>	<del>1803 Central Drive</del> <del>9705 Burnet Road</del>	<del>Bedford</del> <del>Austin</del>	TX	<del>76021</del> <del>78758</del>	<del>#N/A</del> <del>(512) 956- 5700</del>
<a href="#">Travis</a>	<a href="#">Janicek</a>	<a href="#">4631 W. HWY 190</a>	<a href="#">Belton</a>	<a href="#">TX</a>	<a href="#">76513</a>	<a href="#">(254) 831-9919</a>
U.L.	Armstrong	26254 I-10	Boerne	TX	78006	(830) 266-9494

First Name	Last Name	Address	City	State	Zip	Phone
David I.	Bonilla	1709 E. William J. Bryan Parkway	Bryan	TX	77803	(979) 213-4060
Zachary	Morsbach	700 South Bell Boulevard, Ste F2	Cedar Park	TX	78613	(512) 337-9544
Keegan	Trudgen	537 Houston Street	Coppell	TX	75019	(214) 446-5458
Michael	Baca	1408 Steve Drive	Crowley	TX	76036	(817) 415-0770
Allstate	Insurance	PO Box 650048	Dallas	TX	75265	#N/A
Keegan	Trudgen	<del>10580</del> Newkirk, 8300 Douglas Ave Suite <del>203</del> 800	Dallas	TX	<del>75220</del> 75225	(214) 446-5458
Marco Antonio	Rodriguez, Jr.	1210 Savannah Court	Flower Mound	TX	75028	(469) 830-1500
Chris	Tucker	5035 Martin Luther King Jr. Freeway	Fort Worth	TX	76119	(817) 344-7202
Clint	Collier	648 Cattlemans Way	Fort Worth	TX	76131	(817) 953-5151
Jim	Bauer	5405 Northshore Drive	Frisco	TX	75034	(972) 624-7870
Fung	Dao	3029 Teakwood Drive	Garland	TX	75044	(469) 956-9393
Ismail	El Kehal	3311 Richmond, Suite 221	Houston	TX	77098	(832) 918-3938
Shawn	Ernst	5750 North Sam Houston Pkwy East, #207	Houston	TX	77032	(713) 250-8800
John	Villon	3635 Willowbend Blvd Ste 318	Houston	TX	77054	(832) 856-5900
Ismail	El Kehal	3311 Richmond, Suite 221	Houston	TX	77098	(346) 471-5800
James John	Lin Villon	<del>5829 W. Sam Houston Parkway</del> <del>N</del> 3635 Willowbend Boulevard, Suite 318	Houston	TX	<del>77041</del> 77054	(832) <del>581-4443</del> 856-5900
John Freddy Jose Nava	Villon Urdaneta	<del>3635 Willowbend Blvd Ste 318</del> 108 Tradesman Drive	Houston Hutto	TX	<del>77054</del> 78634	(832) <del>737</del> 598-5511306-0506

First Name	Last Name	Address	City	State	Zip	Phone
Rafat (Rocky)	Handawy	1212 Luke Street	Irving	TX	75061	(940) 290-0900
<a href="#">RyanSaul</a>	<a href="#">RaineyMartinez</a>	<del>11904 Copper Creek Drive</del> <a href="#">650 East State Highway 121</a>	<del>Keller</del> <a href="#">Lewisville</a>	TX	<del>76244</del> <a href="#">75057</a>	<del>(817) 469-302-2090</del> <a href="#">850-0880</a>
Allyson	Strickland	11465 Toepperwein Road	Live Oak	TX	78233	(726) 207-5700
Rene	Ruiz, Jr.	500 E. Hackberry Avenue, Ste 250	McAllen	TX	78501	(956) 217-0999
Gerald and Priya	Saravana-Wall	300 E Davis Street	McKinney	TX	75069	(945) 234-4566
Frank	Rizzo	13801 S. Liberty Street	Montgomery	TX	77316	(936) 283-6262
UL	Armstrong	839 IH 35 South, Suite F	New Braunfels	TX	78130	(830) 359-3080
Gerald and Priya	Saravana-Wall	1501 10th Street, Suite 100	Plano	TX	75074	(972) 892-0000
John	Villon	28131 Robinson Rd.	Province	TX	77385	(346) 351-6500
Jordan	Durham	815 Pierce Road	Red Oak	TX	75154	(945) 259-7876
Bright	Adusei	1650 John King Blvd	Rockwall	TX	75032	(972) 961-4333
Ivan	Oliver	15015 Tradesman Drive, 105	San Antonio	TX	78249	(210) 610-5353
Ivan	Oliver	<del>TBD</del> <a href="#">15015 Tradesman Drive, 105</a>	San Antonio	TX	<del>78253</del> <a href="#">78249</a>	(210) 904-0400
Matthew	Sanders	5504 Bandera Road, Suite 706	San Antonio	TX	78238	(726) 207-5620
<a href="#">Mark</a>	<a href="#">Vickery</a>	<a href="#">11005 Osgood Street</a>	<a href="#">San Antonio</a>	<a href="#">TX</a>	<a href="#">78233</a>	<a href="#">(210) 343-2225</a>
Jiri	Smetana	2030 E. Continental Blvd. Ste 1,	Southlake	TX	76092	(817) 809-8585
<a href="#">Jiri</a>	<a href="#">Smetana</a>	<a href="#">2030 East Continental Blvd</a>	<a href="#">Southlake</a>	<a href="#">TX</a>	<a href="#">76092</a>	<a href="#">(817) 302-2090</a>
<a href="#">Jiri</a>	<a href="#">Smetana</a>	<a href="#">2030 E. Continental Blvd. Ste 1</a>	<a href="#">Southlake</a>	<a href="#">TX</a>	<a href="#">76092</a>	<a href="#">(817) 953-5151</a>
John	Villon	2245 Texas Drive #300	Sugar Land	TX	77479	(281) 916-2002

First Name	Last Name	Address	City	State	Zip	Phone
<a href="#">Jordan</a>	<a href="#">Durham</a>	<a href="#">201 Panorama Loop</a>	<a href="#">Waxahachie</a>	<a href="#">TX</a>	<a href="#">75165</a>	<a href="#">(945) 259-7876</a>
Chris	Empey	15210 S. 1800 W.	Bluffdale	UT	84065	(801) 254-6204
Chris	Empey	1699 W 1700 S, B203	Syracuse	UT	84075	(801) 513-2232
Darrell	Depot	82 Leroy Rd	Williston	VT	05495	(802) 864-5551
Phuntsok (Phil)	Dhargyal	883 S. Pickett Street	Alexandria	VA	22304	(703) 719-2828
Charles (Chuck)	Ritenour	433 Head of River Road	Chesapeake	VA	23322	(757) 330-5511
<del>Joseph</del>	<del>Ortiz</del>	<del>271 Sunset Park Drive</del>	<del>Herndon</del>	<del>VA</del>	<del>20170</del>	<del>(571) 342-6700</del>
Kenneth Wayne	Draper	248 East Church St	Martinsville	VA	24112	(276) 666-3030
Phuntsok (Phil)	Dhargyal	6830 Elm Street, Suite 30	McLean	VA	22101	(571) 620-2200
<a href="#">Peter</a>	<a href="#">Haase</a>	<a href="#">7428 Brandy Creek Road,</a>	<a href="#">Mechanicsville</a>	<a href="#">VA</a>	<a href="#">23111</a>	<a href="#">(804) 554-2533</a>
Stephen	Crane	2425 W. Deerpath Drive	Powhatan	VA	23139	(804) 239-1558
Barbara	Greene	8202 Williamson Road, Ste B	Roanoke	VA	24019	(540) 685-0033
Brett	Dalrymple	7432 Alban Station Blvd A109	Springfield	VA	22150	(703) 334-0410
Richard	Van Dyke	201 Davis Drive Unit JJ	Sterling	VA	20164	(703) 579-8912
Brett	Dalrymple	6418 Old Meetze Rd Unit C	Warrenton	VA	20187	(540) 316-6100
Mike	O'Donnell	1490-5A Quarterpath Road, Suite 327	Williamsburg	VA	23185	(757) 208-7377
<del>Robert</del> <a href="#">Ryan</a>	<del>Jordan</del> <a href="#">Weisheyer</a>	<del>22816</del> <a href="#">22618</a> <del>494th</del> <del>Avenue W</del> <a href="#">Street</a> <del>East</del>	<del>Brier</del> <a href="#">Buckley</a>	WA	<del>98036</del> <a href="#">98321</a>	(253) <del>239-</del> <del>0055</del> <a href="#">988-3638</a>
Craig	Hawkins	909 SE Everett Mall Way Suite A-140	Everett	WA	98208	(425) 595-3443
<a href="#">Nikita</a>	<a href="#">Tereshchenkov</a>	<a href="#">33530 1st Way South</a>	<a href="#">Federal Way</a>	<a href="#">WA</a>	<a href="#">98003</a>	<a href="#">(206) 929-0155</a>

First Name	Last Name	Address	City	State	Zip	Phone
Diana	Gonzalez	22525 SE 64th Place, Suite 2261	Issaquah	WA	98027	(425) 947-1001
Nick	Jones	8901 W. Tucannon Avenue	Kennewick	WA	99336	(509) 316-0884
Robert	Jordan	22816 34th Ave, West	Lynnwood	WA	98036	(855) 787-6349
<a href="#">Robert</a>	<a href="#">Jordan</a>	<a href="#">21231 66th Ave West</a>	<a href="#">Lynnwood</a>	<a href="#">WA</a>	<a href="#">98036</a>	<a href="#">(425) 268-8072</a>
Adam	Runyan	1085 Cedar Avenue	Marysville	WA	98270	(360) 939-1188
Diana	Gonzalez	2420 NE 25th Street	Renton	WA	98056	(425) 336-7876
<a href="#">Tod</a>	<a href="#">Kienitz</a>	<a href="#">727 Root Avenue</a>	<a href="#">Snohomish</a>	<a href="#">WA</a>	<a href="#">98290</a>	<a href="#">(206) 929-0171</a>
<a href="#">Robert</a>	<a href="#">Jordan</a>	<a href="#">13701 24th Street E, Units B2 and B9</a>	<a href="#">Tacoma</a>	<a href="#">WA</a>	<a href="#">98390</a>	<a href="#">(253) 239-0055</a>
Craig	Hawkins	20109 144th Avenue NE	Woodinville	WA	98072	(425) 488-7688
Kevin & Rhonda	Casper	27315 County Highway G	Ashland	WI	54806	(715) 682-2900
Jennifer	Wine	151 Industrial Drive	Burlington	WI	53105	(262) 342-2226
Keegan	Trudgen	1364 Reber Street	Green Bay	WI	54302	(920) 965-8339
Dan	Dringoli	4362 County Rd S	Oshkosh	WI	54904	(920) 886-8151
Kevin and Beth	McBride	3288 Church Street	Stevens Point	WI	54481	(715) 321-2526
Keegan	Trudgen	21870 Watertown Road	Waukesha	WI	53186	(414) 516-4300
Joseph	Ortiz	Metro Office Park, #3 Calle 1, Lot 3,	Guayanabo	PR	00968	<del>(939) 571-739-8325</del> <a href="#">342-6700</a>
<a href="#">Joseph</a>	<a href="#">Ortiz</a>	<a href="#">Metro Office Park, #3 Calle 1, Lot 3,</a>	<a href="#">Guaynabo</a>	<a href="#">PR</a>	<a href="#">00968</a>	<a href="#">(939) 739-8325</a>

**Company Owned Offices as of ~~12/31/2023~~ [12/31/2024](#)**

NONE.

**U.S. Franchise Agreements Signed as of ~~12/31/2023~~12/31/2024  
But Business Not Operational as of ~~12/31/2023~~12/31/2024 Pending Training**

First Name	Last Name	City	State	Phone
Arturo	Hagopian Arizmendi	San Diego	CA	(858) 265-7233
<del>Nicholas</del> Josh	<del>Ondrejka</del> Ayers	<del>San Rafael</del> Tulare	CA	( <del>628661</del> ) 888- 2911201-8251
<del>Peter</del> Crosby	<del>Girgis</del> Haddadian	<del>Sylmar</del> Van Nuys	CA	(818) <del>922-8330</del> 538- 6911
<del>James</del> Othneil	<del>Daughtry</del> Baudouin	<del>Miramar</del> Pompano Beach	FL	( <del>850954</del> ) 399- 3380546-9090
<del>Donald</del>	<del>McDaniel</del>	<del>Milan</del>	<del>IL</del>	(563) 484-4846
<del>David</del>	<del>Villescas</del>	<del>South Wichita</del>	<del>KS</del>	(316) 315-6070
<del>Miguel</del>	<del>Rocha</del>	<del>Lakeville</del>	<del>MN</del>	(952) 377-8477
Larry <del>Dennis</del>	Webb	St. Charles	MO	(636) 373-9696
<del>Anson</del> Caryn	<del>Orr</del> Hackney	<del>Fair Lawn</del> Jamesburg	NJ	( <del>551732</del> ) 751- 1288338-9330
<del>Saul</del> Taj	<del>Martinez</del> Masson	<del>Lewisville</del> Uniondale	<del>TX</del> NY	( <del>469516</del> ) 850- 0880399-4400
<del>Ted</del> Christian	<del>Kienitz</del> Carpico	<del>North Logan</del> Doylestown	<del>UT</del> PA	( <del>206267</del> ) 929- 0171834-5900
<del>Nikita</del> Reinaldo	<del>Tereshehenkov</del> Sudberry	<del>Federal Way</del> Fort Worth	<del>WA</del> TX	( <del>206817</del> ) 929- 0155415-1184

**Franchisees that left the system during ~~2023~~2024**

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

**Terminations**

Owner	City	State	Phone
<del>Narinder Badhan &amp; Cristian</del> <del>Cruz</del> Francisco Rojas	<del>Los Angeles</del> Fresno	CA	( <del>310559</del> ) 893- 5444577-3474
<del>Jarrett</del> Hale	<del>Lake Elsinore</del>	<del>CA</del>	(951) 566-1600
<del>Maurice</del> Nalley <del>Arthur</del> <del>Curtis</del>	<del>Fort Myers</del> Brandon	FL	( <del>239813</del> ) 266- 3535787-3789
<del>Kenice</del> Henriques	<del>Pompano Beach</del>	<del>FL</del>	(347) 413-0947

Owner	City	State	Phone
<a href="#">Temoh Nesbitt</a>	<a href="#">Atlanta</a>	<a href="#">GA</a>	<a href="#">(404) 547-4054</a>
<del>Jackie Copeland &amp; Sandra Copeland</del> <a href="#">David Leopard</a>	<del>Rome</del> <a href="#">Blairsville</a>	GA	(706) <del>291-2722</del> <a href="#">400-6110</a>
<a href="#">Nicholas Oliveri</a>	<a href="#">Covington</a>	<a href="#">GA</a>	<a href="#">(561) 385-7949</a>
<del>Nicholas Pacella</del> <a href="#">Joseph Kochou</a>	<del>Hinsdale</del> <a href="#">Des Plaines</a>	IL	( <del>630</del> <a href="#">847</a> ) <del>413-0990</del> <a href="#">456-8000</a>
<del>Troy Smith</del> <a href="#">Michael Walters</a>	<del>Overland Park</del> <a href="#">Council Bluffs</a>	<del>KS</del> <a href="#">IA</a>	( <del>913</del> <a href="#">712</a> ) <del>981-9200</del> <a href="#">435-3434</a>
<a href="#">Gregory Hilycord</a>	<a href="#">Dayton</a>	<a href="#">KY</a>	<a href="#">(859) 982-9900</a>
<a href="#">Jeremy Gonzalez</a>	<a href="#">Lafayette</a>	<a href="#">LA</a>	<a href="#">(337) 380-2075</a>
<del>Brad McCrum</del> <a href="#">Christopher Anderson</a>	<del>Portland</del> <a href="#">Eliot</a>	ME	( <del>207</del> <a href="#">603</a> ) <del>835-8899</del> <a href="#">570-6996</a>
<del>Mario Sejdin</del> <a href="#">Jeremy Brigham</a>	<del>Lansing</del> <a href="#">Newton</a>	<del>MI</del> <a href="#">IA</a>	( <del>517</del> <a href="#">617</a> ) <del>679-3100</del> <a href="#">992-7400</a>
<a href="#">David Brauer</a>	<a href="#">Walpole</a>	<a href="#">MA</a>	<a href="#">(508) 734-3022</a>
<a href="#">Johnathon Tripp</a>	<a href="#">Bourbon</a>	<a href="#">MO</a>	<a href="#">(573) 468-8797</a>
<del>Randall Barrett</del> <a href="#">Justin Patnode</a>	<del>Rochester</del> <a href="#">Albany</a>	NY	( <del>585</del> <a href="#">518</a> ) <del>431-6060</del> <a href="#">578-5101</a>
<del>Quinnzel Memillian</del> <a href="#">Joseph Hughes</a>	<del>Wake Forest</del> <a href="#">Clarksville</a>	<del>NC</del> <a href="#">TN</a>	( <del>984</del> <a href="#">931</a> ) <del>401-2220</del> <a href="#">444-1177</a>
<del>Raymond Losego</del> <a href="#">James Lin</a>	<del>Imperial</del> <a href="#">Houston</a>	<del>PA</del> <a href="#">TX</a>	( <del>412</del> <a href="#">832</a> ) <del>872-2900</del> <a href="#">408-2000</a>
<del>Tung Dao</del> <a href="#">Adam Shepherd</a>	<del>Garland</del> <a href="#">Humble</a>	TX	( <del>469</del> <a href="#">281</a> ) <del>956-9393</del> <a href="#">713-4545</a>
<del>Kevin Rybak</del> <del>Jerome Matthews</del> <a href="#">Rene Ritz</a>	<del>Spokane</del> <a href="#">McAllen</a>	<del>WA</del> <a href="#">TX</a>	( <del>509</del> <a href="#">956</a> ) <del>505-5353</del> <a href="#">998-6226</a>

### Transfers

Franchisee	City	State	Phone
<del>Kurt Nix</del> <a href="#">Kenny Ashcraft</a>	<del>Redlands</del> <a href="#">Huntsville</a>	<del>CAL</del>	( <del>909</del> <a href="#">256</a> ) <del>792-1360</del> <a href="#">924-3070</a>
<a href="#">Ryan Lawrence</a>	<a href="#">Lowell</a>	<a href="#">AR</a>	<a href="#">(479) 332-3100</a>

Franchisee	City	State	Phone
<a href="#">Chase Morrissey</a>	<a href="#">Aurora</a>	<a href="#">CO</a>	<a href="#">(970) 795-8200</a>
<del>Bruce Helart; Scott Sorenson</del> <a href="#">Chris Lechman</a>	<del>Broomfield</del> <a href="#">Bennett</a>	CO	(720) <del>773-</del> <a href="#">3400773-3388</a>
<del>Christopher P. Barnett</del> <a href="#">Chris Lechman</a>	<del>Sheridan</del> <a href="#">Highlands Ranch</a>	CO	(303) <del>720) 209-</del> <a href="#">3310773-3388</a>
<a href="#">Alex Zislis</a>	<a href="#">Stamford</a>	<a href="#">CT</a>	<a href="#">(203) 554-4993</a>
<del>Mr. Jason Smith; Mr. Shawn Stuben</del> <a href="#">Frank Garcia</a>	<del>Naples</del> <a href="#">Orlando</a>	FL	(239) <del>407) 330-</del> <a href="#">3939751-1550</a>
<del>James Stern</del> <a href="#">Marcin Popiolek</a>	<del>Buford</del> <a href="#">Lake Barrington</a>	<del>GA</del> <a href="#">IL</a>	(470) <del>847) 822-</del> <a href="#">3500991-1600</a>
<del>Dave Nieman</del> <a href="#">Jeff Rush</a>	<del>Canton</del> <a href="#">Greenfield</a>	<del>GA</del> <a href="#">IN</a>	(770) <del>317) 720-</del> <a href="#">2320966-6630</a>
<del>Alexander Ho</del> <a href="#">Daniel Owusu-Anim</a>	<del>Plymouth</del> <a href="#">Center Valley</a>	<del>MI</del> <a href="#">PA</a>	(734) <del>484) 738-</del> <a href="#">0444750-2700</a>
<del>Alexander Ho</del> <a href="#">Djaber Benarieb</a>	<del>Waterford</del> <a href="#">King of Prussia</a>	<del>MI</del> <a href="#">PA</a>	(248) <del>610) 724-</del> <a href="#">1500595-5777</a>
<del>Salvatore Pusateri</del> <a href="#">Emily Bohan</a>	<del>Massapequa</del> <a href="#">Greenville</a>	<del>NY</del> <a href="#">SC</a>	(516) <del>864) 604-</del> <a href="#">1200423-5614</a>
<del>Linda Sharp</del> <a href="#">Clint Collier</a>	<del>Conroe</del> <a href="#">Fort Worth</a>	TX	(832) <del>817) 562-</del> <a href="#">4422953-5151</a>
<del>Allyson Strickland</del> <a href="#">Ryan Rainey</a>	<del>Live Oak</del> <a href="#">Keller</a>	TX	(726) <del>817) 207-</del> <a href="#">5700302-2090</a>

### Non-Renewals

Franchisee	City	State	Phone
<del>Jack Currault</del>	<del>Lafayette</del>	<del>LA</del>	<del>(504) 218-2266</del>
<del>David Michaud</del>	<del>Festus</del>	<del>MO</del>	<del>(314) 898-0935</del>
<del>Thomas Brammer</del>	<del>South Point</del>	<del>OH</del>	<del>(606) 547-3303</del>

**EXHIBIT B**

**LIST OF AGENTS FOR SERVICE OF PROCESS AND ADMINISTRATORS**

## LIST OF AGENTS FOR SERVICE OF PROCESS AND ADMINISTRATORS

### CALIFORNIA

Department of Financial  
Protection & Innovation  
320 West 4<sup>th</sup> St., Suite 750  
Los Angeles, CA 90013-1105  
Telephone: 1-866-275-2677

### HAWAII

Commissioner of Securities of  
the State of Hawaii  
335 Merchant Street  
Room 205  
Honolulu, HI 96813

### ILLINOIS

Attorney General State of Illinois  
500 South Second Street  
Springfield, Illinois 62706

### INDIANA

Agent for Service of Process  
Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204

### State Administrator

Securities Commissioner  
Indiana Securities Division  
302 West Washington, Room E-  
111  
Indianapolis, Indiana 46204

### MARYLAND

Agent to Receive Process  
Securities Commissioner  
Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

### State Authority

Office of the Attorney General  
Securities Division  
200 St. Paul Place, 20th Floor  
Baltimore, Maryland 21202

### MICHIGAN

Consumer Protection Division  
Franchise Administrator  
G. Mennen Williams Building  
525 West Ottawa Street, 1<sup>st</sup> Floor  
Lansing, Michigan 48913

### MINNESOTA

Commissioner of Commerce  
Minnesota Department of  
Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101

### NEW YORK

Agent to Receive Process  
New York Secretary of State,  
One Commerce Plaza, 99  
Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231

### State Administrator

Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005

### NORTH DAKOTA

North Dakota Securities  
Department  
State Capital Fifth Floor  
600 East Boulevard Avenue  
Bismarck, North Dakota 58505  
Telephone: (701) 328-4712

### RHODE ISLAND

Rhode Island Department of  
Business Regulation  
Securities Section  
1511 Pontiac Avenue  
John O. Pastore Center  
Building 69-1  
Cranston, RI 02920

### SOUTH DAKOTA

Division of Insurance  
Securities Regulation  
124 South Euclid Ave, Suite 104  
Pierre, SD 57501

### VIRGINIA

Agent to Receive Process  
Clerk of the State Corporation  
Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219

### State Administrator

State Corporation Commission  
Division of Securities and Retail  
Franchise  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, Virginia 23219

### WASHINGTON

Agent for Service of Process  
Securities Division  
Department of Financial Institutions  
PO Box 41200  
Olympia, WA 98504-1200

### State Administrator

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Rd SW  
Tumwater, Washington 98501

### WISCONSIN

Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705

**EXHIBIT C**

**PUROSYSTEMS, LLC**  
**FINANCIAL STATEMENTS**

# **PUROSYSTEMS, LLC AND SUBSIDIARY**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

Years ended December 31, 2024, 2023, and 2022

# PUROSYSTEMS, LLC AND SUBSIDIARY

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## INDEPENDENT AUDITOR'S REPORT

To the Member  
PuroSystems, LLC and Subsidiary

### Opinion

We have audited the accompanying consolidated financial statements of PuroSystems, LLC and Subsidiary ("the Company"), which comprise the consolidated balance sheets as of December 31, 2024, 2023, and 2022, and the related consolidated statements of income, member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*UHY LLP*

Sterling Heights, Michigan  
April 17, 2025

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

	December 31,		
	2024	2023	2022
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,227,957	\$ 2,804,826	\$ 3,106,151
Accounts receivable, net of allowance for credit losses of \$1,384,935, \$553,103 and \$366,455, respectively	2,561,627	2,384,260	2,630,076
Prepaid expenses	849,819	904,395	684,415
Current portion of notes receivable, net of allowance for credit losses of \$270,676 \$262,225 and \$239,980, respectively	181,809	153,818	214,597
Total current assets	4,821,212	6,247,299	6,635,239
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>15,468,714</b>	16,724,162	17,033,115
<b>OTHER ASSETS</b>			
Notes receivable, net of allowance for credit losses of \$43,235, \$25,328, and \$0, respectively	-	57,474	89,657
Notes receivable - related party	6,686,886	-	-
Contract assets	3,841,020	3,754,325	3,473,368
Right-of-use assets - operating leases, net	575,435	880,948	1,182,574
Interest receivable	215,652	-	-
Other assets	471,746	363,479	113,479
Total other assets	11,790,739	5,056,226	4,859,078
<b>TOTAL ASSETS</b>	<b>\$ 32,080,665</b>	<b>\$ 28,027,687</b>	<b>\$ 28,527,432</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of long-term debt	\$ 2,275,523	\$ 3,418,028	\$ 3,363,921
Current portion of operating lease liabilities	270,751	334,025	317,133
Accounts payable	2,897,903	2,326,309	2,001,919
Accrued expenses	1,844,790	2,574,730	1,912,420
Contract liabilities	1,400,825	1,174,965	2,135,500
Total current liabilities	8,689,792	9,828,057	9,730,893
<b>LONG-TERM LIABILITIES, net of current portion</b>			
Operating lease liabilities	356,698	627,449	961,475
Line of credit	500,000	-	-
Long-term debt	17,852,528	13,361,384	16,779,412
Total long-term liabilities	18,709,226	13,988,833	17,740,887
<b>TOTAL LIABILITIES</b>	<b>27,399,018</b>	23,816,890	27,471,780
<b>MEMBER'S EQUITY</b>	<b>4,681,647</b>	4,210,797	1,055,652
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$ 32,080,665</b>	<b>\$ 28,027,687</b>	<b>\$ 28,527,432</b>

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY**  
**Years ended December 31, 2024, 2023, and 2022**

	<b>Member's Units</b>		<b>Member Advance</b>	<b>Member's Equity</b>
	<b>Units</b>	<b>Amount</b>		
Balance, January 1, 2022	450	\$ 450	\$ (804,000)	\$ 4,115,563
Net income	-	-	-	5,791,306
Distributions	-	-	-	(8,047,667)
Balance, December 31, 2022	450	450	(804,000)	1,859,202
Net income	-	-	-	5,937,513
Distributions	-	-	-	(2,782,368)
Balance, December 31, 2023	450	450	(804,000)	5,014,347
Net income	-	-	-	2,783,964
Distributions	-	-	-	(2,313,114)
Balance, December 31, 2024	450	\$ 450	\$ (804,000)	\$ 5,485,197

*See notes to consolidated financial statements.*

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**

	Years ended December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue			
Royalty, services and other fees	\$ 28,884,077	\$ 27,348,040	\$ 21,960,356
Initial franchise fee	1,944,100	3,385,500	2,786,125
Other	647,561	2,277,477	1,301,042
<b>Total revenue</b>	<b>31,475,738</b>	33,011,017	26,047,523
Operating expenses			
Salaries and benefits	10,743,892	10,234,590	10,214,557
Selling, general and administrative	15,446,291	14,353,393	9,147,748
Depreciation and amortization	1,309,874	1,289,158	589,759
Total operating expenses	<b>27,500,057</b>	25,877,141	19,952,064
Operating income	<b>3,975,681</b>	7,133,876	6,095,459
Other income (expenses)			
Loss from equity method investment	(29,358)	-	-
Interest income	215,652	-	-
Interest expense	(1,378,011)	(1,196,363)	(304,153)
Total other income (expenses)	<b>(1,191,717)</b>	(1,196,363)	(304,153)
<b>Net income</b>	<b>\$ 2,783,964</b>	\$ 5,937,513	\$ 5,791,306

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years ended December 31,		
	2024	2023	2022
<b>OPERATING ACTIVITIES</b>			
Net income	\$ 2,783,964	\$ 5,937,513	\$ 5,791,306
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,309,874	1,289,158	589,759
Provision for credit losses	863,090	234,221	-
Reduction in the carrying amount of ROU assets	305,513	301,626	298,028
Loss from equity method investment	29,358	-	-
Changes in:			
Accounts receivable	(1,014,101)	59,168	64,389
Interest receivable	(215,652)	-	-
Prepaid expenses	54,576	(219,980)	(315,427)
Contract assets	(86,695)	(280,957)	(672,530)
Other assets	12,375	(250,000)	(94,928)
Accounts payable and accrued expenses	(158,346)	986,700	(1,579,834)
Operating lease liabilities	(334,025)	(317,134)	(273,049)
Deferred rent	-	-	(75,460)
Contract liabilities	225,860	(960,535)	921,250
Net cash provided by operating activities	<b>3,775,791</b>	6,779,780	4,653,504
<b>INVESTING ACTIVITIES</b>			
Expenditures for property and equipment	(54,428)	(980,205)	(16,314,201)
Issuance of notes receivable	(382,131)	(341,139)	(372,609)
Repayments on notes receivable	385,260	386,528	385,024
Expenditure for related party notes receivable	(6,686,886)	-	-
Investment in affiliate	(150,000)	-	-
Net cash used in investing activities	<b>(6,888,185)</b>	(934,816)	(16,301,786)
<b>FINANCING ACTIVITIES</b>			
Borrowings on line of credit	500,000	-	-
Payments on line of credit	-	-	(1,000,000)
Proceeds from bank debt	7,000,000	-	20,976,667
Payments on bank debt	(3,651,361)	(3,363,921)	(2,222,223)
Distributions	(2,313,114)	(2,782,368)	(8,047,667)
Net cash provided by (used in) financing activities	<b>1,535,525</b>	(6,146,289)	9,706,777
<b>NET CHANGE IN CASH</b>	<b>(1,576,869)</b>	(301,325)	(1,941,505)
<b>CASH, Beginning of year</b>	<b>2,804,826</b>	3,106,151	5,047,656
<b>CASH, End of year</b>	<b>\$ 1,227,957</b>	<b>\$ 2,804,826</b>	<b>\$ 3,106,151</b>
<b>Interest paid</b>	<b>\$ 1,341,828</b>	<b>\$ 1,204,440</b>	<b>\$ 223,310</b>

See notes to consolidated financial statements.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 1 – COMPANY OPERATIONS**

PuroSystems, LLC, is a franchisor headquartered in Florida, offering franchises for sale. Franchises offered are for the establishment of businesses that operate restoration and mitigation services for fire, water, and other forms of property casualty damage and certain casualty and non-casualty related cleaning services. Franchise agreements currently in effect provide for initial terms of 10 or 20 years and contain renewal provisions for one or more additional terms of 5 or 20 years. The Company's franchisees are located throughout the United States. Puro Aviation, LLC, owns and leases an aircraft to PuroSystems, LLC.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of certain accounting policies followed in the preparation of these consolidated financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in preparation of the consolidated financial statements.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of PuroSystems, LLC and its wholly owned subsidiary, Puro Aviation, LLC (collectively, "the Company"). All significant intercompany accounts and transactions have been eliminated.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk**

The Company, from time to time during the period covered by these consolidated financial statements, may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

**Cash and Cash Equivalents**

The Company considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2024, 2023, and 2022

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable/Allowance for Credit Losses**

The Company carries its accounts receivable at invoiced amounts less an allowance for credit losses. All amounts deemed to be uncollectible are charged against the allowance for credit losses in the period that determination is made. The allowance for credit losses is established based upon historical collection rates and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

The following summarizes the change in allowance for credit losses:

	Years ended December 31,		
	2024	2023	2022
Balance at beginning of year	\$ 553,103	\$ 366,455	\$ 792,281
Provision for credit losses	836,734	220,000	-
Write-offs	(4,902)	(33,352)	(425,826)
Balance at end of year	<u>\$ 1,384,935</u>	<u>\$ 553,103</u>	<u>\$ 366,455</u>

**Note Receivable/Allowance for Credit Losses**

The Company carries its notes receivable at the outstanding balance due less an allowance for credit losses. All amounts deemed to be uncollectible are charged against the allowance for credit losses in the period that determination is made. The allowance for credit losses is established based upon historical collection rates and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

The following summarizes the change in allowance for credit losses:

	Years ended December 31,		
	2024	2023	2022
Balance at beginning of year	\$ 287,553	\$ 239,980	\$ 474,050
Provision for credit losses	60,000	50,000	-
Write-offs	(33,642)	(2,427)	(234,070)
Balance at end of year	<u>\$ 313,911</u>	<u>\$ 287,553</u>	<u>\$ 239,980</u>

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

Management capitalizes expenditures for property and equipment. Expenditures for maintenance and repairs are charged to operating expense. Property and equipment are carried at cost. Adjustments to the asset and the related accumulated depreciation and amortization accounts are made for property and equipment retirements and disposals, with the resulting gain or loss included in the consolidated statements of income.

**Depreciation and Amortization**

For financial reporting purposes, depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the assets at acquisition. Leasehold improvements are amortized over the shorter of the expected asset life or the lease term. The expected useful lives for property and equipment range from 3 to 20 years.

**Revenue Recognition**

The Company generates revenue through the sale of franchises. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. The Company recognizes revenue at the amount to which it expects to be entitled when control of the good or service is transferred to the customer. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of goods or services are transferred to its customers. At each contract inception, the Company determines, when control of a good or service transfers to a customer over time or at a point in time.

The franchise contracts require an initial fee that is due and payable when a contract is signed. The Company accounts for certain pre-opening services provided to a franchisee as distinct from the franchise license. As a result, the Company has identified one performance obligation related to its pre-opening services. The Company's pre-opening services typically involve site selection, new franchise training, initial field training and equipment. The Company is required to provide, and the franchisee is required to take, training in the various aspects of the restoration industry and the Company's procedures and methods before the franchisee commences operations. The Company recognizes revenue from initial franchise fees at a point in time after this pre-opening training has been completed.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

After the commencement of operations, the franchisee is required to pay the Company a monthly royalty fee ranging from 2% to 10% of gross receipts, as defined in each franchise agreement. The Company is required to provide use of its proprietary marks, copyrighted materials, on-going support, and technical assistance. The Company determined that these services represent a set of integrated or highly integrated services and are therefore accounted for as a single performance obligation of providing the franchise license. The Company recognizes royalty fees over time when earned based on monthly gross receipts as reported by franchisees.

The following table presents the Company’s revenues disaggregated by point in time and over time recognition:

	Years ended December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Point in time recognition	\$ 2,591,661	\$ 5,662,977	\$ 4,087,167
Over time recognition	<u>28,884,077</u>	<u>27,348,040</u>	<u>21,960,356</u>
Total revenue	<u>\$ 31,475,738</u>	<u>\$ 33,011,017</u>	<u>\$ 26,047,523</u>

**Contract Assets and Liabilities**

Contract assets consist of incremental costs the Company incurs to obtain its contracts. The Company has identified costs incurred related to commissions and broker referral fees as specific costs that were incurred to obtain a contract and are expected to be recovered over the duration of the customer contract. The Company amortizes these capitalized costs over a period of 20 years, which is commensurate with the typical contractual terms and the expected average customer life for each franchisee. The unamortized balance of these incremental costs is recorded as a contract asset on the consolidated balance sheets.

Contract liabilities consist of deferred revenue, which represent the non-refundable upfront payments received whereby the Company has not yet provided its pre-opening services.

**Income Taxes**

The Company has elected to be treated as a partnership under the Internal Revenue Code. Under these provisions, the Company generally does not pay Federal corporate income taxes on its taxable income. Instead, the member is liable for individual Federal income taxes on their respective share of the Company’s taxable income. Accordingly, no provision for Federal corporate income taxes has been reflected in the consolidated financial statements. The member may receive distributions for income taxes.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising**

Advertising costs are expensed as incurred. Advertising expense for years ended December 31, 2024, 2023, and 2022 amounted to \$1,354,407, \$1,086,512, and \$1,041,688, respectively.

**Leases**

The Company determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Company has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the risk-free rate. The risk free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term. The Company's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments are recognized on straight-line basis over the lease term.

Variable lease expense includes payments based upon usage of the leased assets, including common area maintenance, and are expensed as incurred. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation.

**Subsequent Events**

The Company has performed a review of events subsequent to the consolidated balance sheet date through April 17, 2025, the date the consolidated financial statements were available to be issued and has determined that there are no material subsequent events that have occurred during this period.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 3 – RELATED PARTY TRANSACTIONS**

**Accounts Receivable**

The Company pays for various operating expenses on behalf of entities related through common ownership which are subsequently reimbursed to the Company. The amount owed to the Company as of December 31, 2024, 2023, and 2022 from the related entities amounted to \$1,982, \$146,092, \$67,054, respectively.

**Notes Receivable**

At December 31, 2024, the Company was owed \$6,686,886 from its member. The notes are unsecured, mature in December 2029, and bear interest at 4.3%. All principal and interest are due upon maturity. At December 31, 2024, accrued interest receivable relating to these notes amounted to \$215,652.

**Accounts Payable/Accrued Expenses**

At December 31, 2024, 2023, and 2022, the Company owed \$22,523, \$76,791, and \$167,151, respectively, to related parties through common ownership. The amounts are expected to be repaid under normal business terms.

**Advance to Member**

At each December 31, 2024, 2023, and 2022, the Company was owed \$804,000 from its member. The notes are unsecured, non-interest bearing, and due on demand. The notes are classified as a reduction to member's equity on the consolidated statements of member's equity.

**Operating Lease**

The Company leased an operating facility from a related party through common ownership. The lease agreement was short term in nature and required monthly payments of \$3,000 per month. The lease was terminated during the year ended December 31, 2023. See Note 11.

**Management Fee Income**

The Company charges a related party periodic and monthly management fees in exchange for the use of operating under the PuroSystems' branding and various other shared services. Total management fee income was \$646,755, \$550,510, and \$359,542 for the years ended December 31, 2024, 2023, and 2022, respectively. This income has been included in royalty, services, and other fees on the consolidated statements of income.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2024, 2023, and 2022

**NOTE 4 – NOTES RECEIVABLE**

Notes receivable consists of the following:

	December 31,		
	2024	2023	2022
Notes receivable from various unrelated third parties. The notes require monthly payments ranging from \$300 to \$4,023, including interest ranging from 0.00% to 8%, and mature at various dates through September 2026.	\$ 495,720	\$ 498,845	\$ 544,234
Less: notes receivable allowance	313,911	287,553	239,980
Notes receivable, net	181,809	211,292	304,254
Less: current portion of notes receivable, net	181,809	153,818	214,597
	<u>\$ -</u>	<u>\$ 57,474</u>	<u>\$ 89,657</u>

Minimum future receipts under the notes receivable described above, net of allowances for credit losses, for the next two years are:

Years ended December 31,	Principal	Allowance	Net
2025	\$ 452,485	\$ (270,676)	\$ 181,809
2026	43,235	(43,235)	-
	<u>\$ 495,720</u>	<u>\$ (313,911)</u>	<u>\$ 181,809</u>

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2024, 2023, and 2022

**NOTE 5 – CONTRACT ASSETS AND LIABILITIES**

The beginning and ending contract assets consisted of the following:

	December 31,		
	2024	2023	2022
Accounts receivable, net			
Beginning	\$ 2,384,260	\$ 2,630,076	\$ 2,694,465
Ending	\$ 2,561,627	\$ 2,384,260	\$ 2,630,076
Costs to obtain contracts			
Beginning	\$ 3,754,325	\$ 3,473,368	\$ 2,800,838
Ending	\$ 3,841,020	\$ 3,754,325	\$ 3,473,368

During the years ended December 31, 2024, 2023, and 2022, the Company capitalized costs to obtain contracts, which were comprised of commissions and broker referral fees, in the amount of \$532,330, \$621,079, and \$976,476, respectively, and recorded amortization expense of \$445,634, \$340,122, and \$303,945, respectively.

The beginning and ending contract liabilities consisted of the following:

	December 31,		
	2024	2023	2022
Deferred revenue			
Beginning	\$ 1,174,965	\$ 2,135,500	\$ 1,214,250
Ending	\$ 1,400,825	\$ 1,174,965	\$ 2,135,500

Revenue recognized for the years ended December 31, 2024, 2023, and 2022 that was included in the contract liability balance at the beginning of the year was \$563,000, \$1,631,750, and \$694,875, respectively.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2024, 2023, and 2022

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	December 31,		
	2024	2023	2022
Equipment	\$ 1,138,907	\$ 1,138,907	\$ 761,437
Computers and software	2,451,508	2,433,732	2,337,079
Leasehold improvements	1,011,435	980,945	866,662
Furniture and fixtures	496,757	390,637	384,696
Transportation equipment	16,928,702	16,913,944	16,552,722
Construction in process	45,471	160,187	135,551
	<u>22,072,780</u>	<u>22,018,352</u>	<u>21,038,147</u>
Less: accumulated depreciation and amortization	<u>6,604,066</u>	<u>5,294,190</u>	<u>4,005,032</u>
	<u><u>\$ 15,468,714</u></u>	<u><u>\$ 16,724,162</u></u>	<u><u>\$ 17,033,115</u></u>

Depreciation and amortization expense amounted to \$1,309,874, \$1,289,158, and \$589,759 for the years ended December 31, 2024, 2023, and 2022, respectively.

**NOTE 7 – ACCRUED EXPENSES**

Accrued expenses consist of the following:

	December 31,		
	2024	2023	2022
Payroll	\$ 614,476	\$ 1,125,662	\$ 1,060,139
Vacation	101,116	94,493	-
Insurance	1,009,671	850,944	709,617
Interest	117,026	80,843	88,920
Settlement	-	400,000	-
Other	2,501	22,788	53,744
	<u>\$ 1,844,790</u>	<u>\$ 2,574,730</u>	<u>\$ 1,912,420</u>

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 8 – LINE OF CREDIT**

At December 31, 2024, 2023, and 2022, the Company had a line-of-credit agreement with a bank which allows for maximum borrowing up to \$2,000,000, subject to a borrowing base calculation. During the year ended December 31, 2024, the Company entered into an amended line-of-credit agreement which bears interest at the Secured Overnight Financing Rate ("SOFR") plus an applicable margin dependent on the Company's funded debt to EBIDTA ratio (effective rate of 7.32% at December 31, 2024), and extends the maturity date to May 2029. The line of credit is secured by all assets of the Company, and is guaranteed by the member of the Company. The balance outstanding on the line of credit at December 31, 2024 amounted to \$500,000. There was no outstanding balance on the line of credit at December 31, 2023 or 2022. The line of credit includes an unused balance fee of 0.25% due monthly. The line of credit is subject to certain financial covenants, including funded debt to EBITDA, basic fixed-charge coverage ratio and asset coverage ratio.

**NOTE 9 – LONG-TERM DEBT**

During the year ended December 31, 2022, the Company refinanced their existing note payable with a bank to provide additional financing under a new note payable in amount of \$7,500,000. The note requires monthly payments of \$208,333, plus interest at SOFR plus an applicable margin dependent on the Company's funded debt to EBIDTA ratio. The note is collateralized by all assets of the Company and matures in March 2025. The note is guaranteed by the member of the Company and is subject to certain financial covenants including funded debt to EBIDTA, basic fixed-charge coverage ratio and asset coverage ratio. At December 31, 2024, 2023, and 2022, the balance outstanding on the note amounted to \$833,333, \$3,333,333, and \$5,833,333, respectively.

During the year ended December 31, 2022, the Company entered into a note payable with a bank in the amount of \$14,310,000. The note requires monthly payments of \$142,629, including interest at 6.09%. The note is collateralized by certain assets of the Company, and matures in December 2029. At December 31, 2024, 2023, and 2022, the balance outstanding on the note amounted to \$12,528,051, \$13,446,073, and \$14,310,000, respectively.

During the year ended December 31, 2024, the Company entered into a note payable with a bank in the amount of \$7,000,000. The note requires variable monthly payments ranging from \$29,167 to \$87,500, plus interest at SOFR plus an applicable margin dependent on the Company's funded debt to EBIDTA ratio. The note is collateralized by all assets of the Company and matures in May 2029. The note is guaranteed by the member of the Company and is subject to certain financial covenants including funded debt to EBIDTA, basic fixed-charge coverage ratio and asset coverage ratio. At December 31, 2024, the balance outstanding on the note amounted to \$6,766,667.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2024, 2023, and 2022

**NOTE 9 – LONG-TERM DEBT** (Continued)

The following is a schedule of minimum long-term payments for the notes described above and in Note 8, for each of the next five years:

<u>Years ending December 31,</u>	<u>Amount</u>
2025	\$ 2,275,523
2026	1,678,285
2027	1,918,208
2028	2,162,196
2029	<u>12,593,839</u>
	<u><u>\$ 20,628,051</u></u>

**NOTE 10 – LEASES**

The Company primarily has operating leases for its operating facilities, which encompass both related party and third-party leases. The Company's leases have remaining lease terms that range from less than one year to leases that mature through April 2027.

The components of lease costs (including related party leases) are as follows:

	<u>Years ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ 315,226	\$ 315,226	\$ 315,226
Short-term lease expense	22,186	20,109	29,612
Variable lease expense	158,272	132,831	126,172
Related-party lease expense	<u>-</u>	<u>24,000</u>	<u>36,000</u>
	<u><u>\$ 495,684</u></u>	<u><u>\$ 492,166</u></u>	<u><u>\$ 507,010</u></u>

The weighted average remaining lease term of operating leases as of December 31, 2024, 2023, and 2022 was 2.3 years, 3.1 years, and 4.1 years, respectively.

The weighted average discount rate of operating leases as of December 31, 2024, 2023, and 2022 was 1.26%, 1.23%, and 1.22%, respectively.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 10 – LEASES** (Continued)

Minimum future lease payments under non-cancellable operating leases described above as of December 31, 2024, are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2025	\$ 276,778
2026	269,955
2027	<u>89,550</u>
Total undiscounted cash flows	636,283
Less: present value discount	<u>(8,834)</u>
Total lease liabilities	<u><u>\$ 627,449</u></u>

**NOTE 11 – CONTINGENCIES**

**Paycheck Protection Program (“PPP”) Loan**

According to the rules of the SBA, the Company is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Company's judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the Company may be required to adjust previously reported amounts and disclosures in the financial statements.

**NOTE 12 – CASH FLOWS**

**Investing Activities – Non-Cash**

During the year ended December 31, 2022, the Company had \$156,575 of right-of-use assets obtained in exchange for third-party operating lease obligations.

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2024, 2023, and 2022**

**NOTE 13 – EQUITY METHOD INVESTMENT**

During the year ended December 31, 2024, the Company purchased a 30% ownership interest in Atlantis Property Solutions LLC, for the purchase price of \$150,000. The investment is reported under the equity method, accordingly, the investment is carried at cost and adjusted for the Company’s proportionate share of earnings and losses. The carrying value of the investment was \$120,642 at December 31, 2024, which is included in other assets on the consolidated balance sheets. During the year ended December 31, 2024, the Company recognized a loss from the investee in the amount of \$29,358, which is included in other expenses on the consolidated statements of income.

**NOTE 14 – 401(k) RETIREMENT PLAN**

The Company sponsors a 401(k) profit-sharing plan for the benefit of all employees who meet eligibility requirements. The eligible participants can contribute a portion of their eligible compensation up the IRS allowable limit. The Company contributes a safe harbor matching contribution equal to 100% of each employee’s salary deferrals not to exceed 6% of the employee’s eligible compensation. The Company may also make a discretionary profit-sharing contribution. There is no vesting period for the Company’s contributions. For the years ended December 31, 2024, 2023, and 2022, the Company’s contributions to the plan totaled \$423,651, \$384,932, and \$338,514, respectively. The Company has funded or accrued all calculated contributions as of the consolidated balance sheet dates.

**NOTE 15 – LITIGATION**

The Company is a defendant in various claims and lawsuits, incidental to the ordinary course of business, which are pending against the Company. In the opinion of management, after consultation with legal counsel, resolution of these matters is not expected to have a material effect on the Company’s consolidated financial statements.

**NOTE 16 – FRANCHISE INFORMATION**

Franchise activity for the previous three years ended consists of the following:

	Years Ended December 31,		
	2024	2023	2022
Franchises in operation, beginning of the year	402	350	311
New franchises commencing operations during the year	34	65	68
Franchises not renewed, closed, terminated, or other	(25)	(13)	(29)
	<u>411</u>	<u>402</u>	<u>350</u>

**SUPPLEMENTARY INFORMATION**

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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Member  
PuroSystems, LLC and Subsidiary

We have audited the consolidated financial statements of PuroSystems, LLC and Subsidiary as of and for the years ended December 31, 2024, 2023, and 2022, and our report thereon dated April 17, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on page one. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information listed in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*UHY LLP*

Sterling Heights, Michigan  
April 17, 2025

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATING BALANCE SHEET**  
**December 31, 2024**

	<b>PuroSystems, LLC</b>	<b>Puro Aviation, LLC</b>	<b>Consolidating Eliminations</b>	<b>Consolidated Balances</b>
<b>CURRENT ASSETS</b>				
Cash	\$ 1,137,999	\$ 89,958	\$ -	\$ 1,227,957
Accounts receivable, net	2,561,627	-	-	2,561,627
Prepaid expenses	827,904	21,915	-	849,819
Current portion of notes receivable, net	181,809	-	-	181,809
Total current assets	4,709,339	111,873	-	4,821,212
<b>PROPERTY AND EQUIPMENT, NET</b>				
	653,115	14,815,599	-	15,468,714
<b>OTHER ASSETS</b>				
Notes receivable - related party	6,686,886	-	-	6,686,886
Contract assets	3,841,020	-	-	3,841,020
Investment in subsidiary	2,131,123	-	(2,131,123)	-
Right-of-use assets - operating leases, net	8,721,455	-	(8,146,020)	575,435
Interest receivable	215,652	-	-	215,652
Other assets	396,746	75,000	-	471,746
Total other assets	21,992,882	75,000	(10,277,143)	11,790,739
<b>TOTAL ASSETS</b>	<b>\$ 27,355,336</b>	<b>\$ 15,002,472</b>	<b>\$ (10,277,143)</b>	<b>\$ 32,080,665</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$ 1,300,000	\$ 975,523	\$ -	\$ 2,275,523
Current portion of operating lease liabilities	1,811,776	-	(1,541,025)	270,751
Accounts payable	2,619,995	277,908	-	2,897,903
Accrued expenses	1,779,400	65,390	-	1,844,790
Contract liabilities	1,400,825	-	-	1,400,825
Total current liabilities	8,911,996	1,318,821	(1,541,025)	8,689,792
<b>LONG-TERM LIABILITIES, net of current portion</b>				
Lease liabilities - operating	6,961,693	-	(6,604,995)	356,698
Line of credit	500,000	-	-	500,000
Long-term debt	6,300,000	11,552,528	-	17,852,528
Total long-term liabilities	13,761,693	11,552,528	(6,604,995)	18,709,226
<b>TOTAL LIABILITIES</b>	<b>22,673,689</b>	<b>12,871,349</b>	<b>(8,146,020)</b>	<b>27,399,018</b>
<b>MEMBER'S EQUITY</b>	<b>4,681,647</b>	<b>2,131,123</b>	<b>(2,131,123)</b>	<b>4,681,647</b>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$ 27,355,336</b>	<b>\$ 15,002,472</b>	<b>\$ (10,277,143)</b>	<b>\$ 32,080,665</b>

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF MEMBER'S EQUITY**  
Year ended December 31, 2024

	PuroSystems, LLC				Puro Aviation, LLC	C E
	Member's Units		Member Advance	Member's Equity	Member's Equity	
	Units	Amount				
Balance, January 1, 2024	450	\$ 450	\$ (804,000)	\$ 5,014,347	\$ 2,003,164	\$
Net income (loss)	-	-	-	2,783,964	(1,372,041)	
Contributions	-	-	-	-	1,500,000	
Member distributions	-	-	-	(2,313,114)	-	
Balance, December 31, 2024	450	\$ 450	\$ (804,000)	\$ 5,485,197	\$ 2,131,123	\$

*See independent auditor's report on supplementary information.*

**PUROSYSTEMS, LLC AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF OPERATIONS**  
Year ended December 31, 2024

	<u>PuroSystems, LLC</u>	<u>Puro Aviation, LLC</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Balances</u>
Revenue				
Royalty, services and other fees	\$ 28,884,077	\$ -	\$ -	\$ 28,884,077
Initial franchise fee	1,944,100	-	-	1,944,100
Other	647,561	1,812,000	(1,812,000)	647,561
	<u>31,475,738</u>	<u>1,812,000</u>	<u>(1,812,000)</u>	<u>31,475,738</u>
<b>Total revenue</b>	<b>31,475,738</b>	<b>1,812,000</b>	<b>(1,812,000)</b>	<b>31,475,738</b>
Operating expenses				
Salaries and benefits	10,743,892	-	-	10,743,892
Selling, general and administrative	15,690,098	1,568,193	(1,812,000)	15,446,291
Depreciation and amortization	482,890	826,984	-	1,309,874
	<u>26,916,880</u>	<u>2,395,177</u>	<u>(1,812,000)</u>	<u>27,500,057</u>
<b>Total operating expenses</b>	<b>26,916,880</b>	<b>2,395,177</b>	<b>(1,812,000)</b>	<b>27,500,057</b>
Operating income (loss)	4,558,858	(583,177)	-	3,975,681
Other income (expenses)				
Loss from subsidiary	(1,372,041)	-	1,372,041	-
Loss from equity method investment	(29,358)	-	-	(29,358)
Interest income	215,652	-	-	215,652
Interest expense	(589,147)	(788,864)	-	(1,378,011)
	<u>(1,774,894)</u>	<u>(788,864)</u>	<u>1,372,041</u>	<u>(1,191,717)</u>
<b>Total other income (expenses)</b>	<b>(1,774,894)</b>	<b>(788,864)</b>	<b>1,372,041</b>	<b>(1,191,717)</b>
<b>Net income (loss)</b>	<b>\$ 2,783,964</b>	<b>\$ (1,372,041)</b>	<b>\$ 1,372,041</b>	<b>\$ 2,783,964</b>

**PuroSystems, LLC**  
**Balance Sheet**  
**March 31, 2025**

**ASSETS:**

**Current Assets**

Cash	2,662,994
Accounts Receivable	4,550,945
Allowance for Doubtful Accounts	(1,504,935)
Miscellaneous AR	150,000
Exchange	(8,918)
Notes Receivables	7,150,305
Allowance for Doubtful Notes	(328,909)
Interest Receivable	287,536
Prepaid Expenses	776,463
Deposits Held	101,104

**Total Current Assets** **13,836,587**

**Fixed Assets**

Fixed Assets In Process	57,397
Furniture & Fixtures	496,757
Leasehold Improvement	547,381
ASD - Training House	464,054
Computers	1,933,254
Software	521,522
Training Equipment	15,053
Telephone System	93,894
Vehicle - Company	280,940
Airplane	16,524,268
Large Loss Equipment	1,029,960
Vehicles Vans - PSELL	70,603
Right Of Use Asset	575,435
Accumulated Depreciation	(6,814,485)

**Total Fixed Assets** **15,796,034**

**Other Assets**

Cost to Obtain Contracts	3,865,920
LT Investment - Sureti	250,000
LT Invest - Atlantis Prop Sol	170,642

**Total Other Assets** **4,286,562**

**TOTAL ASSETS** **33,919,183**

**LIABILITIES:**

**Current Liabilities**

Right of Use Liability ST	270,751
Payroll Clearing	(17,999)
Accounts Payable	3,905,387
Accrued Expenses	460,616
Other Current Liabilities	2,553,046
Deferred Revenue	1,378,250

**Total Current Liabilities** **8,586,048**

**Long Term Liabilities**

Long Term Debt	18,861,249
Righ of Use Liability LT	356,698

**Total Long Term Liabilities** **19,217,947**

**Total Liabilities** **27,803,996**

**EQUITY:**

Common Stock	450
Additional Paid in Capital	2,066,456
Retained Earnings	5,731,860
Distributions - Puro Enterprise Holdings	(2,313,113)
Member's Note Receivable	(804,000)
Net Income	1,433,535

**Total Equity** **6,115,188**

**TOTAL LIABILITIES + EQUITY** **33,919,184**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

**PuroSystems, LLC**  
**Income Statement by Expense Category**  
**March 31, 2025**  
**All Departments**

	<b>YEAR-TO-DATE</b>
	<b>Actual</b>
<b>SWS</b>	<b>94,440,692</b>
	6.3%
<b>Revenue</b>	
Royalty Revenue	5,990,931
Lead Fee Revenue	172,875
Franchise Fees	489,250
Misc. Revenue	601,169
Airplane Lease Revenue	453,000
Marketing Fund	1,550,278
Training Revenue	10,906
Management Fee Canada	156,421
<b>Total Revenue</b>	<b>9,424,830</b>
<b>Cost of Goods Solds</b>	
NFT Computer	15,357
<b>Total Cost of Goods Solds</b>	<b>15,357</b>
<b>Operating Expenses</b>	
<b>Departmental Expenses</b>	
Salaries & Benefits	3,019,517
Advertising	692,173
Travel & Entertainment	576,839
Communications	38,891
Facilities Management	166,419
Technology	385,409
Supplies & Equipment	75,895
Training & Development	32,187
Broker & Referral Fees	48,900
Professional Fees	1,657,310
Company Events	226,058
Insurance	112,949
Misc. Expenses	118,083
<b>Total Departmental Expenses</b>	<b>7,150,632</b>
<b>Other Expenses</b>	
Registrations & Licenses	15,491
Bank Charges	104,618
Bad Debt	142,446
<b>Total Other Expenses</b>	<b>262,555</b>
<b>Total Operating Expenses</b>	<b>7,413,187</b>
<b>Income from Operations</b>	<b>1,996,286</b>
<b>Non-Operating or Other</b>	
Gain(Loss) on Sale	(20,000)
Interest Income	(74,638)
Depreciation	263,312
Taxes	56,951
Interest Expense	337,123
<b>Total Non-Operating or Other</b>	<b>562,750</b>
<b>Net Income</b>	<b>1,433,535</b>
<b>EBITDA</b>	<b>2,090,923</b>
<b>EBITDA %</b>	<b>22.2%</b>

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**EXHIBIT D**

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**FRANCHISE AGREEMENT**

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- SCHEDULE 2: CONVERSION ADDENDUM
- SCHEDULE 3: CLEAN START PROGRAM

## FRANCHISE AGREEMENT

This Franchise Agreement (the “**Agreement**”) is entered into \_\_\_\_\_, by PuroSystems, LLC, a Florida limited liability company located at 6001 Hiatus Road, Suite 13, Tamarac, Florida 33321) (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”).

### RECITALS

A. Franchisor is the owner of the name and service mark PUROCLEAN (included as part of the “Proprietary Marks” as defined below) and offers franchises under that service mark for (a) casualty drying and casualty cleaning businesses using that name which provide deodorizing, cleaning, drying, painting, repairs, remediation, construction, mitigation, replacement and related services and products and subcontract services to insurance companies, business and residential clients and others which have been subject to fire, flood, vandalism, trauma, mold and/or other casualties whether or not covered by insurance and (b) purification and cleaning of HVAC systems, indoor air, structures, real property and personal property whether or not damaged by a casualty loss (the “Franchised Business”).

B. Franchisor has developed valuable formats, procedures, and practices used in the operation of those (a) casualty restoration and casualty contracting and (b) casualty drying and casualty cleaning businesses and purification businesses (the “System”) in which Franchisee will receive specific training in the subjects described in the Franchisor’s confidential proprietary Manual and such other manuals and instructional materials as Franchisor may create in the future (the “Proprietary Manuals”). The System also includes the procedures, practices and training that Franchisor has developed for certain additional concepts in the field of purification and cleaning of HVAC systems, indoor air, structures, real property and personal property which may or may not be now contained in the proprietary Manuals.

C. Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, cleanliness, appearance, and service developed as part of the System and the necessity of operating the business franchised hereunder in conformity with Franchisor’s System standards and specifications.

NOW, THEREFORE, the parties agree as follows:

### **1. GRANT OF FRANCHISE**

Franchisor grants to Franchisee the right and Franchisee undertakes the obligations, upon the terms and conditions set forth in this Agreement: {1} to establish and operate a PUROCLEAN (a) emergency mitigation and a drying and cleaning business which provides deodorizing, cleaning, drying, painting, repairs, remediation, construction, mitigation, replacement and related services and products and subcontract services to insurance companies, business and residential clients and others which have been subject to fire, flood, vandalism, trauma, mold and/or other casualties whether or not covered by insurance and (b) purification and cleaning of HVAC systems, indoor air, structures, real property and personal property whether or not damaged by a casualty loss (the Franchise Business) and {2} to use the mark “PUROCLEAN,” and such other trademarks,

trade names, service marks, and logos as are now designated and may hereafter be designated by Franchisor in connection with the Franchise Business (the “Proprietary Marks”).

If Franchisee is a corporation, partnership, limited liability corporation or other type of entity, then the term Franchisee shall include, individually and collectively, the officers, directors, shareholders, limited partner, general partner, and any others who directly or indirectly, control or benefit in and from Franchisee.

## **2. TERM AND RENEWAL**

2.1 This Agreement is effective upon acceptance by Franchisor and, except as otherwise provided herein; the initial term shall be twenty (20) years.

2.2 Franchisee may, subject to the following conditions, renew this Agreement for one (1) additional, twenty (20) year consecutive term. The following conditions shall be met prior to renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee’s election to renew no less than twelve (12) months prior to expiration of the term

2.2.2 Franchisee shall not be in default of any provision of this Agreement, any amendment or successor agreement, and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof.

2.2.3 Franchisee shall execute Franchisor’s then-current renewal franchise agreement, The terms of such renewal franchise agreement may vary significantly from the terms of this Agreement, although Franchisee will not be required to pay an Initial Franchise Fee and Franchisor shall not be obligated for any initial set-up programs or materials If Franchisee fails to execute the renewal franchise agreement before twelve months prior to the expiration of this Agreement, the Protected Office Location conditions provided under Section 3.2 shall no longer be a restriction on Franchisor during the last twelve (12) months of this Agreement and this Agreement shall automatically expire at its own conclusion, without the need for any further writing between the parties.

2.2.4 Franchisee and Franchisor shall execute a mutual release, in a form prescribed by Franchisor, of any and all claims against each other and their affiliates, and their respective officers, directors, agents, and employees.

2.2.5 Franchisee will pay Franchisor a renewal fee in the amount of \$5,000.

## **3. TERRITORY**

3.1 Franchisee shall operate the Franchise Business only from a location within the Protected Office Location identified in Schedule 1 of this Agreement (the “POL”).

3.2 Except as otherwise provided herein, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person the right to establish or operate, a

PUROCLEAN business using the PUROCLEAN Proprietary Mark from an office or business address located within your POL, which is non-exclusive.

3.3 Franchisee acknowledges and agrees that Franchisor or an Affiliate has the right, without providing compensation to any franchisee, to:

- (i) establish and operate a franchised or company-owned PuroClean business whose office or business address is located outside Franchisee's POL;
- (ii) establish and operate, and/or license others to establish and operate, within and outside of Franchisee's POL, any business providing services under marks other than the PuroClean Proprietary Marks in the areas of casualty contracting, casualty restoration, remediation, mitigation, construction, purification, drying, cleaning, painting, repair, and replacement services and/or subcontract services to insurance companies, business and residential clients and others who have been subject to fire, flood, vandalism, trauma, mold and/or other casualties, as well as, purification, cleaning and odor removal services whether or not casualty related, which business or businesses may solicit and provide services to any customer located inside and outside Franchisee's POL;
- (iii) offer, sell or distribute, within and outside Franchisee's POL, any products associated with the PuroClean System (now or in the future) or identified by the PuroClean Proprietary Marks, or any other marks, through any distribution channels or methods, including, without limitation, to other cleaning or restoration service businesses, stores or locations, or any business or store of any kind, or by mail order, catalogue, or the Internet (or any other existing or future form of electronic commerce); and
- (iv) merge with, acquire or become associated with any businesses or stores of any kind under other systems and/or other marks, which businesses and stores may convert to or operate under the PuroClean Proprietary Marks and offer or sell products and services that are the same as, similar to, or different than the products and services offered at or from Franchisee's Franchise Business, and which may be located anywhere within or outside Franchisee's POL.

3.4 Franchisee shall select an office, warehouse, storage or any other type of commercial location (collectively, the "Office") only within the POL. Selection of the Office is the responsibility of the Franchisee. The location of the Office must be approved in advance by Franchisor; however, Franchisor makes no representations as to the success of any location or of the POL. Franchisee shall not relocate the Office without Franchisor's prior written approval.

#### **4. OBLIGATIONS OF FRANCHISOR**

Provided that Franchisee is not in default of the terms and conditions of this Agreement, Franchisor shall provide the following services to Franchisee:

4.1 Use of Franchisor's Proprietary Marks for the Franchise Business and copyrighted materials during the term of this Agreement;

4.2 Initial training at Franchisor's location;

4.3 A copy of Franchisor's proprietary Manuals, on loan for the term of this Agreement, as more fully described in Section 9 below, manuals may be supplied through a secured web-page on the Franchisor's web-site, CD or any other electronic or print media;

4.4 Trade and operating procedures and methods as set forth in the proprietary Manuals (which shall be maintained as confidential and secret by Franchisee);

4.5 Ongoing support and technical information by telephone, internet, intranet, application service provider (ASP) or other technology that may be available in the future; and

4.6 Marketing and advertising consulting by telephone, internet, intranet, ASP or other technology that may be available in the future.

Franchisee acknowledges and agrees that Franchisor has the right to modify, add to or rescind any requirement, standard or specification that Franchisor prescribes under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as Franchisor deems appropriate. Franchisee must comply with these modifications at its expense. Any obligation or action initiated by Franchisor in the future and not specifically provided for in this Section shall not be an obligation of the Franchisor and may be discontinued or modified at any time in the sole judgment of Franchisor.

## 5. FEES

5.1 Initial Franchise Fee. In consideration of the franchise granted herein, Franchisee shall pay to Franchisor upon the execution of this Agreement \$59,000. All payments to Franchisor are fully earned and non-refundable under any circumstances.

5.2 On or before the 8<sup>th</sup> day of each month during the term of the Franchise Agreement, you will submit to us a royalty report (in the form we prescribe) and pay us a royalty fee (the "Royalty Fee") as calculated below based upon your Gross Receipts during the preceding month.

### Mitigation Services Royalty Fee:

Franchisee's Royalty Fee for Mitigation Services (defined below) will be as follows:

Mitigation Services means and includes all work not included in Reconstruction Services including all drying, remediation, mitigation, cleaning, duct cleaning work, textiles dry cleaning by in plant dry cleaning companies, and related services on property casualty losses and related forms of property damage. Franchisee's Royalty Fee for Mitigation Services will be as follows:

<u>On Cumulative Gross Receipts for the Current Calendar Year</u>	<u>You Pay</u>
For your first \$0 to \$249,999.99 of Mitigation Services Gross Receipts	10%
For your next \$250,000 to \$499,999.99 of Mitigation Services Gross Receipts	9%
For your next \$500,000 to \$749,999.99 of Mitigation Services Gross Receipts	8%
For your next \$750,000 to \$999,999.99 of Mitigation Services Gross Receipts	7%
For your next \$1,000,000 to \$1,249,999.99 of Mitigation Services Gross Receipts	6%
For your next \$1,250,000 to \$1,499,999.99 of Mitigation Services Gross Receipts	5%
For your next \$1,500,000 to \$1,749,999.99 of Mitigation Services Gross Receipts	4%
For any remaining Mitigation Services Gross Receipts of \$1,750,000 and over	3%

Franchisee’s Royalty Fee Rate for Mitigation Services will reset to 10% on January 1<sup>st</sup> of each new calendar year, and Franchisee will restart the process of earning royalty rate reductions based on his or her cumulative gross receipts.

Reconstruction Services Royalty Fee:

Your Royalty Fee for Reconstruction Services will be 3% of your monthly Reconstruction Services Gross Receipts without any deduction for subcontractor performed work. Reconstruction Services means and includes all reconstruction work to repair damages from fire, flood, or other catastrophic events of loss which includes electrical, dry-wall, painting, plumbing, roofing, carpentry, cabinetry, a floor covering replacement or installation work. Reconstruction Services do not include remodeling or construction work, unrelated to a casualty loss, demolition work, rental of dumpsters, electrical power generators, or other rental services.

If an audit shows that there has been an underreporting of Reconstruction Services Gross Receipts and/or Gross Receipts from Reconstruction Services cannot be validated, all Gross Receipts from Reconstruction Services will be subject to the Royalty Fee calculation for Mitigation Services.

5.3 If Franchisee’s combined Royalty Fee for Mitigation Services and Reconstruction Services for the preceding month is less than the Minimum Royalty Fee noted below, Franchisor will have the right to withdraw from Franchisee’s bank account an amount equal to the greater of the Minimum Royalty Fee as outlined in the table below and the Royalty Fee due by Franchisee.

<u>Period of Term</u>	<u>You Pay (per month)</u>
1 <sup>st</sup> year	\$400
2 <sup>nd</sup> year	\$1,000
3 <sup>rd</sup> year	\$1,500
4 <sup>th</sup> year	\$2,500
5 <sup>th</sup> year	\$2,500

<u>Period of Term</u>	<u>You Pay (per month)</u>
6 <sup>th</sup> -20 <sup>th</sup> year	Prior year plus CPI

For each year over the initial five years or for each year after the last year that there was a set Minimum Royalty, the Minimum Royalty Fee will be determined by the prior year’s Minimum Royalty Fee, plus an amount equal to the percentage change in the Consumer Price Index, all Urban Consumers (1982-84 = 100), published by the U.S. Department of Labor, Bureau of Labor Statistics (“CPI”) for the period from January 1 through December 31 of the year immediately prior to the upcoming year or renewal year of the Franchise Agreement.

At any time during any calendar year, if the Royalty Fees and Minimum Royalty Fees paid by Franchisee are equal to or greater than the total Minimum Royalty Fees payable for that calendar year, then no further Minimum Royalty Fee would be due for the balance of that calendar year. Once a Royalty Fee or Minimum Royalty Fee is paid, it is neither refundable nor creditable to any future or past fees owed. So long as the Franchise Business is opened within 60 days of signing this Agreement and there is no default of this Agreement during the first year, Minimum Royalty Fees for the first three months of this Agreement are waived (there is no waiver if this agreement is signed as a renewal or transfer).

If this Agreement is transferred or if this Agreement is entered into as a result of a transfer or renewal, the Minimum Royalty Fee shall be determined by using the date of the original Franchise Agreement as the beginning date to calculate the Minimum Royalty Fee to be paid in accordance with this Agreement.

5.4 Franchisee’s obligation to pay a Royalty Fee shall commence on the earlier of the first week that the Franchise Business opens or ninety (90) days after the Agreement is executed. The Royalty Fee shall be calculated based upon a Royalty Report prepared each month by Franchisee reflecting the Franchise Business’s Gross Receipts (as defined in Section 5.5 below) during the preceding month, and submitted along with the Royalty Fee to Franchisor by e-mail or other electronic means designated by Franchisor on or before the 8<sup>th</sup> day of each month. Franchisee authorizes Franchisor to make automatic direct electronic withdrawals, at least monthly, of the Royalty Fee from the Franchisee’s bank account. Franchisee shall deposit proceeds of the Franchise Business only in a bank account approved in advance by Franchisor. Franchisee shall sign all documents and perform any other acts reasonably requested by Franchisor to enable Franchisor to make automatic direct electronic withdrawals from Franchisee’s bank account. In the event that Franchisor does not receive a Royalty Report by the 8<sup>th</sup> day of any month, Franchisor shall have the right to withdraw from Franchisee’s bank account an amount equal to the previous month’s Royalty Fee withdrawal plus an additional ten percent (10%), pending the receipt of such month’s Royalty Report, at which time Franchisor shall be authorized to make an additional withdrawal for any remaining Royalty Fee amounts due, provided however, that any Royalty Fee overpayment shall be credited toward Franchisee’s next monthly Royalty Fee payment.

5.5 Except to the extent prohibited by law, Franchisee shall pay any fees or penalties imposed by any financial institution, plus an additional Twenty-Five Dollars (\$25) administrative fee which results from (a) the inability to transfer funds from Franchisee’s bank account to Franchisor or (b) each attempt of the Franchisor to verify available funds in the approved bank

account. This payment shall be deemed an additional Royalty Fee due pursuant to this Agreement and the Franchise Agreement. In the event that any such fee shall have been collected in violation of law, the amount collected shall be promptly refunded to Franchisee. If any payment is overdue, Franchisee shall pay Franchisor immediately upon demand, the greater of ten dollars (\$10) per day or five percent (5%) per day of the amount due in addition to the actual amount due (the “Past Due Royalty Fee”). However any interest rate charged on a Past Due Royalty Fee will not exceed the lower of 18% per annum simple interest or the maximum permitted by applicable law. The Past Due Royalty Fees shall be calculated on each individual monthly fee due independent from other overdue amounts collected by the Franchisor from the Franchisee, and will first be applied to the Past Due Royalty Fees, then to interest, then to the past due Royalty Fees and then to other fees. Failure to pay the Past Due Royalty Fee within thirty (30) days may have a substantial impact on Franchisee’s credit reporting history. Franchisor has the right to report overdue payments of Past Due Royalty Fees to a national credit bureau. In addition, Franchisee agrees to pay any expense incurred by Franchisor, including arbitration or court costs and attorney’s fees, in the collection of any Past Due Royalty Fees. Notwithstanding the foregoing, if Franchisee has a balance due Franchisor or its affiliates hereunder, Franchisor may also offset any customer payment due to Franchisee in Franchisor’s possession, and apply the amount offset to Franchisee’s account balance.

5.6 As used in this Agreement, Gross Receipts means all revenue and income of every kind relating to the operation of the Franchise Business (including but not limited to deposits and prepayments) and income derived from the direct and indirect use of Franchisor’s Proprietary Marks. If Franchisee sells any products, services or supplies, Franchisee must include all revenue and income or revenue from the sale in its Gross Receipts. If Franchisee refers work that would be covered under this Agreement to another party, Franchisee shall be obligated to include an amount equal to the total amount paid to the referred party as Gross Receipts. Gross Receipts shall not include any sales taxes or other taxes collected by Franchisee for transmittal to the appropriate taxing authority.

5.7 Franchisee must attend each Annual International Convention (“Convention”) held by Franchisor. The Convention registration fee and any additional fees may be collected by means of ACH 30 days prior to the Convention. The registration fee will be determined by the Franchisor and will vary from year to year. Franchisee is required to pay the registration fee and three nights of hotel accommodations even if the Franchisee fails to attend the Convention.

5.8 All fees, including interest and late fees, paid to Franchisor or its affiliates, are non-refundable. If any payment to Franchisor’s affiliate is overdue, Franchisee will pay Franchisor’s affiliate, immediately upon demand, the greater of ten dollars (\$10) per day or 5% per day of the amount due in addition to the actual amount due. However, any interest rate charged on a past due amount will not exceed the lower of 18% per annum simple interest or the maximum permitted by applicable law.

## **6. MARKETING**

6.1 Franchisee shall conduct at its sole expense an active local advertising media campaign and spend at least 2% of its annual Gross Receipts on local advertising which has been approved in advance by Franchisor or its agent. Franchisee agrees to conduct all marketing and

promotional activities in accordance with the requirements of Franchisor, as set forth in the proprietary Manuals or otherwise in writing. Franchisee shall not use any marketing or promotional materials unless and until Franchisee has received written approval from Franchisor. Franchisee shall submit samples of all marketing and promotional plans and materials to Franchisor, for Franchisor's prior approval if such plans and materials have not been prepared or previously approved by Franchisor. If written notice of disapproval is not received by Franchisee from Franchisor within fifteen (15) days of Franchisor's receipt of such materials, Franchisor shall be deemed to have approved them. Any advertising, marketing or promotional materials created or produced by Franchisee for the Franchise Business may only be used by Franchisee, and only after the materials have been approved by Franchisor.

6.2 Franchisee must maintain a competitive local advertising program that meets Franchisor's requirements and specifications as outlined more fully in the proprietary Manuals.

6.3 In addition to the other advertising requirements in this Agreement, Franchisee shall pay a Marketing Fee to Franchisor in the amount of 2% of Gross Receipts. The Marketing Fee shall be paid at the same time and in the same manner as the Royalty Fee as set forth in Section 5.2 of this Agreement. All Marketing Fees will be owned and managed by Franchisor. On behalf of any Franchisor-owned PUROCLEAN businesses, Franchisor will pay the same Marketing Fee as the Franchise Businesses in the same local marketing area. Franchisor also may contribute Marketing Fees from time to time. The Marketing Fees will not be held in a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Marketing Fees; provided, however, Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the System. Franchisor has the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs including the option for individual marketing training in Franchisee's POL. Because of the methods used, Franchisor is not required to spend a prorated amount on each business or in each advertising market. Franchisor has the right to make disbursements from the Marketing Fees for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to Franchisor for the expense of administering the Marketing Fees, including accounting expenses and salaries and benefits paid to our employees engaged in the marketing functions. If requested, Franchisor will provide Franchisee an annual un-audited statement of the financial condition of the Marketing Fees. Franchisor shall not be obligated for any reason to pay the Marketing Fee owed by any franchisee nor is Franchisor obligated to collect Marketing Fees.

## **7. FRANCHISEE'S OBLIGATIONS**

No obligation, agreement, option, license, acknowledgment, or permission (individually or collectively) contained in this section or any other section of this Agreement shall be construed to establish an agency relationship between the parties of this Agreement.

Franchisee agrees to operate the Franchise Business in accordance with the following standard terms and conditions:

7.1 Prior to the opening of the Franchise Business, Franchisee, including all key owners/principals or managers as Franchisor may require, shall attend and complete Franchisor's initial training program for franchisees and managers. In connection with this initial training program, Franchisor will provide IICRC-approved instructions for Water Restoration Technician and Applied Structural Drying. Following the initial training, Franchisee and Franchisee's manager (if in attendance) must complete the IICRC exams to receive their IICRC certifications. Franchisee is responsible for paying all costs associated with taking these exams. At Franchisor's option, any manager subsequently employed by Franchisee shall also complete Franchisor's training program, to Franchisor's satisfaction. Franchisee and Franchisee's manager and other employees shall also attend such additional courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

7.2 All training courses, seminars, and programs (collectively, "training") shall be at such times and places as may be designated by Franchisor. For all initial training required of Franchisee, Franchisor will provide instruction and one set of training materials to Franchisee at no charge. Franchisor may charge the then current training fee for employees of Franchisee who attend, or are required to attend, such additional required training. From time to time, optional training may be offered to Franchisees and/or Franchisees' employees for a fee to be determined by Franchisor in its sole judgment. For all required and optional training, Franchisee or its employees shall be responsible for any and all expenses incurred by them including, without limitation, the costs of transportation, lodging, meals, and wages.

7.3 Franchisee and its principals shall keep the Franchise Business open and in normal operation, and shall directly supervise the Franchise Business exclusively for no less than 40 hours each week, and shall operate the Franchise Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the proprietary Manuals or otherwise in writing. If Franchisee is the owner of more than one Franchise Business, Franchisee may employ a full time manager to manage other Franchise Businesses. Franchisee shall not deviate from such standards, specifications, and procedures without Franchisor's prior written consent.

7.4 Franchisee agrees to offer and sell only those services, items and products specified by Franchisor and in the manner and method specified by Franchisor in the proprietary Manuals or otherwise in writing. In the event that Franchisor wishes to expand or modify the products or services offered for sale within the System, upon written notice from Franchisor, Franchisee agrees to expand or modify the products or services offered for sale and agrees to acquire the equipment necessary for such change or modification within ninety (90) days after written notification by Franchisor.

7.5 Franchisee agrees to operate the Franchise Business in accordance with standards established by Franchisor, including but not limited to, hours of operation, signs, equipment, replaceable supplies and in compliance with all applicable Federal, State and local laws, ordinances and regulations. To promote uniformity throughout the system, Franchisee agrees to use only those displays, signs, equipment and products and services approved in advance and in writing by Franchisor. Any required standards exist to protect Franchisor's interests in the System and the Proprietary Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee.

7.6 All products, equipment and supplies used and offered for sale by Franchisee in the Franchise Business shall meet Franchisor's then-current standards and specifications, as established in the proprietary Manuals or otherwise in writing. For purposes of standardization and uniformity and to enhance the recognition of the Proprietary Marks, all equipment purchased by Franchisee shall comply with Franchisor's then-current requirements for colorization and logo placement. Franchisee shall use only the standard branded trade vehicle approved in advance by Franchisor. Such vehicle shall not display any unauthorized signage, have dents or other blemishes or be older than 48 months. Franchisee shall purchase all products and equipment solely from Franchisor, Franchisor's affiliate, or from suppliers approved by Franchisor, and Franchisee acknowledges that for certain products and equipment, Franchisor may designate a single approved supplier, and Franchisor or an affiliate may be that single approved supplier. Except for those products or equipment where Franchisor has designated a single source of supply, if Franchisee wants to purchase products, supplies, materials or equipment from other suppliers, Franchisee must submit to Franchisor a written request to approve the proposed supplier, together with the evidence of conformity with Franchisor's specifications as Franchisor may require. Franchisee shall at all times stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand. During the first 18 months following the date of this Agreement, and for each full calendar year thereafter, Franchisee agrees to purchase an equivalent of 2% of Franchisee's Gross Receipts of consumable branded products (including gloves, chemical suits, and cleaning solutions) from any designated supplier authorized by Franchisor. Franchisor reserves the right to conduct a review of Franchisee's purchase history to ensure compliance with this provision. In addition, Franchisor, its affiliate or a designated third party supplier will be the only approved supplier of the initial Equipment and Supplies Package, as well as many of the other equipment, products and supplies used in the Franchise Business. Franchisor or its affiliate will derive revenue from the Franchisee's purchase of these items. Franchisee will pay the then-current price in effect for any approved products identified by Franchisor in the proprietary Manuals or otherwise in writing. In some instances, the cost for the approved products may be higher than the cost of other similar products on the market.

7.7 Franchisee shall maintain a competent, conscientious, trained staff, including a fully trained manager (who may be Franchisee). Franchisee shall take such steps as are necessary to ensure that its employees present a neat and clean appearance in conformance with Franchisor's reasonable standards and render competent, efficient service to clients of the Franchise Business. Regardless of the management and employment standards recommended by Franchisor, Franchisor shall have no control in the day-to-day performance, activities, hiring, or termination (regardless of the reason) for any employee of the Franchise Business. No employee of the Franchisee will be deemed to be an employee of the Franchisor for any purpose whatsoever, and nothing in any aspect of the System or the Proprietary Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor.

7.8 Franchisee shall prepare and preserve for at least five (5) years from the dates of their preparation books, accounts, records, and order receipts and as required by Franchisor in the form and manner designated by Franchisor in the proprietary Manuals or otherwise in writing. To promote the standardization and uniformity of all franchise operations and such good business procedures, Franchisee agrees that such books, accounts, and records shall be available for inspection and audit by Franchisor or its representatives at all reasonable times. In the event Franchisor conducts an audit of Franchisee's operations, and finds that Franchisee has failed, for

whatever reason(s), to properly report its sales to Franchisor, Franchisee will pay any deficiency within ten (10) days of the completion of the audit. Interest will be charged on underreported sales from the date such sales should have been reported at the lower of 18% per annum simple interest or the maximum permitted by applicable law. If such audit reveals the Franchisee has understated Gross Receipts by 5% or more in any one month, Franchisee shall pay the cost of the audit. Franchisee also shall transmit to Franchisor certified, signed copies of all income and sales tax returns or amended tax returns filed by Franchisee(s), any direct or in direct affiliate of Franchisee and Director(s), Beneficiaries, or shareholder(s) of Franchisee. Transmittal to Franchisor shall be done contemporaneously with the filing with the appropriate taxing authority. Franchisee further agrees to maintain a monthly balance sheet and income and expense statement and provide Franchisor with a copy of its monthly balance sheet and income and expense statement on the 15th day of the following month.

7.9 Franchisee further agrees that, in order to maintain the high quality and uniform standards associated with the Franchise Business and to protect its goodwill and reputation, Franchisee shall permit Franchisor during business hours to inspect the Office, confer with Franchisee and Franchisee's employees and customers, check inventories, methods, books, records, computer data, price lists and to perform any other inspection including copying of documents and computer data deemed by Franchisor to be necessary to protect the standards of quality and uniformity of the Franchise Business and Franchisee's performance under this Agreement. Franchisee shall transmit or allow to be transmitted data contained in the computers or computer used by the Franchisee to the Franchisor either directly or indirectly through a third party authorized by the Franchisor. Franchisee shall, at its sole expense, provide and maintain the information and data transfer capability designated by the Franchisor. Franchisee shall make sure that the Franchise Business is in compliance with all laws that are applicable to the technology used in the operation of the Franchise Business, including all data protection or security laws as well as payment card industry ("PCI") compliance. No inspection, check, or conference permitted under this Agreement shall be construed to establish an agency relationship between the parties of this Agreement. Any evaluation, check or inspection conducted by Franchisor is not intended to exercise, and does not constitute, control over Franchisee's day-to-day operation of the Franchise Business or to assume any responsibility for Franchisee's obligations under this Agreement

7.10 Franchisee shall procure and maintain during the term of this Agreement insurance covering the operation of the Franchise Business and the Office, with insurance carriers reasonably acceptable to Franchisor in the following minimum amounts:

- i. ISO Commercial General Liability coverage of \$1,000,000 per occurrence with a \$2,000,000 aggregate limit. Coverage must include premises and operations liability with no exclusion for subcontracted work or restrictions of coverage for any operation customary to the Franchised Business;
- ii. Contractor Pollution Liability coverage with minimum limits of \$1,000,000 per pollution event and \$1,000,000 in aggregate coverage. Said policy must include coverage for mold, bacteria, and all other substances encountered in the normal course of the Franchise Business; and

iii. Auto Liability coverage of \$1,000,000 combined single limit of liability per occurrence. Said policy must include coverage for “Any Auto” or “All Owned, Hired and Non-Owned” vehicles.

Franchisor may increase the insurance coverage requirements, including coverage types and amounts, through the proprietary Manuals, and Franchisee agrees to comply with any changes. Franchisee shall carry such insurance as may be required by the lease for the Office or by any lender or equipment lessor of Franchisee. Franchisee shall add Franchisor, its affiliates, officers, directors, and employees to all insurance policies as additional named insured, the cost of which shall be paid by Franchisee. Additionally, Franchisee must obtain workers’ compensation insurance to cover its employees in an amount required by applicable state law.

7.11 Franchisee shall procure, maintain and exclusively use, at Franchisee’s sole expense, estimating, accounting, Internet, Intranet, and other business and industry software of a type and from a source then currently designated by Franchisor. Such software includes, but is not limited to, the DASH restoration business and job management software or such other operating system designated by Franchisor in connection with operating the Franchise Business. The type and/or source may change from time to time and the software may be customized for the System. Franchisee acknowledges that it may be required to pay a fee and enter into an agreement with Franchisor, its affiliates, or a third-party supplier in connection with the licensing of any software or use of the Internet or Intranet. Franchisor may implement mandatory review of customer estimates and invoices in the future through the Xactware software or such other Insurance Industry Claims Estimating Software designated by Franchisor.

7.12 Franchisee further agrees to use, at Franchisee’s expense, telephone numbers, e-mail addresses, facsimile numbers and other forms of internal and external communication that may be owned and controlled by Franchisor or a third party and that may be administered by a third party designated by Franchisor. The telephone number will include a local area code and prefix reflective of Franchisee’s approved Protected Office Location. Franchisor reserves the right to change the designated suppliers from time to time, and Franchisee is responsible for complying with these changes at its expense. No other form of communication may be used by Franchisee without the written approval of Franchisor.

7.13 Franchisee shall procure, maintain and use, at the Franchisee’s sole expense, uniforms from the uniform service then currently designated by Franchisor. The uniform service may change from time to time.

7.14 Franchisee shall pay to Franchisor (or any subsidiary, affiliate, or designee) promptly and when due the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by Franchisor or an affiliate on the account of services or goods furnished by Franchisor or affiliate to Franchisee through sale, lease, or otherwise or on account of collection by Franchisor or an affiliate of the Initial Franchise Fee, Equipment and Supplies Package Fee, Royalty Fee, Marketing Fee, and any additional on-going supplies or other payments to the Franchisor pursuant to this Agreement.

7.15 Franchisee acknowledges the importance of interaction among franchisees in a learning environment for the development of the Franchise Business. Therefore, Franchisee is

obligated to attend all working sessions of each Convention held after the first twelve months that the Franchise Business is opened. As noted above, Franchisee must pay a registration fee to Franchisor for the Convention. Franchisee also is responsible for all costs incurred in attending the Convention including travel, lodging and meal costs. Franchisor has the right to determine the dates, location, registration fee and format of all Conventions. Franchisor also has the right to discontinue or change the frequency of the Conventions.

7.16 Franchisee agrees that all ideas, concepts, procedures, techniques, processes, or materials (including all sales, advertising and marketing materials) concerning the Franchise Business or containing the Proprietary Marks, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System and work made-for-hire for Franchisor. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee agrees to assign ownership of that item, and all related rights to that item, to Franchisor and must take whatever action (including signing an assignment agreement or other documents) Franchisor requests to show its ownership or to help Franchisor obtain intellectual property rights in the item.

~~7.17 During and after the term of this Agreement, Franchisee acknowledges and agrees that Franchisor will own all client, customer or prospective client or customer information, including all contact information. Franchisee may use any PUROCLEAN client, customer or prospective client or customer information in connection with the operation of Franchisee's Franchise Business, and Franchisor may use any PUROCLEAN client, customer or prospective client or customer information in any way or manner that Franchisor believes is in the best interests of the System.~~

~~7.18~~7.17 During and after the term of this Agreement, Franchisee grants Franchisor and its affiliates, successors, assigns and legal representatives all right, title and interest to and permission to use photograph(s) of Franchisee for Franchisor's internal or external purposes. Permission herein granted as absolute and final shall not be subject to further inspection or approval by Franchisee. Franchisor shall own all rights in the photograph(s) which shall accrue to the benefit of Franchisor and its and its affiliates, successors, assigns and legal representatives. With full knowledge of the above, Franchisee hereby releases and shall hold harmless Franchisor and its affiliates, successors, assigns and legal representatives from all claims or damages including but not limited to resulting from or associated with the use of the photograph(s).

7.18 Franchisee agrees to the following:

7.18.1 Franchisor shall own all Privacy Information related to Franchisee customers and may use the information as permitted under applicable privacy laws, including disclosing it to vendors or sharing it with other affiliates for marketing and other purposes. Franchisee may only use Privacy Information for the purpose of operating the Franchise Business subject to any restrictions Franchisor may impose, from time to time, and in compliance with this Agreement. With respect to Privacy Information, Franchisee must comply with all of its obligations under applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation. Some privacy laws may require Franchisee to obtain consent to collect, store, disclose and use Privacy Information. Franchisee is responsible for any financial losses incurred or

remedial actions required as a breach of security or unauthorized access to Privacy Information in Franchisee's control or possession.

7.18.2 Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws.

7.18.3 Franchisee shall, upon Franchisor's request, provide reasonable assistance to Franchisor in responding to data requests made under any applicable privacy law.

7.18.4 In the event of a Data Security Event, Franchisee must notify Franchisor immediately after becoming aware of the Data Security Event and shall cooperate with Franchisor and follow all of Franchisor's reasonable requests to address the Data Security Event and to protect any Privacy Information and/or Confidential Information. Franchisor, or its designee, has the right, but not the obligation, to take any action or pursue any proceeding with respect to the Data Security Event.

7.18.5 If any federal or state privacy or security laws (including, without limitation the California Consumer Privacy Act, as revised by the California Consumer Privacy Rights Act, Cal. Civ. Code § 1798.100, et seq. (collectively, "CCPA")) apply to the operation or the Business, whenever and to the extent Franchisee operates as a "Service Provider" or "Contractor" under the CCPA, a data processor, or in a similar capacity under any federal or state privacy or security law, Franchisee represents and warrants that:

(1) Except for the purpose of operating the Franchise Business in accordance with this Agreement Franchisee will not retain, use, combine or disclose any Privacy Information;

(2) Franchisee will not sell, share, make available or otherwise disclose any Privacy Information to any third party for valuable consideration or for the purpose of performing cross-context behavioral advertising, targeted advertising, or profiling, as those terms are defined under applicable privacy and security laws;

(3) Franchisee will not retain, use, or disclose Privacy Information outside of the direct business relationship between Franchisor and Franchisee;

(4) Franchisee will delete any Privacy Information upon Franchisor's request unless Franchisee can prove that such request is subject to an exception under applicable law; and

(5) If Franchisee receives a data request under an applicable privacy law (e.g. a request to delete Privacy Information) directly from a consumer (e.g., a California resident under the CCPA, or a resident of another jurisdiction under other applicable privacy law), Franchisee shall inform Franchisor of that request within one business day and cooperate with Franchisor to ensure that the consumer receives an appropriate and timely acknowledgement and response.

(6) Franchisee will implement reasonable security procedures and practices appropriate to the Privacy Information Franchisee collects, retains, uses or discloses, in order to protect it from unauthorized or illegal access.

(7) Franchisee will cooperate with Franchisor to the extent necessary to assist with conducting required data protection assessments or other similar assessments under applicable privacy laws, responding to data requests, responding to requests or inquiries from government authorities, or if Franchisor seeks to ensure that Franchisee has collected, retained, used, or disclosed Privacy Information consistent with applicable privacy laws and this Agreement, including but not limited to providing Franchisor with requested compliance documents, or allowing Franchisor or its designee to assess, audit, or test Franchisee's privacy and security controls at least annually.

(8) Franchisee will cooperate with Franchisor to stop or remediate any unauthorized use of Privacy Information, including verifying that Franchisee no longer retains or processes personal information that a consumer has asked Franchisee or Franchisor to delete under applicable privacy laws.

(9) Franchisee will notify Franchisor immediately if Franchisee determines it cannot meet the obligations under applicable privacy laws or this Agreement regarding Franchisee's collection, retention, use, or disclosure of Privacy Information.

Franchisee certifies understanding of the restrictions in Paragraphs (1) – (9) of this section and Franchisee certifies that it will comply with them. Franchisee also acknowledges and agrees that Franchisor may modify these restrictions from time to time by written notice to you, by issuing updates to our standards and policies pertaining to privacy laws, including by adding other similar restrictions that may be required under other state or federal privacy laws, and Franchisee agrees to comply with the same. Franchisee also agrees to execute any addenda that we may determine are required to conform this Agreement to new or changed privacy laws.

To the extent that Franchisee engages another person to collect, use, sell, share, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Privacy Information for the purpose of operating the Franchise Business (a "Subprocessor"), Franchisee will notify Franchisee of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) – (9) of this section and imposes reasonable confidentiality obligations and privacy and security controls on the Subprocessor.

For purposes of this Agreement,

(i) "Privacy Information" means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver's license or

state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(ii) "Confidential Information" means all non-public information of or about the System, Franchisor, and any PuroClean business, including all methods for developing and operating the Franchise Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information, intellectual property, and know-how.

(iii) "Data Security Event" means any act, both actual or suspected, that initiates either internally or from outside the Franchise Business' computers, point-of-sale terminals, and other technology or networked environment and violates any laws or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the System, other PuroClean businesses, or their data or to view, copy, or use Privacy Information or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial of service; unauthorized use of a system for processing or storage of data; and changes to system hardware, firmware, or software characteristics without Franchisor's knowledge, instruction, or consent.

7.19 With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Franchise Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report to Franchisor any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). Franchisee agrees that Franchisor may use any such Confidential Information that Franchisee generates for any reason that Franchisor deems appropriate, and Franchisee shall provide access to such Confidential Information following Franchisor's request. As between the parties, Franchisee is responsible

for obtaining all necessary consents to provide the Confidential Information and allow Franchisor to exercise its ownership rights, as set forth in this Agreement. This Section will survive the termination or expiration of this Agreement indefinitely.

## **8. PROPRIETARY MARKS**

8.1 Franchisor represents that it has the right to use and license others to use the Proprietary Marks.

8.2 With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated in writing by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Unless otherwise authorized by Franchisor, Franchisee shall operate and advertise the Franchise Business only under the assumed name "PUROCLEAN" and shall use all Proprietary Marks without prefix or suffix. The name of the Franchise Business shall be assigned by Franchisor. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name. Franchisor has the right to determine the content and use of any website or other online or electronic media associated with the Proprietary Marks. Franchisee may not separately register or use any domain name or any portion of a domain name or other Web site or URL name associated with the Proprietary Marks, or participate in any website or other electronic media (including social media) that markets goods or services similar to those offered through Franchisee's Franchised Business unless it is approved in writing by Franchisor. Franchisee shall file all assumed name or equivalent registrations as required by state and local laws, Internet laws, and shall send copies of such registrations to Franchisor.

8.2.3 Franchisee shall identify itself as the owner of the Franchise Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as Franchisor may designate in writing at the Office and on any vehicles used in the operation of the Franchise Business. Franchisee must hold itself out to the public as an independent contractor operating the Franchise Business pursuant to a license from Franchisor. Franchisee shall notify each potential customer prior to the customer authorizing the commencement of work that the Franchisee is not an agent (real or apparent) of the Franchisor and such notification shall be in writing.

8.3 Franchisee expressly understands and acknowledges that except as specified in Section 3.2 above, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others to: (i) establish and operate a franchised or company-owned business whose office or business address is located outside Franchisee's POL; (ii) offer, sell or distribute, within and outside Franchisee's POL, any products associated with the System (now or in the future) or identified by the Proprietary Marks through any distribution channels or methods, including, without limitation, to other cleaning or restoration service businesses, stores or locations, or any business or store of any kind, or by mail order, catalogue, or the Internet (or any other existing or future form of electronic commerce); (iii)

merge with, acquire or become associated with any businesses or stores of any kind under other systems and/or other marks, which businesses and stores may offer or sell products and services that are the same as, similar to, or different than the products and services offered at or from Franchisee's Franchise Business, and which may be located anywhere within or outside Franchisee's POL; and (iv) change the System presently identified by the Proprietary Marks including adoption of new Marks, new products, new equipment or new techniques, all of which Franchisee must adopt.

8.4 Franchisee may not make any changes or substitutions whatsoever in or to the use of the Marks unless directed by Franchisor in writing. Franchisor reserves the right to change the Marks at any time. Upon receiving written notice from Franchisor, Franchisee must, at its expense, immediately make such changes and use such substitutions to the Marks as Franchisor may require.

## **9. CONFIDENTIAL OPERATIONS MANUALS**

9.1 In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System(s), Franchisee shall operate the Franchise Business in accordance with the standards, methods, policies, and procedures specified in the proprietary Manuals, one copy of which Franchisee shall receive on loan from Franchisor for the term of this Agreement. Proprietary Manuals may be supplied to Franchisee through a secured area of Franchisor's website, on CD, or through any other electronic or print media.

9.2 Franchisee shall treat the proprietary Manuals, any other manuals created for or approved for use in the operation of the Franchise Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record, or otherwise reproduce (including electronically) the foregoing materials, in whole or in part, or otherwise make them available to any unauthorized person. The proprietary Manuals shall remain the sole property of Franchisor and shall be kept in a secure place in the Office. Franchisee shall not divulge any password to Franchisor's website or CD.

9.3 Franchisor may from time to time revise the contents of the proprietary Manuals, and Franchisee expressly agrees to comply with each new or changed standard.

9.4 Any required standards exist to protect Franchisor's interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manuals or other written materials. The Manuals also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and Proprietary Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

## **10. INDEMNITY**

10.1 Franchisee shall indemnify, defend and hold Franchisor, and Franchisor's officers, directors, employees, agents, successors, and assigns harmless from all fines, expenses, claims, demands, judgments, taxes or other liability or costs of any kind (including reasonable attorneys' fees) arising directly or indirectly from, or in connection with Franchisee's operation, transfer or purchase of the Franchise Business. Indemnity includes, but not limited to, any joint employer or other employment related matters or any other claims based on the negligence, duty, actions or inaction of any of the above parties and covers bodily injury, death and property damage. Franchisor shall have the right to select and control its counsel in any action. The requirement of Franchisee to defend Franchisor and Franchisor's officers, directors, employees, agents, successors, and assigns is independent from Franchisee's obligation to indemnify Franchisor, its affiliates, and their officers, directors, employees, agents, successors, and assigns. The obligation to defend includes, but not limited to, any claims based on the negligence, duty, actions or inaction of any of the above parties and covers bodily injury, death and property damage. Notwithstanding the foregoing, as between Franchisee and Franchisor, Franchisee is solely responsible for the safety and well-being of its employees and the customers of the Franchise Business.

10.2 The provisions of this Section shall survive transfer, termination or expiration of this Agreement.

## **11. CHANGE OF OWNERSHIP**

11.1 Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

11.2 Franchisor entered into this Agreement with specific reliance upon Franchisee's financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Franchise Business. Consequently, neither Franchisee's interest in this Agreement or the Franchise Business, nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in Franchisee or in the Franchise Business may sell, assign, transfer, convey, pledge, encumber, merge, or give away any direct or indirect interest in this Agreement (a "transfer"), in Franchisee, or in all or any of the assets of the Franchise Business unless Franchisee has first tendered to Franchisor the right of first refusal to acquire this Agreement in accordance with Section 11.5 and, if Franchisor does not exercise such right, unless Franchisor's prior written consent is obtained. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 11.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate the Franchise Agreement without opportunity to cure pursuant to Section 12.2 of this Agreement.

11.3 Franchisee shall notify Franchisor in writing of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchise Business and the identity of the proposed transferee at least thirty (30) days before such transfer is proposed to take place to obtain Franchisor's consent to the transfer. Franchisor shall

not unreasonably withhold its consent to any transfer, but if a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of changing control or ownership of Franchisee, this Agreement, or all or substantially all of the assets of the Franchise Business, Franchisor may require any or all of the following as conditions of its approval:

11.3.1 Transferee agrees to successfully complete the training program required of all new franchisees and pays to Franchisor a transfer fee equal to the greater of \$25,000 or the then-current transfer fee;

11.3.2 Franchisee pays to Franchisor all moneys due and cures any existing defaults under this Agreement; and

11.3.3 Transferee signs a then-current Franchise Agreement, the term of which shall be the term of then current Franchise Agreement; provided, however, that the transferee shall not be required to pay an initial franchise fee.

11.3.4 In addition to paying the transfer fee, if Franchisee transfers any rights or obligations of the Franchise Agreement or any or all of the assets of Franchise Business to a person or entity that has been referred to Franchisor by a third party (for example, a broker) as a prospective franchisee, Franchisee will pay a referral or broker fee to the referring party prior to the transfer. The amount of the referral or broker fee will equal the amount of any referral or broker fee incurred by Franchisor relating to the proposed transferee. In addition, if the proposed transferee has been registered by Franchisor as a prospective franchisee, Franchisee shall pay to Franchisor the greater of the then current Franchise Development Resale Fee or ten percent (10%) of the total sale amount.

Prior to the execution of any agreement between Franchisee and the proposed transferee, Franchisee shall first obtain, in writing from Franchisor, a declaration stating whether the prospective transferee has been registered with the Franchisor or referred to Franchisor by a referring entity and, if so, the amount of the Franchise Development Resale Fee and broker fees required to be paid. Franchisee's failure to obtain such written declaration from Franchisor constitutes a material breach of this Agreement and such transfer will not be approved. If the prospective transferee has been so registered, Franchisee shall have the option of not selling or transferring to the prospective transferee. The provisions of this paragraph will be applicable regardless of whether an agreement or relationship between the referring party and Franchisor exists that requires Franchisor to pay the referral fee and Franchise Development Resale Fee.

11.3.5 Franchisee must sign a general release of all claims arising out of or relating to the Franchise Agreement, the Franchise Business or the parties' relationship, in a form designated by Franchisor, releasing Franchisor and its affiliates.

11.4 If Franchisee is an individual and desires, during the term hereof, to transfer this Agreement to a corporation for the convenience of ownership and has given Franchisor written notification 30 days in advance, Franchisor will not unreasonably withhold its consent to the transfer of this Agreement and Franchisee's interest herein, provided that Franchisee and such corporation satisfy Franchisor's reasonable requirements, including but not limited to the following:

11.4.1 Franchisee shall at all times be the record and/or beneficial owner of such corporation.

11.4.2 No other person or entity shall own or have any right to acquire any capital stock or securities of such corporation without Franchisor's prior written consent.

11.4.3 Franchisee shall remain personally liable to Franchisor for all obligations under this Agreement (including but not limited to the covenants contained in Section 14 hereof).

11.4.4 Each shareholder (if Franchisee is a corporation) or general and limited partner (if Franchisee is a partnership) guarantees the performance of all such obligations in writing in a form satisfactory to Franchisor and pay a reasonable administration fee to the Franchisor.

11.4.5 Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 11.4.5 (including covenants applicable upon the termination of a person's relationship with Franchisee) and the provisions of Section 13 of this Agreement from any or all of the following persons: (a) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of a Franchisee, and of any corporation directly or indirectly controlling, controlled by, or under common control with Franchisee, if Franchisee is a corporation; and (b) the general partners and any limited partners (including any corporation, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership. Every covenant required by this Section 11.4.5 shall be in a form approved by Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

11.5 If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchise Business desires to transfer or assign this Agreement or their interest herein or in Franchisee or the business to any third party, such party must first notify Franchisor in writing, by certified mail, return receipt requested, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within 30 days after receipt of Franchisee's notification, to match transferee's offer, or pay the equivalent in cash. Franchisor may then purchase the interest upon the same terms and conditions offered by the proposed assignee. Failure by Franchisor to exercise this right within 30 days following receipt of the written offer shall thereafter permit Franchisee to proceed with the sale to the proposed transferee provided that all other requirements identified in this Agreement are performed. Any change in the terms between the proposed transferee and Franchisee shall be considered a new offer which must be submitted to Franchisor subject to the procedures set forth herein.

11.6 Upon the death or mental incapacity of Franchisee or any person with an interest in Franchisee (if Franchisee is a corporation or partnership), or in all or substantially all of the assets of the Franchise Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such

death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 11 or do not wish to accept such transfer, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 12.2.6 hereof.

## **12. DEFAULT AND TERMINATION**

12.1 Except as provided in Section 12.2 below, this Agreement shall terminate at the option of the Franchisor without further notice to Franchisee, if Franchisee is in default of any of the provisions hereof, including, but not limited to, the failure by Franchisee to pay any fees owed to Franchisor, and such default is not remedied within 30 days following receipt of written notice from Franchisor, served by certified mail, return receipt requested or other form where proof of delivery is available.

12.2 The following shall, in Franchisor's judgment and option, justify immediate termination without affording Franchisee the opportunity to cure and without notification:

12.2.1 If Franchisee is convicted of or pleads no contest to, a felony, a crime involving moral turpitude, bribery, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

12.2.2 If Franchisee declares bankruptcy, voluntary or involuntary, or becomes insolvent, has a receiver appointed for any portion of its property, or makes a general assignment for the benefit of its creditors;

12.2.3 If Franchisee voluntarily abandons the Franchise Business;

12.2.4 If Franchisee attempts to make a transfer in violation of Section 11 hereof;

12.2.5 If Franchisee commits the same default within any twelve (12) month period during the term of this Agreement, whether or not cured after notice;

12.2.6 If Franchisee commits three (3) defaults within any twenty-four (24) month period during the term of this Agreement, whether or not cured after notice;

12.2.7 If Franchisee fails to procure and maintain insurance as described in Section 7.10;

12.2.8 If Franchisee violates this Agreement by offering services to a potential customer without first notifying that customer that Franchisee is not an agent of Franchisor; or

12.2.9 If Franchisee commits a fraud or misrepresentation which, for purposes of this Section, includes all statutory definitions of fraud, the underreporting of monthly Gross

Receipts by 2% or more for each of any three months in any 12-month period, and the misuse of Franchisor's Proprietary Marks in any local, online or other telephone directory advertisement.

12.3 So long as Franchisee is in default of (with or without notice) any provision of this Agreement, Franchisor shall not be obligated under Section 4 hereof or be obligated to any Franchisor program or initiative designed for the betterment of the Franchisee or System. Upon Franchisee curing a default, Franchisor shall not be retroactively obligated.

12.4 If this Agreement is terminated due to Franchisee's default or is otherwise prematurely terminated by Franchisee, Franchisee agrees that Franchisor will incur certain damages and costs that are not readily ascertainable. Therefore, in such event, Franchisee shall pay to Franchisor, as liquidated damages and not as a penalty, a lump sum equal to the greater of i) \$100,000 or ii) the amount of Royalty and Marketing Fees accruing under the Franchise Agreement during the 12 full calendar months of the operation of the Franchise Business preceding the termination (or such lesser period as has elapsed since the Effective Date), multiplied by the lesser of five or the number of years remaining under the Initial Term of this Agreement, which may be a fraction if termination occurs during the last year of the initial term. The sum of Royalty and Marketing Fees will be determined based on an audit under Section 13.4 of this Agreement. The parties mutually acknowledge that the lump sum payment provided under this section is reasonable in light of the uncertainty as of the Effective Date about the precise damages Franchisor will sustain in such an event. Such payment of liquidated damages shall be in addition to any amounts due pursuant to any other provision of this Agreement or any other Agreement with Franchisor or its affiliates. The payment of liquidated damages hereunder shall not affect Franchisor's right to obtain appropriate equitable relief and remedies, nor shall it affect Franchisor's right to pursue any other remedies.

### **13. OBLIGATIONS OF FRANCHISEE UPON TERMINATION, TRANSFER, AND NONRENEWAL**

In the event of termination, transfer or non-renewal of this Agreement, all rights granted hereunder to Franchisee shall terminate and Franchisee shall immediately:

13.1 Cease to use, in any manner whatsoever, any and all of Franchisor's eConfidential iInformation including, Franchisor's methods, designs, and marketing techniques associated with the Proprietary Marks "PUROCLEAN", "Paramedics of Property Damage" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devised associated with the Franchise Business.

13.2 Prior to the disposal (by sale or otherwise) or continued use of any item displaying any Proprietary Mark, Franchisee shall remove all reference to the Proprietary Marks so that they are not recognizable.

13.3 Cease to operate the Franchise Business, and not thereafter, represent to the public or hold itself out as a present or former franchisee of Franchisor.

13.4 Submit to, and at no cost to Franchisor, a full audit prepared by a Certified Public Accountant within thirty (30) days of the effective date of non-renewal or termination, detailing

all monies due Franchisor pursuant to any requirement under this Agreement, or any requirement under any other agreement between Franchisee and Franchisor and make payment to Franchisor in full. Additionally, Franchisee must reimburse Franchisor for any and all payments Franchisor is required to make to a third party as a result of any breach by Franchisee of an agreement Franchisee enters into with a third party, including all costs and expenses incurred by Franchisor in connection therewith.

13.5 Franchisee hereby assigns to Franchisor all right, title and interest in any e-mail address, website, identification, method of communications, telephone numbers and business listings used by Franchisee in connection with its conduct of the Franchise Business, and agrees that any such right, title or interest may be assumed by Franchisor, at Franchisor's option, upon termination or expiration of this Agreement. Franchisee agrees to execute a Collateral Assignment of Telephone Numbers and Listings in a form prescribed by Franchisor. Franchisee also hereby appoints Franchisor as its attorney in fact with full power and authority to execute on Franchisee's behalf any documents that are necessary to effectuate such an assignment.

13.6 Return to Franchisor the proprietary Manuals and all other records, correspondence, and instructions, videotapes, and software containing eConfidential iInformation relating to the operation of the Franchise Business, including all PUROCLEAN client, customer and prospective client and customer contact information, all of which are acknowledged to be the property of Franchisor.

13.7 Comply with the covenants contained in Section 14 of this Agreement.

13.8 In the event of a transfer of this Agreement, transferor shall remain obligated under the provisions of 13.1 through and including 13.8 of this Section.

## 14. COVENANT NOT TO COMPETE

14.1 Franchisee acknowledges and agrees that Franchisor would be unable to protect its eConfidential iInformation and would be unable to encourage the free exchange of ideas and information among franchisees and Franchisor if Franchisee were permitted to engage in a competitive business. In order to protect Franchisor and all franchisees of the Franchisor, Franchisee covenants that:

14.1.1 During the term of this Agreement, Franchisee, and all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you (including any immediate family member (by blood or marriage)) shall not, directly or indirectly within or outside the Protected Office Location, for itself, or through, on behalf of, or in conjunction with any person or legal entity, engage in any restoration and contracting business or drying and cleaning businesses (other than pursuant to this Agreement); and

14.1.2 For a period of two (2) years after the termination, transfer or expiration of this Agreement, Franchisee, and all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you (including any immediate family member (by blood or marriage)) shall not directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal

entity, engage in any restoration, mitigation, remediation or contracting business or drying and cleaning businesses that is located within any of the following:

14.1.2.1 within the Protected Office Location;

14.1.2.2 within a fifty (50) mile radius of the Office; or

14.1.2.3 within the Protected Territory or Protected Office Location of any franchisee of Franchisor, including, without limitation, the Protected Office Location or Territory of any PUROFIRST or PUROCLEAN franchisee.

14.1.3 In addition, for a period of two (2) years after the termination, transfer or expiration of this Agreement, Franchisee, and all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you (including any immediate family member (by blood or marriage)) shall not directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, solicit referrals or business, or accept business or referrals from any insurance company, insurance agency, third-party referral service or other entity that had previously referred business to or conducted business with Franchisee while Franchisee used or was authorized to use the Proprietary Marks.

14.1.4 Franchisee agrees that the length of time in subparts 14.1.2 and 14.1.3 will be tolled for any period during which you are in breach of the covenants or any other period during which Franchisor seeks to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

14.1.5 Franchisee further acknowledges and agrees that it will immediately and without protest pay all attorneys' fees and related expenses that Franchisor may incur in pursuing injunctive relief in order to enforce the terms of Section 14.

## **15. RELATIONSHIP OF THE PARTIES**

Franchisee is an independent contractor, and nothing contained in this Agreement shall be construed to establish that either party is an agent (real or apparent), legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose. Franchisee understands and agrees that fulfillment of any and all obligations of Franchisor based on any and all oral and written understandings adjudged to be binding shall be the sole responsibility of Franchisor and no affiliate, agent, representative nor any individual associated with Franchisor shall be held responsible.

## **16. WAIVER/INTEGRATION**

No waiver by Franchisor of any breach by Franchisee, nor any default or failure by Franchisor to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights with respect to that or any other or subsequent breach. Subject to Franchisor's rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or

rescinded, in whole or in part, except by a writing signed by Franchisee and Franchisor. This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

## **17. ARBITRATION AND MEDIATION**

17.1 Except as qualified by Section 17.5, prior to the initiation of any litigation or arbitration by either party pursuant to Section 17.2, the parties must make a good faith effort to resolve any controversies between them by non-binding mediation at a location within or near the Protected Office Location, either through a mutually acceptable mediator or through an established mediation service selected by Franchisor. Prior to mediation each party involved in mediation shall sign the standard confidentiality agreement designated by the Mediator or Franchisor. No litigation or arbitration proceeding may be commenced until the earlier of 30 days from written notice by one party to the other of a request to initiate mediation, or the mutual agreement by both parties that mediation has been unsuccessful in resolving the existing controversy. Mediation will be deemed unsuccessful if the notified party fails to respond to the requesting party within 30 days of notification. The parties will share equally all fees and expenses of the mediator. No provision contained in this paragraph (17.1) shall prevent the immediate filing in adjudication for injunctive or restraining orders as provided in 17.5.

In lieu of mediation, Franchisor may, under certain limited circumstances, require Franchisee to submit its dispute to a tribunal of franchisees selected by the National Leadership Council (the "Tribunal"). Franchisee will have 30 days after receiving notice of the dispute in front of the Tribunal to respond to the allegations and appear before the Tribunal. If franchisee refuses to participate in the review by the Tribunal, the Tribunal will have the right to review the claim without the franchisee's participation and issue a decision based upon the facts presented in the dispute.

17.2 Except as qualified in 17.1 and 17.5, the parties hereby agree that any and all disputes and claims arising out of (either directly or indirectly) or related to the Franchise Business, this Agreement or related agreement(s), including breach thereof and including any alleged violation of law, must be submitted to binding arbitration under the authority of the Federal Arbitration Act and under the auspices of either The Center for Public Resources (CPR) or the American Arbitration Association (AAA), at the option of Franchisor except for any injunctive or restraining relief as described in 17.5 which may be adjudicated in a court of competent jurisdiction in the County of Broward, State of Florida. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The dispute must be heard by a panel of three (3) independent arbitrators in accordance with the Commercial Arbitration Rules of the AAA or Rules For Non-administrative Arbitration of CPR. If, however, the Respondent fails to answer the claim on a timely basis, fails to pay the required fees and expenses, or fails to make a counter-claim, the Claimant may opt to reduce the number of

arbitrators to one, to be selected by the chosen arbitration association. Each arbitrator must have 10 years of franchise experience. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that Franchisor sets. Franchisee and Franchisor will share equally all fees and expenses of the arbitrators and CPR or AAA. No part of the arbitration proceeding may be disclosed to any other person except when required by law or by court order. Arbitration must take place in the County of Broward, State of Florida.

17.3 The decision of the Arbitrators may be filed as a judgment in any court of competent jurisdiction and will be binding in any other jurisdiction.

17.4 Any arbitration or litigation proceeding, or any claim in arbitration or litigation (including any defense and any claim of setoff or recoupment), must be brought or asserted before the expiration of the earlier of (1) the time period for bringing an action under any applicable state or federal statute of limitation; (2) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) two years after the first act or omission giving rise to an alleged claim. Claims of the franchisor attributable to the underreporting of gross sales and claims of the parties for indemnification and defense and claims for payments of financial obligations specified in this Agreement shall be subject only to the applicable state or federal statute of limitation. Arbitrability of any claim will be decided by the arbitrator.

17.5 Notwithstanding Sections 17.1 – 17.4 above, Franchisee recognizes that its Franchise Business is one of a number of businesses identified by the Marks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all of Franchisor's other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisor, Franchisee will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. An action seeking the equitable remedies outlined above may be brought in state or federal court located in the County of Broward, State of Florida. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

## 18. NOTICE

All notices required under this Agreement shall be in writing and delivered by registered mail, certified mail, return receipt requested or a legitimate recognized national overnight delivery

service, addressed to the party's last known address. Notice shall be deemed to have been given and received at the date and time of receipt or attempted delivery.

## **19. SEVERABILITY**

If any portion of this Agreement is held to be invalid or unenforceable, the remaining portion shall remain in full force and effect and such invalid portions shall be deemed not to be a part of this Agreement.

## **20. JURISDICTION, VENUE AND CONTROLLING LAW; INTERPRETATION OF RIGHTS**

20.1 This Agreement shall be governed by and enforced in accordance with the laws of the State of Florida, except only Florida franchise or business opportunity law shall not apply unless Franchisee is a resident of Florida or the Protected Office Location is in Florida. Franchisee and Franchisor consent to the jurisdiction and venue of any court of general jurisdiction, County of Broward, State of Florida and, except as provided in Section 17 above, any legal proceedings arising out of this Agreement shall be brought only in such court.

20.2 Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

20.3 Whenever Franchisor reserves or is deemed to have reserved discretion in a particular area or where Franchisor agrees or is deemed to be required to exercise Franchisor's rights reasonably or in good faith, Franchisor will satisfy its obligations whenever Franchisor exercises Reasonable Business Judgment in making our decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Proprietary Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System.

## **21. ENTIRE AGREEMENT**

21.1 This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement of the parties. There are no representations either oral or written, except those contained in the Disclosure Document and this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

21.2 Franchisee acknowledges that if all or any part of the fees required by this Agreement was financed, that the finance company was freely chosen by Franchisee and Franchisee takes sole responsibility for rates, terms and conditions.

21.3 Nothing in this Agreement or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Disclosure Document that Franchisor furnished to Franchisee.

**(SIGNATURE PAGE TO FOLLOW)**

**22. PLACE OF EXECUTION**

It is agreed that this Agreement was executed at Franchisor’s place of business in Florida.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

(Franchisor) PUROSYSTEMS, LLC

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Steven P. White, President/COO

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

Franchisee or Franchisee’s representative hereby acknowledges that it has read this Agreement completely and fully understands its requirements and obligations.

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

If the Franchisee is a corporation, the Secretary of said corporation certifies that the above signers are all of the Officers, Directors and Shareholders of the Franchisee.

Secretary \_\_\_\_\_

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND  
PERSONALLY BY THE TERMS AND CONDITIONS  
OF THE FRANCHISE AGREEMENT

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

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in Section 14 and the dispute resolution process outlined in Section 17, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

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

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

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

PERSONAL GUARANTORS:

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

_____		
Individually		
_____		
Print Name		
_____		
Address		
_____	_____	_____
City	State	Zip Code
_____		
Telephone		

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT**

**PROTECTED OFFICE LOCATION**

Franchisee will do business under the trade name PuroClean of \_\_\_\_\_ and the Protected Office Location (“POL”) shall be comprised of the following zip codes only:

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(Insert Map View)

In the event these zip codes should be modified by any governmental authority, Franchisor shall re-describe the POL using such modified zip codes and/or other political boundaries, and maintaining as closely as possible the original geographic size and shape of the POL depicted on the map, giving due consideration to any adjoining POL’s.

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Franchisee Initials

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Franchisor Initials

**SCHEDULE 2 TO THE FRANCHISE AGREEMENT**

**CONVERSION ADDENDUM**

This Addendum (the “Addendum”) to PuroSystems, LLC’s Franchise Agreement is made and entered into \_\_\_\_\_ by and between PuroSystems, LLC, a Florida limited liability company with its principal business address at 6001 Hiatus Road, Suite 13, Tamarac, FL 33321 (“Franchisor”) and \_\_\_\_\_, with an address at \_\_\_\_\_ (“Franchisee”).

**BACKGROUND**

A. With the execution of this Addendum, the parties entered into a Franchise Agreement (the “Franchise Agreement”) pursuant to which Franchisee was granted the right and undertook the obligation to open and operate a PUROCLEAN® business which provides mitigation and reconstruction services (the “Franchised Business”).

B. Franchisee presently operates an existing business located at [INSERT ADDRESS OF FORMER BUSINESS] (the “Existing Business Location”) under the name [INSERT NAME OF FRANCHISED BUSINESS] which provides reconstruction or mitigation services, and has earned \$ \_\_\_\_\_ in gross revenue during the 12 month period immediately preceding Franchisee’s application to purchase a Franchised Business from Franchisor (the “Existing Business”).

C. Franchisee seeks to convert the Existing Business into a Franchised Business.

D. Franchisor is willing to grant Franchisee to operate a Franchised Business through the Existing Business, subject to the terms and conditions contained in this Addendum, in reliance on Franchisee’s representations in its application materials.

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Existing Business Operating History.** Franchisee hereby acknowledges and agrees that Franchisee’s Existing Business has been engaged in mitigation and/or reconstruction services (as defined below) which generated \$ \_\_\_\_\_ in gross receipts in the 12 month period immediately preceding Franchisee’s application for a Franchised Business. In connection with the signing of this Addendum, Franchisee provided Franchisor with a list of all clients Franchisee is servicing in connection with its Existing Business (the “Existing Client List”).

a. For purposes of this Addendum, mitigation services are defined as all drying, remediation, mitigation, cleaning, duct cleaning work, textiles dry cleaning by in plant dry cleaning companies, and related services on property casualty losses and related forms of property damage.

b. For purposes of this Addendum, reconstruction services are defined as work done only to repair damages from fire, flood, or other catastrophic events of loss which includes

electrical, dry-wall, painting, plumbing, roofing, carpentry, cabinetry, a floor covering replacement or installation work. Reconstruction Services do not include remodeling or construction work, demolition work, rental of dumpsters, electrical power generators, or other rental services as this is part of the mitigation services classification.

- c. Any mitigation and/or reconstruction work performed by, or for leads received by, Franchisee’s Existing Business will be subject to the Royalty Fees outlined in the Franchise Agreement and this Addendum and are considered Gross Receipts of the Franchised Business. Any non-mitigation and/or non-reconstruction services performed by the Existing Business will not be subject to Royalty Fees except for any work performed as a result of a lead from the Franchised Business.

2. **Reduced Initial Franchise Fee.** Franchisor agrees to reduce the initial franchise by 5% for each \$200,000 in Prior Gross Receipts (as defined in Section 3 below) earned by Franchisee from providing mitigation and reconstruction services, up to a 50% discount or \$25,000 off of the initial franchise fee set forth in Section 5.1 of the Franchise Agreement.

3. **Royalty Discount.** The parties acknowledge and agree that the Royalty Fee set forth in Section 5.2 of the Franchise Agreement will apply to Gross Receipts generated by the Franchised Business and to any non-mitigation and/or non-reconstruction services performed by the Existing Business as a result of a lead from the Franchised Business. Franchisee is not required to pay a Royalty Fee on Gross Receipts generated by the Existing Business (when a construction business becomes a Conversion Franchisee the construction work that is not related to a fire, flood or other disaster remains separate from the Franchised Business – examples are adding a deck to a house, remodeling a dated kitchen, and basically anything cosmetic). If, however, the construction work came from a lead that Franchisor provides to Franchisee, the Royalty Fee for Reconstruction Services applies.

If Franchisee maintains at least \$500,000 in yearly Gross Receipts for the mitigation and/or reconstruction services in provides and is otherwise compliant with the terms of the Franchise Agreement and this Addendum, Franchisor will provide Franchisee with the following Royalty Fee Discounts during the following months of operation:

<b>Months of Operation</b>	<b>Mitigation Services Royalty Fee Discount</b>	<b>Reconstruction Services Royalty Fee Discount</b>
First 12 months	50% on Franchisee’s monthly Gross Receipts, up to the Prior Gross Receipts for Mitigation Services	<ul style="list-style-type: none"> <li>• 100% on Franchisee’s Gross Receipts up to the Prior Gross Receipts for Mitigation Services</li> </ul>
Months 13 to 24	40% Gross Receipts, up to the Prior Gross Receipts for Mitigation Services	<ul style="list-style-type: none"> <li>• 90% on Franchisee’s Gross Receipts</li> </ul>
Months 25 to 36	30% Gross Receipts, up to the Prior Gross Receipts for Mitigation Services	<ul style="list-style-type: none"> <li>• 80% on Franchisee’s Gross Receipts</li> </ul>
Months 37 to 48	No discount on Gross Receipts	<ul style="list-style-type: none"> <li>• 70% on Franchisee’s Gross Receipts</li> </ul>

No royalty discount is available on additional sums earned above the Prior Gross Receipts.

- a. Prior Gross Receipts. “Prior Gross Receipts” equals the gross receipts earned by the Existing Business from providing Mitigation and Reconstruction services, respectively during the 12 month period immediately preceding execution of this Addendum.
- b. Non-mitigation, Non-reconstruction Services. Any non-mitigation and/or non-reconstruction services performed by the Existing Business will not be subject to Royalty Fees except for any work performed as a result of a lead from the Franchised Business.

4. **Minimum Gross Sales Requirement**. In order to remain eligible for the Royalty Fees Discount, Conversion Franchisees must maintain a revenue volume equal to the Prior Gross Receipts. Franchisor will conduct an annual review of each Conversion Franchisee’s Gross Receipts from providing mitigation and reconstruction services within 45 days after the receipt of full records and reports to determine whether each Conversion Franchisee remains eligible for the Royalty Fees discount, and will advise the Conversion Franchisee if it will continue to extend the discount. Conversion Franchisees must provide full records and reports pursuant to the Franchise Agreement and proprietary Manual in order to be eligible for discounts within 15 days after the close of each calendar year. Franchisee’s failure to provide full records and reports pursuant to the Franchise Agreement and proprietary Manual will result in immediate suspension of all Royalty discounts.

5. **Grand Opening Advertising**. Notwithstanding any provisions contained in the Franchise Agreement to the contrary, Franchisee agrees to expend at least \$1,100 on the grand opening of the Franchised Business within 60 days after opening.

6. **Marketing**. Upon executing this Addendum, Franchisee must immediately market, offer, and sell all authorized services under the Franchise Agreement and System solely using the Proprietary Marks, and is prohibited from using the Existing Business’s trademarks, trade dress, logos, and indicia of origin in connection with such products and services. Franchisee may, however, continue to use the Existing Business’s trademarks, logos, and indicia of origin in connection with any other products or services offered for sale by the Existing Business, and may co-brand advertising, provided that all such advertising clearly delineates what products and services are being offered under the System, and which products and services are being offered using Franchisee’s Existing Business. Franchisor’s Field Support Specialists will determine the best approach for marketing support immediately after Franchisee and/or its designated manager have attended Franchisor’s training program.

7. **Dedicated Bank Account**. Pursuant to Section 5.4 of the Franchise Agreement, Franchisee must maintain a dedicated bank account within which to deposit all funds from the operation of the Franchised Business. Franchisee may maintain a separate bank account the Existing Business’s in connection with any activities unrelated to the Franchised Business.

8. **Telephone Numbers and Listings**. Franchisee may, at its option, maintain its existing telephone equipment and service currently in place. However, Franchisee must assign all right, title, and interest associated with telephone numbers and listings used in connection with the provision of authorized goods and services under the Franchise Agreement to Franchisor within 15 days of the Effective Date of the Franchise Agreement. If Franchisee seeks to use a new telephone number or numbers in connection with the Franchised Business, all such numbers must

be: (a) assigned to Franchisor within 15 days; (b) established using Franchisor's designated suppliers pursuant to the Franchise Agreement; and (c) direct all calls relating to the Franchised Business solely to Franchisee's designated number.

9. **Equipment Standards and Specifications.** To the extent Franchisee does not already own or lease equipment meeting Franchisor's standards and specifications prior to commencing operations pursuant to the Franchise Agreement, Franchisor will conduct an audit of Franchisee's existing equipment and will provide Franchisee with a list of additional equipment to be purchased within 30 days of the Effective Date of Franchise Agreement.

- a. **Un-Branded Equipment.** Franchisee may continue to use equipment which is not branded with Franchisor's logos but otherwise meets Franchisor's standards and specifications, until the earlier of (a) 5 years after the original manufactured date; or (b) 3 years from the effective date of the Franchise Agreement.
- b. **Existing Fleet of Vehicles.** The parties acknowledge and agree that Franchisor requires all existing vehicles to be manufactured within 48 months of the Effective Date of the Franchise Agreement in order to maintain consistency of branding and service throughout the System. To the extent Franchisee's existing Vehicles do not comply with Franchisor's standards and specifications, Franchisee will be required to purchase/lease at least one new vehicle and rebranded at Franchisee's expense. 50% of all vehicles must be rebranded within 30 days of completing initial training, and the remainder must be rebranded within 12 months of executing this Agreement.
- c. **Computer System.** Franchisee may continue to use its current computer system, provided the system meets Franchisor's computer software and hardware standards and specifications. At Franchisee's expense, Franchisor may make, or require to be made, hardware and software modifications to the computer system to meet Franchisor's standards and specifications.
- d. **Accounting Software and Chart of Accounts.** Franchisee must use Franchisor's chart of accounts in submitting required reports and financial statements under the Franchise Agreement. Franchisee's reporting requirements set forth in the Franchise Agreement will extend solely to the operation of the Franchised Business. Franchisee must use QuickBooks Accounting Software. To the extent Franchisee already has QuickBooks Accounting Software for the Existing Business, Franchisee may continue to use its version of QuickBooks Accounting System, although Franchisor recommends that Franchisee upgrade existing software to the most recent versions available.
- e. **Uniforms.** All employees involved in the operation of the Franchised Business must wear Franchisor's designated uniforms.

10. **Initial Training.** Upon executing this Agreement, Franchisee and/or its Designated Manager must attend the next available initial training program pursuant to Section 7.1 of the Franchise Agreement. Any additional persons required to attend training pursuant to Section 7.1 of the Franchise Agreement may attend a subsequent initial training class during the first six months of opening the Franchised Business.

11. **Opening.** The Franchised Business must be open and operating within 60 days after the effective date of this Agreement.

12. **Site Approval.** Franchisor hereby approves the Existing Business Location as Franchisee's Office under the Franchise Agreement. Franchisee may not move the Office Location without Franchisor's prior written permission, which will not be unreasonably withheld provided that the new proposed Office meets Franchisor's then-current standards and is located within Franchisee's POL.

13. **Audit Rights.** Section 7.8 of the Franchise Agreement is amended to provide that Franchisor may audit both the Franchised Business and Existing Business.

14. **Indemnity.** Section 10 of the Franchise Agreement is hereby amended to include the following additional Section 10.4:

Franchisee is solely responsible for, and shall indemnify and hold Franchisor and Franchisor's officers, directors, employees, agents, successors, and assigns harmless from and against all fines, expenses, claims demands judgments taxes or other liabilities or costs of any kind (including reasonable attorneys' fees and expenses) arising directly or indirectly from, or in connection with Franchisee's operation, transfer, or purchase of the Existing Business. Indemnity includes, but is not limited to, any claims based on the negligence, duty, actions, or inaction of any of the above parties and covers bodily injury, death, and property damage. Franchisee's obligation to defend Franchisor as set forth in Section 10.2 of the Franchise Agreement will extend to Franchisee's operation of the Existing Business.

15. **Covenants Against Competition.** Section 14.1.2 of the Franchise Agreement is amended to include the following:

Provided Franchisee is in compliance with the terms of the Franchise Agreement, on or no more than 30 days prior to the fifth anniversary of the date of the Franchise Agreement, Franchisee may notify Franchisor of its desire to terminate the Franchise Agreement and this Addendum. Franchisor will agree to the termination and will not seek damages as a result of the early termination or enforce the post-term covenant not to compete against Franchisee as it relates to the Existing Customer List provided the following items are satisfied: (i) on or no more than 30 days prior to the five year anniversary date of the Franchise Agreement, Franchisee provides Franchisor with written notice of its desire to terminate the Franchise Agreement and this Addendum (the "Termination Notice") and (ii) Franchisee continues to operate the Franchised Business in accordance with the requirements and obligations of the Franchise Agreement and this Addendum for a period of 12 months following the date Franchisor receives the Termination Notice. Franchisee will be required to comply with the post-term covenant not to compete outlined in Section 14.1.2 provided the post-term covenant not to compete will not apply to clients listed on Franchisee's Existing Client List. If Franchisee fails to comply with the conditions noted above, Franchisee will be bound by the terms of the post-term covenant not to compete outlined in Section 14.1.2, which covenant will include Franchisee's Existing Client List and Franchisor may seek damages from Franchisee as a result of the early termination.

In the event Franchisee: (i) desires to transfer the Franchise Agreement, (ii) desires to terminate the Franchise Agreement and this Addendum before the fifth anniversary of the date of the Franchise Agreement, or (iii) seeks an early termination of the Franchise Agreement but fails to comply with the provisions outlined in this Section 15 above, upon the termination or transfer of the Franchise Agreement and this Addendum Franchisee agrees to comply with the post-term covenant not to compete outlined in Section 14.1.2, which covenant will apply to Franchisee's Existing Client List.

16. **Non-Transferrable.** This Addendum is personal to Franchisee and is non-transferrable, except in connection with any transfer pursuant to Section 11 of the Franchise Agreement.

17. **Termination With Notice and Without Opportunity to Cure.** Section 12 of the Franchise Agreement is hereby amended to include the following Section 12.4:

12.4 The following shall, in Franchisor's judgment and option, justify immediate termination upon notice without affording Franchisee the opportunity to cure:

12.4.1 If Franchisee engages in any relocation of the Existing Business without Franchisor's prior written consent, or operates the Franchised Business from any other businesses Franchisee may now or in the future own or operate without Franchisor's prior written consent; and

12.4.2 If Franchisee effectuates any transfer of its ownership interest in the Existing Business without Franchisor's prior written consent.

18. **Choice of Law and Dispute Resolution.** This Addendum will be governed by and enforced in accordance with the laws of the State of Florida, except only Florida franchise or business opportunity law shall not apply unless Franchisee is a resident of Florida or the Protected Office Location is in Florida. Franchisee and Franchisor consent to the jurisdiction and venue of any court of general jurisdiction, County of Broward, State of Florida and agree to resolve any disputes arising out of or related to the Franchise Agreement and this Addendum in the manner set forth in the Franchise Agreement.

19. **Defined Terms.** Terms defined in the Franchise Agreement and not defined in this Addendum have the meaning defined in the Franchise Agreement.

20. **Binding Effect.** This Addendum will inure to the benefit of, and will be binding upon, the parties hereto and their respective successors and assigns.

21. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the Franchise Agreement and supersede any and all prior agreements. Any term defined in the Franchise Agreement shall have the same meaning when used in this Addendum. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as amended hereby, all the other terms and conditions of the Agreement are ratified and confirmed. Intending to be legally bound, the parties hereby execute this Addendum on the date set forth above. Nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

(Franchisor) PUROSYSTEMS, LLC

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Steven P. White, President/COO

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

Franchisee or Franchisee’s representative hereby acknowledges that it has read this Agreement completely and fully understands its requirements and obligations.

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

The following individuals agree to be bound jointly and severally by the terms of this Agreement, including but not limited to, forum and law selection clauses, jury waiver and the provision to arbitrate, and all subsequent or collateral agreements.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

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

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

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

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

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

If the Franchisee is a corporation, the Secretary of said corporation certifies that the above signers are all of the Officers, Directors and Shareholders of the Franchisee.

Secretary\_\_\_\_\_

## SCHEDULE 3 TO THE FRANCHISE AGREEMENT

### CLEAN START PROGRAM

Franchisees new to the PUROCLEAN franchise system, excluding Conversion Franchisees and franchisees that entered the system by purchasing an existing PUROCLEAN business, may take advantage of our Clean Start Program. Under the Clean Start Program, qualifying franchisees may notify us of their desire to terminate the Franchise Agreement and cease operating their PUROCLEAN Franchised Business and we will assume the Franchisee's remaining obligations under its vehicle lease agreement and Equipment and Supplies Package lease agreement, provided Franchisee satisfies the requirements of the Clean Start Program as outlined below.

On or within 30 days after the first anniversary of the date Franchisee started operating its Franchised Business, Franchisee must provide us with written notice of its intent to terminate the Franchise Agreement under the Clean Start Program (the "Notice to Terminate"). If Franchisee qualifies for the Clean Start Program, upon the termination of the Franchise Agreement we will assume Franchisee's remaining obligations under its vehicle lease agreement and Equipment and Supplies Package lease agreement. Franchisee acknowledges and agrees that our assumption of these leases is limited to Franchisee's remaining lease obligations and does not entitle Franchisee to receive any refund or reimbursement for fees already paid under the terms of the lease agreements or the Franchise Agreement, or any other investment made by Franchisee in connection with operating the PUROCLEAN Franchised Business.

We will notify Franchisee within 5 days of receiving the Notice to Terminate whether Franchisee qualifies for the Clean Start Program. To qualify for the Clean Start Program, franchisee must satisfy each of the following requirements:

- Franchisee must lease its vehicle for use in operating its PUROCLEAN Franchised Business from one of our designated suppliers and be current on all payments to such supplier.
- Franchisee must turn over to us or our designee, possession and ownership of the vehicle and Equipment and Supplies Package. The returned Equipment and Supplies Package must include all items we require. In order to qualify for the Clean Start Program, all items included in the Equipment and Supplies Package must be returned to us in the original packaging or, if not in the original packaging, Franchisee will be responsible for all re-packaging costs and expenses.
- Franchisee will be responsible for any shipping fees incurred by us in connection with our assumption of the vehicle and/or items contained in the Equipment and Supplies Package.
- Franchisee must be in compliance with the terms of the Franchise Agreement at all times prior to and after Franchisee provides us with its Notice to Terminate.
- Franchisee's first year revenue (which includes the day Franchisee begins operating the business through the date we receive the Notice to Terminate) must be less than \$150,000.

- Franchisee must hold a total of four continuing education courses prior to issuing the Notice to Terminate, holding one continuing education course every 3 months.
- Franchisee must sign a mutual termination and release agreement in the form we require. Under the terms of the mutual termination and release agreement Franchisee will agree, among other things, to comply with the post-termination obligations outlined in the Franchise Agreement including, but not limited to, the post-term covenant not to compete.



(Del)

## ADDENDUM TO FRANCHISE AGREEMENT

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 a loan (“Loan”) 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 the 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 or any other document \_\_\_\_\_ requires \_\_\_\_\_ to sign:

### 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 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 franchise 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 franchise 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 franchise term (excluding additional renewals) for fair market value.

### COVENANTS

- If the Franchisee owns the real estate where the \_\_\_\_\_ 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 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 and 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.

**FRANCHISOR:**

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

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

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

**FRANCHISEE:**

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

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

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

~~Note to Parties: This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.~~

**EXHIBIT F**  
**STATE ADDENDA**

RIDER TO STATE ADDENDUM TO PUROCLEAN®

FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

This Rider to State Addendum to PUROCLEAN® Franchise Disclosure Document (“FDD”) and Franchise Agreement is entered into by and between PuroSystems, LLC, 6001 Hiatus Road, Suite 13, Tamarac, FL 33321 (“we” or “us”) and \_\_\_\_\_ (“you”).

A. This Rider is being signed because you are a resident of one of the states listed in the heading of this Rider (the “Applicable Franchise Registration State”) or a non-resident who is acquiring franchise rights permitting the location of a PUROCLEAN® business in the Applicable Franchise Registration State.

B. We and you have contemporaneously herewith entered into a Franchise Agreement (the “Agreement”) and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the FDD and Agreement: “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.”

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

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

FRANCHISOR: PUROSYSTEMS, LLC

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. The item numbers correspond to those in the main body:

1. 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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER BY RULE OR ORDER REQUIRE, BEFORE SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

2. State Risk Factors.

YOU ARE REQUIRED TO PURCHASE A VEHICLE FROM OUR DESIGNATED VEHICLE SUPPLIER.

YOU MUST PAY A REGISTRATION FEE TO ATTEND AN ANNUAL CONVENTION. THIS AMOUNT IS DUE EVEN IF YOU FAIL TO ATTEND THE CONVENTION.

SPOUSAL LIABILITY: YOUR SPOUSE WILL BE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS

3. The industry specific regulations section of Item 1 of the Disclosure Document is amended to include the following:

If your Franchise Business offers construction services, demolition, or the removal of building materials, you may be required to obtain a Contractor's License from the California Contractors State License Board. California law requires you to obtain a Contractor's License from the California Contractors State License Board (CSLB) if the total cost (labor and materials)

of one or more contracts on the project is ~~\$500~~1,000 or more. Licenses may be issued to individuals, partnerships, corporations, or joint ventures. The CSLB does not issue licenses to Limited Liability Companies (LLCs).

4. Item 3.

Item 3 is amended to provide that neither us nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

5. Item 6.

The highest applicable interest rate in California is 10%.

6. Item 10.

Ford Motor Credit Company, LLC is authorized to originate loans in California as it is registered with the California Secretary of State (Sec of State File No. 200712110613).

7. Items 6 and 17.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. Item 17.

California Business & Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

9. Item 17.

The Franchise Agreement provides for a termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

10. Item 17.

You must sign a general release if you renew or transfer your franchise. This provision may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

11. Item 17.

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.

12. Item 17.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Broward County, Florida with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

13. Item 17.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

14. Item 19.

The financial performance figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales 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 franchise business. Franchisees or former franchisees, listed in the Disclosure Document may be one source of this information.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, 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, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, P.O. Box 40, Honolulu, Hawaii 96813.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. The item numbers correspond to those in the main body.

1. Item 17.

For Illinois franchisees, Illinois law governs the Franchise Agreement. The conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Illinois law. Any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. 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.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND

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.

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PuroSystems, LLC Franchise Disclosure Document.

1. Item 5.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 17.

The Franchise Agreement provides that PuroSystems, LLC may terminate the Agreement, as applicable, if you voluntarily or involuntarily file for bankruptcy, as described in the "Summary of Cause Defined" (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Any general release signed as a condition to renewal, sale, assignment, or transfer of these Agreements shall not release Franchisor from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. The item numbers correspond to those in the main body.

1. Items 5 and 7.

All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 13.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. Item 17.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Under Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J, certain liquidated damages clauses are unenforceable.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF 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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 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. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of 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.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

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.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA

The following information applies to franchises and franchisees subject to North Dakota statutes and regulations. The item numbers correspond to those in the main body:

Items 5 and 7.

All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17.

1. Covenants not to compete such as those mentioned in Item 17 may be subject to Section 9-08-06 of the North Dakota Century Code and unenforceable in the State of North Dakota if contrary to Section 9-08-06.

2. Notwithstanding anything contained in Section 17 of the Franchise Agreement, any arbitration proceeding will take place in the city nearest to your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

3. Notwithstanding anything contained in Section 17 of the Franchise Agreement, the prevailing party in any legal proceeding before a court or arbitrator to enforce the terms and provisions of the Franchise Agreement will be entitled to recover its reasonable attorneys' fees and costs.

4. Any claims under the North Dakota Franchise Investment Law may be brought in the State of North Dakota.

5. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

6. The North Dakota Securities Commissioner has held that requiring franchise agreements to be governed by the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

7. You must sign a general release if you renew your franchise. This provision may be unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

8. The North Dakota Securities Commissioner has determined that requiring franchisees to consent to liquidated or termination damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF RHODE ISLAND

The following information applies to franchises and franchisees subject to Rhode Island statutes and regulations. The item numbers correspond to those in the main body:

1. Item 17.

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 the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. Item 23.

Rhode Island law requires Franchisor to provide Franchisee with a copy of the Disclosure Document at the first personal meeting.

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE COMMONWEALTH OF VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act the Franchise Disclosure Document for PuroSystems, LLC for use in the Commonwealth of Virginia shall be amended to include the following:

1. Item 17. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for PuroSystems, LLC for use in the Commonwealth of Virginia shall be amended as follows:

“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 ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS  
FOR THE STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

**1. Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~C~~chapter 19.100 RCW will prevail.

**2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~ 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 ~~which may~~ that supersede the franchise agreement ~~in~~ or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including ~~the areas of termination and renewal of your~~ 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 ~~executed by a~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights~~ 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 ~~such as those which~~ 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 provisions contained in the franchise agreement or elsewhere that conflicts with these limitations ~~are~~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.

~~To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring the employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor.~~

**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.

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

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

ADDENDUM TO PUROSYSTEMS, LLC DISCLOSURE DOCUMENT  
FOR THE STATE OF WISCONSIN

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership law. The item numbers correspond to those in the main body:

1. Item 17.

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

2. Item 17.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

1. Section 14.1.2 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.

2. Section 17 of the Franchise Agreement requires binding arbitration. The arbitration will occur in Florida.

3. Section 11.3.5 of the Franchise Agreement requires the execution of a general release if the franchise is transferred. This provision may not be enforceable under California law.

4. The Franchise Agreement contains provisions that may limit the franchisee's rights, including but not limited to a time limit to file claims against franchisor and class arbitration waiver.

5. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

6. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

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Franchisee Initials

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Franchisor Initials

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF HAWAII

This Addendum pertains to franchises sold in the State of Hawaii and is for the purpose of complying with Hawaii statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

1. 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.

2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

\_\_\_\_\_  
Franchisee Initials

\_\_\_\_\_  
Franchisor Initials

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Section 20.1 of the Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement shall be governed by and interpreted in accordance with the law of the State of Illinois. This Agreement shall be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations. The provisions of this Section shall survive the termination of this Agreement. Franchisee is aware of the business purposes and needs underlying the language of this Section, and with the complete understanding thereof, agrees to be bound in a manner set forth. Subject to Section 17, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois federal or state court for the Territory in which Franchisee's Office is located.

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act is void.

2. The Franchisee Compliance Certification is unenforceable under Illinois law because it may have the effect of forcing a franchisee to waive or release certain rights that Franchisee has under the Illinois Franchise Disclosure Act, 815 IL § 705.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

\_\_\_\_\_  
Franchisee Initials

\_\_\_\_\_  
Franchisor Initials

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF MARYLAND

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The PuroSystems, LLC Franchise Agreement is hereby amended as follows:

1. Section 5.1 of the Franchise Agreement is hereby modified by adding the following sentence to the end of the provision: “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

2. Section 17.4 of the Franchise Agreement is hereby modified by adding the following sentence to the end of the provision: “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

3. With respect to franchisor’s right to terminate you upon your bankruptcy as outlined in Section 12.2.2 of the Franchise Agreement, termination of the Franchise Agreement for this reason may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et. seq.*)

4. Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. Section 20.1 of the Franchise Agreement is hereby modified by adding the following sentence to the end of the provision: “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

6. No representation or disclaimer by the Franchisee in the Franchise Agreement or Exhibit E is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

\_\_\_\_\_  
Franchisee’s Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisor’s Signature

\_\_\_\_\_  
Date

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Section 5.1 of the Franchise Agreement is hereby modified by adding the following sentence to the end of the provision: “All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

2. The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. Nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota.

5. The second sentence of Section 17.5 of the Agreement is deleted in its entirety and has no further force and effect and the following is substituted in lieu thereof:

Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor will forthwith be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators.

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. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

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Franchisee Initials

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Franchisor Initials

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Section 5.1 of the Franchise Agreement is hereby modified by adding the following sentence to the end of the provision: “All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

2. Notwithstanding anything contained in Section 17 of the Franchise Agreement, any arbitration proceeding must take place in the city nearest to the your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

3. Notwithstanding anything contained in Section 17 of the Franchise Agreement, the prevailing party in any legal proceeding before a court or arbitrator to enforce the terms and provisions of the Franchise Agreement will be entitled to recover its reasonable attorneys’ fees and costs.

4. The North Dakota Securities Commissioner has determined that requiring franchisees to consent to liquidated or termination damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any provision of Franchise Agreement that may require Franchisee to consent to liquidated or termination damages, is hereby deleted.

5. The covenant not to compete such as that mentioned in Section 14.1.2 of the Franchise Agreement may be subject to Section 9-08-06 of the North Dakota Century Code and unenforceable in the State of North Dakota if contrary to Section 9-08-06.

6. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The second sentence of Section 20.1 is therefore deleted in its entirety, and the following substituted in lieu thereof:

Subject to Section 17, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Federal District Court for the District of Florida or in Broward County District Court, Florida or the federal or state court of the protected Office Location in which you are located. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts.

7. Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, a franchisee may not be required to sign a general release as a condition of renewal under Section 2.2.4 of the Franchise Agreement.

8. Section 17.2 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.

9. Pursuant to the North Dakota Franchise Investment Law, the first sentence of Section 20.1 of the foregoing Agreement is deleted in its entirety and has no further force and effect, and the following is substituted in lieu thereof:

Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement and the relationship between the parties is governed by and interpreted in accordance with the North Dakota Franchise Investment Law.

10. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

\_\_\_\_\_  
Franchisee Initials

\_\_\_\_\_  
Franchisor Initials

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
COMMONWEALTH OF VIRGINIA

This Addendum pertains to franchises sold in the Commonwealth of Virginia and is for the purpose of complying with Virginia statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

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Franchisee Initials

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Franchisor Initials

~~ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF WASHINGTON~~

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.~~

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~

~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder **except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.** Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

~~Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a 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 **provisions contained in the franchise agreement or elsewhere** that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance ("AOD") with the State~~

~~of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring the employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor.~~

~~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.~~

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

~~The undersigned does hereby acknowledge receipt of this addendum.~~

~~Dated this \_\_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_.~~

\_\_\_\_\_  
Franchisor Name

\_\_\_\_\_  
Prospective Franchisee

ADDENDUM TO  
PUROSYSTEMS, LLC  
FRANCHISE AGREEMENT FOR THE  
STATE OF WISCONSIN

This Addendum pertains to franchises sold in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, Section 12 of the Agreement is extended as follows:

For all franchises sold in the State of Wisconsin, Franchisor will provide Franchisee at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and Franchisee inconsistent with the Law.

3. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

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Franchisee Initials

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Franchisor Initials

**EXHIBIT G**  
**COMPLIANCE CERTIFICATION**

**EXHIBIT G**

**FRANCHISEE COMPLIANCE CERTIFICATION**

**Do not sign this Compliance Certification if you are a resident of Maryland or the business is to be operated in Maryland.**

**THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO AND IS NOT REQUIRED TO BE SIGNED BY CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, ~~MD~~, MI, MN, NY, ND, RI, SD, VA, WA, WI.**

As you know, PuroSystems, LLC ("PuroSystems" or the "Franchisor") and you are preparing to enter into a Franchise Agreement for the establishment and operation of a PuroClean Franchise Business. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If no, please comment: \_\_\_\_\_  
\_\_\_\_\_

2. Have you received and personally reviewed the Disclosure Document, Franchise Agreement and each Addendum and related agreement attached to it?

Yes \_\_\_\_\_ or No \_\_\_\_\_

3. Do you understand all of the information contained in the Disclosure Document, Franchise Agreement, each Addendum and related agreement provided to you?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If no, what parts of the Disclosure Document, Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Did you sign a receipt for the Franchise Disclosure Document (FDD) indicating the date you received it?

Yes \_\_\_\_\_ or No \_\_\_\_\_

5. On the receipt pages of your Disclosure Document you identified \_\_\_\_\_ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If no, please identify any additional franchise sellers involved with this transaction: \_\_\_\_\_

6. Have you conducted an independent investigation of the business and discussed the benefits and risks of establishing and operating a PuroClean Franchise Business with an attorney, accountant, \_\_\_\_\_ or \_\_\_\_\_ other \_\_\_\_\_ professional \_\_\_\_\_ advisor? Yes \_\_\_\_\_ or No \_\_\_\_\_

7. Do you recognize that the business venture contemplated by the Franchise Agreement involves business risks and that its success will depend upon the ability of you as an independent business person and understand that the success or failure of your Franchise Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, labor and supply costs, lease terms and other economic and business factors?

Yes \_\_\_\_\_ or No \_\_\_\_\_

8. Do you understand that the sales and marketing component of the Franchise Business requires you or an employee of yours to devote their working day calling on insurance offices and other sources of business like real estate agents, plumbing contractors and other designated referral companies?

Yes \_\_\_\_\_ or No \_\_\_\_\_

9. Do you understand that your PuroClean office is not assigned or limited to a "territory"? The approved POL is for your office location only, and you may market or service customers in any location that you choose. Likewise, other PuroClean offices are also free to market and service customers anywhere they desire.

Yes \_\_\_\_\_ or No \_\_\_\_\_

10. Do you understand that a competing franchisee or office location of the Franchisor or its affiliate may be placed or operate near or adjacent to your location?

Yes \_\_\_\_\_ or No \_\_\_\_\_

11. Do you understand that PuroSystems recommends your full-time participation in the day-to-day normal business operations as outlined in Item 7.3? (PuroClean is a business-to-business sales model and highly relational with referral sources. A Franchisee's success is directly related to the owner's involvement in the sales process. If the Franchise Owner is not directly involved in sales calls, then supervision of the sales staff must be achieved on a daily basis.)

Yes \_\_\_\_\_ or No \_\_\_\_\_

12. Do you understand that any training, support, guidance or tools that PuroSystems provides to you as part of the franchise are for the purpose of protecting the PuroClean brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters?

Yes \_\_\_\_\_ or No \_\_\_\_\_

13. Except for the financial performance representation in Item 19 of the FDD, did any employee or other person speaking on behalf of PuroSystems make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, earnings, income or profit levels at any PuroClean business, or the likelihood of \_\_\_\_\_ success \_\_\_\_\_ at \_\_\_\_\_ your \_\_\_\_\_ franchised \_\_\_\_\_ business?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If yes, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money or revenue you may earn in operating the Franchise Business that is contrary to the information contained in the FDD?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If yes, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchise Business that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If yes, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16. Has any employee or other person speaking on behalf of the Franchisor made a guarantee that you will be successful operating a PuroClean Franchise Business?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If yes, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If yes, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18. Are you entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in the FDD or Franchise Agreement?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If no, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19. Have you entered into any binding agreement with the Franchisor or paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes \_\_\_\_\_ or No \_\_\_\_\_

20. Do you understand that the success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise may differ from the results summarized in Item 19 of the Disclosure Document?

Yes \_\_\_\_\_ or No \_\_\_\_\_

If no, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

21. Do you understand that the revenues, costs and expenses of your Franchised Business will be directly affected by many factors, such as: (a) geographic location; (b) competition from other similar businesses in your area; (c) advertising effectiveness based on market saturation; (d) your product and service pricing; (e) vendor prices on materials, supplies and inventory; (f) labor costs (g) ability to generate customers; (h) customer loyalty; and (i) employment conditions in the market?

Yes \_\_\_\_\_ or No \_\_\_\_\_  
If no, give details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

**NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.**

Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED ON BEHALF OF  
PUROSYSTEMS, LLC

By: \_\_\_\_\_  
Title: President/COO  
Date: \_\_\_\_\_

\*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law, Illinois Franchise Disclosure Act Maryland Franchise Registration and Disclosure Law and Washington Franchise Investment Law.

**EXHIBIT H**  
**AFFIRMATION**

**AFFIRMATION**

**THIS AFFIRMATION DOES NOT APPLY TO RESIDENTS OF MARYLAND OR BUSINESSES TO BE OPERATED (NOT LOCATED) IN MARYLAND.**

**THIS AFFIRMATION DOES NOT APPLY TO AND IS NOT REQUIRED TO BE SIGNED BY CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, ~~MD~~, MI, MN, NY, ND, RI, SD, VA, WA, WI.**

THE UNDERSIGNED HEREBY AFFIRMS THAT:

Franchisee understands and acknowledges that PUROSYSTEMS, LLC as well as any and all of its representatives and/or agents with whom Franchisee has had contact with, have not and are not making any guarantees as to the extent of the Franchisee's success, and have not and are not in any way representing or promising any amounts of earnings or profits in association with the Franchisee's new business. Franchisee's decision to purchase a Franchise was made solely relying on the contents of the Franchise Disclosure Document and/or independent information obtained by Franchisee through Franchisee's own independent investigation.

Franchisee understands and acknowledges that it is the sole responsibility of the Franchisee to secure any financing that may be necessary from third-party lending sources in order to satisfy capital requirements of opening a PUROCLEAN FRANCHISE. If all or any part of the fees required by the FRANCHISE AGREEMENT were financed, it is further understood and acknowledged that the Franchisee freely chose the finance company, and the Franchisee takes sole responsibility for rates, terms and conditions. Franchisee further acknowledges that Franchisee has read all documents related to the purchase of a PUROCLEAN FRANCHISE and fully understands all documents presented.

IN WITNESS WHEREOF, the parties hereto have executed this affirmation under seal on the date set forth below.

\_\_\_\_\_  
DATED

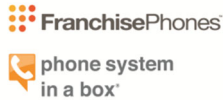
\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATED

\_\_\_\_\_  
SIGNATURE

**EXHIBIT I**

**TELEPHONE NUMBER RELEASE AGREEMENT**



# Telephone Number Release Agreement

I hereby attest as the account holder or authorized agent to relinquish any and all claim that I may have on the telephone number(s) listed below.

I agree that when this form is completed, signed, notarized and received by Clarity, my relinquishment and waiver are irrevocable. I hereby assign, as of the date noted below, all of my right, title and interest in the telephone number(s) to \_\_\_\_\_.

I understand and agree that I am still responsible for any other obligations associated with the account such as contracts and basic termination charges to include but not limited to unbilled toll, calling card charges and yellow pages advertising.

Company Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Daytime Contact Number (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Effective Date of Release \_\_\_\_/\_\_\_\_/\_\_\_\_

Re: Telephone Number(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

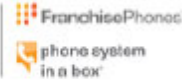
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Notary</b>	
Sworn to and signed before me, a notary public, this _____ day of _____ in the year _____,	
Notary Public in and for the county of _____, state of _____	
_____	_____
Notary Public Signature	Seal

**Mail Completed Release to:**  
Clarity Voice – Number Management  
27600 Northwestern Hwy, Suite 250, Southfield MI 48034

**EXHIBIT J**

**TELEPHONE SERVICE AGREEMENT**



**Congratulations! Your order has been successfully created.**  
 Contact your sales advisor at 800-786-6160 if you have any questions.

<b>Order Number:</b>	260YY	<b>Ship to Address:</b>
<b>Date:</b>	06/28/2013 18:06:14	PuroClean #XYZ
<b>Billing Address:</b>		245 W. Main Street
PuroClean #XYZ		Anytown, US 12345

ITEM	QTY	UNIT PRICE	TODAY'S CHARGE	MONTHLY CHARGE
<b>Polycom VVX 300 w/ AC Adapter \$159.95</b>	1	\$159.95	\$159.95	
<i>VVX 300 6-line Desktop Phone with HD Voice and AC Power Supply.</i>				
<b>Seat Activation \$40.00</b>	1	\$40.00	\$40.00	
<i>Extension/seat activation for PBX service. Includes BASIC configuration for SmartRouting (hunt group, agent group, simultaneous ring, service flag).</i>				
<b>NetGear WNR3500L Router \$109.95</b>	1	\$109.95	\$109.95	
<i>NetGear Rangemax Gigabit and Wireless-N Router w/ Clarity Voice Quality Engine</i>				
<b>Premium Unlimited Seat \$39.95</b>	1	\$39.95		\$39.95
<i>PBX seat license for one extension with one endpoint registration. Unlimited simultaneous calls and unlimited local and long distance calling throughout the continental U.S. and Canada.</i>				
<b>TN provide by PuroClean Corporate.</b>	1	\$0.00		
<b>Shipping - Ground</b>				
<i>Shipping - Ground / with signature required</i>				
<b>Taxes</b>	1	\$0.00	\$0.00	
<i>Taxes charged on today's order</i>				
<b>TOTALS:</b>			<b>\$332.85</b>	<b>\$39.95</b>

\* Charges plus shipping (if applicable), taxes and fees have been charged to your Visa ending xxxx.  
 \* New agreement in effect for 24 months and subject to early disconnect charges.  
 This order was submitted by Franchisee Name on 06/28/2013 18:06:14 from IP address xxx.xxx.xxx.xxx.

**DISCLAIMER**

Today's Charges, plus applicable taxes and fees will be billed to your credit or debit card prior to equipment shipping and service activation. Activation and usage charges are Non-Refundable. You are responsible for your own internet connection and local computer network. We are not responsible for any third party products or services, nor will we troubleshoot problems in our service caused by your internet connection, local computer network or third party products. It is important to read and understand the TERMS AND CONDITIONS, 911 STATEMENT and PRIVACY POLICY. READ THEM CAREFULLY.

**TERMS & CONDITIONS**

This agreement ("Agreement") is between Clarity Communication Advisors, Inc. ("Clarity"), a Michigan Corporation, whose address is 27800 Northwestern Highway, Suite 250, Southfield, Michigan 48034 and the purchaser ("Customer") of any Clarity services or products ("Services"). By purchasing the Services, CUSTOMER AGREES TO BE BOUND BY THESE TERMS AND CONDITIONS. PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY.

1. TERM. The term of this Agreement ("Term") and Services ordered pursuant to this Agreement, begins on the date that Customer purchases Services and, unless terminated earlier as set forth herein, shall continue thereafter for the longer of 30 days or the Term as

set forth in the Order. After the Term has expired, the Agreement will automatically renew for one month terms for each subsequent month. Unless noted as a "New Agreement" in the Order, additional Services purchased by Customer are co-terminus with the Term of Customers active Agreement with Clarity.

2. 911 SERVICE LIMITATIONS. CUSTOMER ACKNOWLEDGES THAT CLARITY'S EQUIPMENT AND SERVICES DO NOT SUPPORT 911 EMERGENCY DIALING OR OTHER EMERGENCY FUNCTIONS IN THE SAME WAY THAT TRADITIONAL WIRELINE 911 SERVICES WORK. THE DIFFERENCES ARE DETAILED IN THE 911 DIALING STATEMENT, AND CUSTOMER AGREES TO NOTIFY ANY POTENTIAL USER OF THE SERVICES, WHO MAY PLACE CALLS USING CUSTOMER'S SERVICES, OF THE 911 LIMITATIONS DESCRIBED THEREIN.

3. METHOD OF COMMUNICATION. Clarity communicates with customers primarily via email. You agree that sending a message to your contact email address is our agreed upon means of providing notification. Your email account is used to communicate vital information about your services, billing, service outages, and enhancements or changes to your existing services. This information is time-sensitive in nature. It is required that you read any email sent to your account to avoid any potential interruptions in your service. Customer may find contact information at Clarity's web site at [www.clarityvoice.com/contact](http://www.clarityvoice.com/contact), or Customer may contact Clarity by telephone at (800) 786-6160 or (248) 327-4390 or by U.S. Postal mail at: 27600 Northwestern Highway, Suite 250, Southfield, MI 48034.

4. CHARGES. Billing for recurring services shall commence upon the date service was activated ("Activation Date"). Billing for activation, equipment and other services listed in the "Today's Charge" column of the Order are due upon placement of Order. For recurring and usage charges, Clarity will invoice on the first calendar day of each month, in advance for recurring charges and in arrears for usage and any other non-recurring charges, except that the first billing statement will include the first billing period's pro-rated recurring charges in arrears. Customer shall pay for all Services and Products that Clarity furnishes to Customer at the applicable prices set forth in Customer's Order and the fee schedule ("Fee Schedule"). The Fee Schedule is viewable on the Clarity web site [www.clarityvoice.com/fee\\_schedule.htm](http://www.clarityvoice.com/fee_schedule.htm) and has prices for Services not listed on Customer's Order. Customer agrees to pay for usage charges not specified in Customer's Order or this Agreement including without limitation international calls and directory assistance, whether fraudulent or not.

5. PAYMENT METHOD. Customer agrees to provide Clarity with a valid email address and valid electronic payment method (Visa, MasterCard, American Express, Discover or ACH bank draft). Customer authorizes Clarity to automatically bill any payment method Customer provides for charges. Customer is responsible to notify Clarity immediately of email address changes and/or payment method changes or expiration. Failure to comply may result in the immediate termination of Service and applicable Disconnect Fees. Clarity may charge a \$10 fee for each declined credit or debit card transaction and a \$35 fee for each declined ACH bank draft.

6. CANCELLATION. It is Customer's responsibility to notify Clarity of cancellation at least 3 business days prior to the start of the next calendar month to avoid Service charges for the next calendar month. CUSTOMER MUST CANCEL SERVICES BY SENDING AN EMAIL TO [billing@clarityvoice.com](mailto:billing@clarityvoice.com). Clarity will provide Customer with an email confirming request to cancel Service. Failure to cancel Service in accordance with this Section will result in ongoing Service fees. Customer will not receive any refund or partial refund or credit for any charges already billed to Customer's account. Customer's Failure to pay, porting out of telephone number(s) does NOT constitute notification of Service cancellation. Cancellation of Service before the end of the Term may result in Disconnection Fees as set forth below.

7. CREDITS. Customer acknowledges and agrees that the Services are provided "as is, where-is, and credit allowances for interruption of the Services shall not be provided.

8. TAXES. Prices for the Services do not include any customs duties, sales, use, value added, excise, federal, state, local, public utility, universal service or other similar taxes. All such taxes shall be paid by you and will be added to any amounts otherwise charged to you unless you provide Clarity with an appropriate exemption certificate. If any amounts paid for the Services are refunded by Clarity, applicable taxes may not be refundable.

9. REGULATORY FEE. A fee may be charged monthly to offset costs incurred by Clarity in complying with inquiries and obligations imposed by federal, state and municipal regulatory bodies/governments and the related legal and billing expenses. This fee is not a tax or charge required or assessed by any government.

10. OVERDUE CHARGES. Payment is due upon the invoice date. Unless otherwise agreed, any amount not paid by the 18th day after the invoice date is overdue and subject to a late payment fee of \$25 or 1.5% of the overdue amount, whichever is greater. Service to Customer may be suspended without notice if any undisputed charges are not paid within 30 days of invoice date. A reinstatement charge equal to one time the Total Monthly charges may be levied to reinstate suspended service. Customer will be responsible for any expenses (including attorney's fees and court costs) that Clarity incurs to collect overdue charges.

11. RATE CHANGES. Clarity may change the prices for the Services from time to time. Clarity may change prices, plans, taxes, or fees without any advance notice. Service prices will not be increased on Customers with remaining Term greater than 30 days, with the exception of tax or fee changes, international toll calling rates and Fee Schedule items not explicitly listed on Customer's Order.

12. DISPUTED CHARGES. Customer may dispute any part or all of an invoice if Customer provides written notice to Clarity within thirty (30) days from the date of an invoice. All undisputed portions of an invoice must be paid in a timely manner. Within ten (10) days receipt of a written notice of dispute, Clarity will use good faith efforts to determine the validity of a dispute and notify Customer of Clarity's final determination. Any amounts due as a result of Clarity's final determination will be due.

13. CREDIT LIMIT. All Service provided to Customer and covered by the Agreement shall at all times be subject to approval or review by Clarity. Clarity, in its sole discretion and judgment, may discontinue credit at any time without notice, require a deposit, or bill immediately for charges using any Payment Method Clarity has on file for Customer.

14. RIGHT TO TERMINATE SERVICE. Clarity may modify the terms of this Agreement or the Service at any time upon notice to you. In the event Clarity materially modifies the Agreement or the Services, Customer may terminate the Service within 30 days without Disconnect Fees. Customer's continued use of the Service after 30 days, notice from Clarity constitutes Customer's agreement to those modified terms. Clarity may terminate this Agreement and any Services at any time, upon 30 days, notice to Customer. Customer obligation to pay accrued charges and fees shall survive any termination of this Agreement.

15. PHONE NUMBERS. Clarity permits porting out of telephone numbers and directory listings of telephone numbers listed on the current invoice issued by Clarity to Customer, provided the Customer's account is in good standing. Customer acknowledges that their voluntary transfer of ownership of ported in telephone numbers to another Clarity Customer is immediate and permanent. Customer acknowledges that in the event of any account termination or cancellation, ownership of all numbers associated with Customer account is released to Clarity.

16. ANCILLIARY SERVICES. List and publish and caller name identification (i.e., caller ID with name) Services provided by Clarity are based on availability of such Services from Clarity's underlying providers. Clarity does not guarantee that such Services are available for all numbers in all serving areas. Clarity submits Directory Listing updates as a courtesy to Customer without obligation or guarantee that Directory Listings will be published.

17. UNLIMITED USAGE PLAN. Unlimited voice services are provided solely for live dialog between two individuals. Unlimited voice services may not be used for conference calling, call forwarding, monitoring services, data transmissions, transmission of broadcasts, transmission of recorded material, or other connections which do not consist of uninterrupted live dialog between two individuals. If Clarity finds that you are using an unlimited voice service offering for other than live dialog between two individuals, Clarity may, at its option, terminate your service or change your plan to one with metered usage. Clarity will provide notice that it intends to take any of the above actions. Notwithstanding the foregoing, you shall be entitled to use Clarity conference calling services such as three way calling and Clarity-provided conference calling bridges.

18. MONITORING. Clarity and its suppliers have no obligation to monitor the Services, but may do so and disclose information regarding use of the Services if Clarity or its supplies, in their sole discretion, believes it is commercially reasonable to do so, including to: (i) satisfy laws, regulations, or governmental or legal requests; (ii) operate the Services properly; or (iii) protect itself and its other users and customers. Clarity may immediately remove Customer's material or information from Clarity's services, in whole or in part, if Clarity, in its sole and absolute discretion, determines that such content infringes another party's property rights, is illegal or if Clarity determines such content violates Acceptable Use.

20. DISCONNECT FEES. Upon Termination of Services by Customer, in whole or part, Clarity may immediately charge Customer Disconnect Fees. Unless noted otherwise noted on Agreement, Disconnect Fees will be equal to the total Monthly Recurring Charges remaining in the Agreement Term.

21. EQUIPMENT WARRANTY. Unless otherwise specified, all equipment comes with a twelve (12) month limited manufacturer's warranty from the date of purchase. The terms of the limited warranty are included in the equipment packaging. Equipment purchased that does not have a manufacturer's warranty is provided "as is" and without warranty of any kind, including implied warranties of merchantability and fitness for a particular use. Customer must obtain authorization from Clarity before returning any equipment for any reason.

22. DISCLAIMER OF WARRANTY. Unless specifically noted otherwise, Clarity provides Services and any software and equipment hereunder on as "AS IS" basis, and Customer's use thereof is at its own risk. Clarity does not make and hereby disclaims, any and all express and implied warranties, including, but not limited to, warranties of merchantability, fitness of a particular purpose, non-infringement and title, any warranties arising from a course of dealing, usage or trade practice. Clarity does not warrant that Services will perform, will be uninterrupted, will be error-free or completely secure.

23. LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES. IN NO EVENT SHALL CLARITY OR ITS SUPPLIERS BE LIABLE TO CUSTOMER OR ANY PARTY FOR ANY DAMAGES RESULTING FROM LOSS OF BUSINESS OR PROFITS (INCLUDING, WITHOUT LIMITATION, ANY LOSS OF DATA), OR THE INTERRUPTION OR LOSS OF USE OF SERVICES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER PARTY WILL BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY FOR INDIRECT OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT. CLARITY AND CUSTOMER AGREE THAT IF CLARITY SHOULD BE FOUND LIABLE FOR LOSS OR DAMAGE DUE FROM FAILURE OF CLARITY TO PERFORM ANY OF THE OBLIGATIONS HEREIN, CLARITY'S LIABILITY FOR DAMAGES SHALL BE LIMITED TO ONE MONTH OF CUSTOMER'S MONTHLY RECURRING SERVICE CHARGES AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, AND THIS LIABILITY SHALL BE EXCLUSIVE. THE PROVISIONS OF THIS SECTION SHALL APPLY IF LOSSES OR DAMAGES, IRRESPECTIVE OF CAUSE OR ORIGIN, RESULT DIRECTLY OR INDIRECTLY TO PERSONS OR PROPERTY, FROM PERFORMANCE OR NON-PERFORMANCE OF THE OBLIGATIONS IMPOSED BY THIS CONTRACT, OR FROM NEGLIGENCE, ACTIVE OR OTHERWISE, OF CLARITY, ITS AGENTS, ASSIGNS OR EMPLOYEES.

24. INDEMNIFICATION. CUSTOMER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS CLARITY, ITS PARENTS, SUBSIDIARIES, AFFILIATES, AND THEIR RESPECTIVE MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES,

STOCKHOLDERS, AGENTS AND ANY UNDERLYING CARRIER, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, EXPENSES OR DAMAGES (INCLUDING ATTORNEYS' FEES), WHETHER KNOWN OR UNKNOWN, ARISING FROM, INCURRED AS A RESULT OF, OR IN ANY MANNER RELATED TO (A) CUSTOMERS USE OF THE SERVICES, (B) ANY OTHER PERSON'S USE OF ANY ACCOUNT CUSTOMER MAINTAINS, REGARDLESS OF WHETHER SUCH USE IS AUTHORIZED BY CUSTOMER, OR (C) CUSTOMER'S PROMISES OR STATEMENTS MADE IN THIS AGREEMENT. CUSTOMER HEREBY AGREES TO WAIVE ALL LAWS THAT MAY LIMIT THE EFFECTIVENESS OF THE FOREGOING RELEASES. NOTWITHSTANDING THE FOREGOING, CUSTOMER SHALL NOT BE LIABLE FOR CLAIMS, EXPENSES OR DAMAGES ARISING FROM THE INTENTIONAL OR GROSSLY NEGLIGENT ACTS OF CLARITY OR ITS EMPLOYEES, AGENTS, CONTRACTORS OR REPRESENTATIVES. THIS INDEMNIFICATION SHALL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW AND SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

25. SOFTWARE COPYRIGHT. Any software used by Clarity to provide the Service and any software provided to Customer in conjunction with providing the Service is protected by copyright law and international provisions. Customer may not copy the software or any portion of it.

26. FORCE MAJEURE. Clarity shall not be liable for any delay in performance directly or indirectly caused by or resulting from acts of God, fire, flood, accident, riot, war, government intervention, embargoes, strikes, labor difficulties, equipment failure, late delivery by suppliers or other difficulties of Clarity as may occur in spite of Clarity's best efforts.

27. PRIVACY POLICY. Clarity shall act pursuant to the Privacy Policy posted on the Clarity web site [www.clarityvoice.com](http://www.clarityvoice.com), and in accordance with federal and state privacy regulations. Customer agrees to the terms of the Privacy Policy which becomes part of this Agreement.

28. ELECTRONIC RECORDING. Customer accepts responsibility for compliance with federal and state statutes governing the use of electronic, mechanical or other device recordings. Clarity is not legally responsible for any misinterpretation, lack of understanding or lack of knowledge regarding the use of electronic recordings or the use of recording services by Customer or other party whether legal or illegal.

29. CHOICE OF LAW AND BINDING ARBITRATION. This Agreement shall be deemed to have been made in, and shall be construed pursuant to the law of the State of Michigan and the United States without regard to conflicts of law's provisions thereof. Any waivers or amendments shall be effective only if made in writing and signed by an executive officer of Clarity who is authorized to enter into such amendments. Binding arbitration shall be the sole and exclusive remedy for resolution of Disputes between the parties. Such Dispute shall be submitted for arbitration in Southfield, Michigan, under the rules of the American Arbitration Association ("AAA"). The arbitrator's decision will be final and entered into any court of competent jurisdiction. The prevailing party will be entitled to recover its attorney's fees and costs in connection with such arbitration. Should either party bring a Dispute in a forum other than AAA, the arbitrator may award the other party its reasonable costs and expenses, including attorneys' fees, incurred in staying or dismissing such proceedings or in otherwise enforcing compliance with this Dispute resolution provision. Customer understands that Customer would have had a right to litigate Disputes through a court, and the Customer has expressly and knowingly waived that right and agreed to resolve any Disputes through binding arbitration. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1, et seq. For the purposes of this section, the term "Dispute" means any dispute, controversy, or claim arising out of or relating to (i) this Agreement, its interpretation, or the breach, termination, applicability or validity thereof.

30. CONSENT TO ELECTRONIC SIGNATURES AND RECORDS. Clarity provides access to its Services online which may require you to enter into agreements or receive notices electronically. Accordingly, you acknowledge and agree that by clicking .I Agree. or .I Accept. anywhere on a Clarity website: (a) You agree to conduct electronically the particular transaction into which you thereby enter including, without limitation, entering into this Agreement; (b) You have read and understand the electronic copy of electronic contracts, notices and records, including, without limitation, this Agreement, and any policies and any amendments hereto or thereto; (c) You agree to, and intend to be bound by, the terms of the particular transaction into which you thereby enter; (d) You are capable of printing or storing a copy of electronic records of transactions into which you enter including, without limitation, this Agreement and any amendments hereto; and, (e) You agree to receive electronically information about the Services and other electronic records into which you thereby enter including, without limitation, this Agreement.

## PRIVACY POLICY

This Privacy Policy identifies and describes the way Clarity Communication Advisors, Inc. (.Clarity.) uses and protects the information we collect about Customers and Users. All use of Clarity's products and services, as well as visits to our websites, are subject to this Privacy Policy.

### The Information We Collect, How We Collect It, And How We Use It

We may collect different types of personal and other information based on your use of our products and services and our business relationship with you. Some examples include:

- Contact Information that allows us to communicate with you – including your name, address, telephone number, and e-mail

address;

- Billing information related to your financial relationship with us – including your payment data, credit history, credit card number, Social Security numbers, security codes, and service history;
- Equipment, Performance, Clarity.s Website Usage, Viewing and other Technical Information about your use of our network, services, products or websites.

We collect information in three primary ways:

- You give it to us when you purchase or interact with us about a product or service we offer or provide;
- We collect it automatically when you visit our websites or use our products and services;
- We obtain it from other sources, such as credit agencies.

We may use the information we collect in a variety of ways, including to:

- Provide you with the best customer experience possible;
- Provide the services you purchase, and to respond to your questions;
- Communicate with you regarding service updates, offers, and promotions;
- Deliver customized content and advertising that may be of interest to you;
- Address network integrity and security issues;
- Investigate, prevent or take action regarding illegal activities, violations of our Terms of Service or Acceptable Use Policies; and
- Provide local directory and directory assistance.

#### Information Sharing

**With Clarity Companies:** Subject to applicable legal restrictions, such as those that exist for Customer Proprietary Network Information (CPNI), the Clarity companies may share your Personal Information with each other to make sure your experience is as seamless as possible, and you have the full benefit of what Clarity has to offer.

**With Non- Clarity Companies:** We share your Personal Information only with non- Clarity companies that perform services on our behalf, and only as necessary for them to perform those services.

- We require those non- Clarity companies to protect any Personal Information they may receive in a manner consistent with this policy.
- We do not provide Personal Information to non- Clarity companies for the marketing of their own products and services without your consent.
- 

**In Franchisor-Franchisee Relationships:** In situations where there exists a Franchisor-Franchisee relationship and Clarity is providing services to the Franchisee, Clarity may disclose the Franchisee.s personal calling data to the Franchisor under the following circumstances:

- When instructed to by the Franchisee customer of Clarity, or;
- When required by Franchisor pursuant to contract between Franchisee and a Franchisor when such contract provision is disclosed to Clarity and Franchisee has not otherwise objected to such disclosure in writing to Clarity prior to activation of the service, or;
- When the calling data provided by Clarity is in aggregate form and is only being used to identify geographic or durational patterns that can assist with planning or optimizing Clarity.s network.

**In Other Circumstances:** We may provide Personal Information to non- Clarity companies or other third parties for purposes such as:

- Responding to 911 calls and other emergencies;
- Complying with court orders and other legal process;
- To assist with identity verification, and to prevent fraud and identity theft;
- Enforcing our agreements and property rights; and
- Obtaining payment for products and services that appear on your Clarity billing statements, including the transfer or sale of delinquent accounts to third parties for collection

#### Anonymous & Aggregate Information

- We collect some information on an anonymous basis. We also may anonymize the personal information we collect about you.
- We obtain aggregate data by combining anonymous data that meet certain criteria into groups.
- When we employ non- Clarity companies to anonymize or aggregate data on our behalf, the requirements for sharing Personal Information with non- companies apply.
- We may share aggregate or anonymous information in various formats with trusted non- Clarity entities, and may work with those entities to do research and provide products and services.

#### Safeguarding Your Information: Our Policy on Data Protection and Security

- We do not sell your Personal Information to anyone for any purpose. Period.
- We maintain information about you in our business records while you are a customer, or until it is no longer needed for business, tax, or legal purposes.
- We have implemented encryption or other appropriate security controls to protect Personal Information when stored or transmitted by Clarity.
- We require non- Clarity companies acting on our behalf to protect any Personal Information they may receive in a manner consistent with this Policy. We do not allow them to use such information for any other purpose.
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#### Customer Privacy Controls and Choices

- You can review and correct your Personal Information collected by us.
- You can limit certain types of solicitation communications from Clarity, including marketing contacts made via telephone, e-mail and text messaging.
- We will provide you with notice of changes to this policy.

#### Your California Privacy Rights

California Civil Code Section 1798.83 entitles California customers to request information concerning whether a business has disclosed Personal Information to any third parties for the third parties' direct marketing purposes. As stated in this Privacy Policy, Clarity will not sell or share your Personal Information with non-Clarity companies for their direct marketing purposes without your consent. California customers who wish to request further information about our compliance with this law or have questions or concerns about our privacy practices and policies may contact us at 800-786-8160, option 4.

#### 911 STATEMENT

1. ACKNOWLEDGEMENT. CUSTOMER ACKNOWLEDGES THAT CLARITY'S EQUIPMENT AND SERVICES DO NOT SUPPORT 911 EMERGENCY DIALING OR OTHER EMERGENCY FUNCTIONS IN THE SAME WAY THAT TRADITIONAL WIRELINE 911 SERVICES WORK. THE DIFFERENCES ARE DETAILED BELOW, AND CUSTOMER AGREES TO NOTIFY ANY POTENTIAL USER OF THE SERVICES, WHO MAY PLACE CALLS USING CUSTOMER'S SERVICES, OF THE 911 LIMITATIONS DESCRIBED HEREIN.

2. ALTERNATIVE MEANS. CLARITY ADVISES CUSTOMER TO MAINTAIN AN ALTERNATIVE MEANS OF ACCESSING TRADITIONAL 911 SERVICES.

3. ELECTRICAL POWER. CUSTOMER ACKNOWLEDGES THAT THE SERVICES WILL NOT FUNCTION IN THE ABSENCE OF ELECTRICAL POWER.

4. INTERNET ACCESS. INTERNET ACCESS. CUSTOMER ACKNOWLEDGES THAT THE SERVICES WILL NOT FUNCTION IF THERE IS AN INTERRUPTION OF END USER'S BROADBAND OR HIGH-SPEED INTERNET ACCESS SERVICE.

5. NON-VOICE SYSTEMS. CUSTOMER ACKNOWLEDGES THAT THE SERVICES ARE NOT SET UP TO FUNCTION WITH OUTDIALING SYSTEMS INCLUDING HOME SECURITY SYSTEMS, MEDICAL MONITORING EQUIPMENT, TTY EQUIPMENT, AND ENTERTAINMENT OR SATELLITE TELEVISION SYSTEMS. END USER HAS NO CLAIM AGAINST 8X8 FOR INTERRUPTION OR DISRUPTION OF SUCH SYSTEMS BY THE SERVICES.

6. REGISTRATION. CUSTOMER'S WHO SUBSCRIBE TO CLARITY SERVICE WILL BE REQUIRED TO REGISTER THE PHYSICAL LOCATION OF THEIR EQUIPMENT WITH CLARITY BY CALLING CUSTOMER SERVICE, AND AGREE TO UPDATE THE LOCATION WHENEVER THE PHYSICAL LOCATION OF SERVICE CHANGES. CUSTOMER ACKNOWLEDGES THAT CLARITY'S ONLY MECHANISM FOR ROUTING 911 CALLS TO THE CORRECT EMERGENCY CENTER (PSAP) IS THE PHYSICAL LOCATION CURRENTLY REGISTERED FOR THE ACCOUNT. CUSTOMER ACKNOWLEDGES AND UNDERSTANDS THAT ANY ENHANCED LOCATION INFORMATION PASSED TO AN EMERGENCY OPERATOR BY CLARITY WILL BE BASED UPON THE PHYSICAL LOCATION PROVIDED TO CLARITY BY CUSTOMER. IN THE EVENT THAT THE PHYSICAL LOCATION HAS NOT BEEN UPDATED OR IS NOT COMPLETE, CLARITY MAY ATTEMPT TO ROUTE A 911 CALL BASED UPON THE BILL-TO OR SHIP-TO ADDRESSES ASSOCIATED WITH THE CUSTOMER'S ACCOUNT OR INITIAL ORDER.

7. CUSTOMER ALSO ACKNOWLEDGES THAT CLARITY E911 SERVICE HAS CERTAIN CHARACTERISTICS THAT DISTINGUISH IT FROM TRADITIONAL, LEGACY, CIRCUIT-SWITCHED 911 SERVICE. THESE CHARACTERISTICS MAY MAKE CLARITY E911 SERVICES UNSUITABLE FOR SOME CUSTOMERS. BECAUSE CUSTOMER CIRCUMSTANCES VARY WIDELY, CUSTOMERS SHOULD CAREFULLY EVALUATE THEIR OWN CIRCUMSTANCES WHEN DECIDING WHETHER TO RELY SOLELY UPON CLARITY E911 SERVICE. CUSTOMER ACKNOWLEDGES THAT IT IS CUSTOMER'S RESPONSIBILITY TO DETERMINE THE TECHNOLOGY OR COMBINATION OF TECHNOLOGIES BEST SUITED TO MEET END CUSTOMER'S EMERGENCY CALLING NEEDS, AND TO MAKE THE NECESSARY PROVISIONS FOR ACCESS TO EMERGENCY CALLING SERVICES (SUCH AS MAINTAINING A CONVENTIONAL LANDLINE PHONE OR WIRELESS PHONE AS A BACKUP MEANS OF COMPLETING EMERGENCY CALLS). THE FOLLOWING CHARACTERISTICS DISTINGUISH CLARITY'S E911 SERVICE FROM TRADITIONAL, LEGACY, CIRCUIT-SWITCHED 911 SERVICE:

I. CLARITY'S E911 SERVICE WILL NOT FUNCTION IF CUSTOMER'S PHONE FAILS OR IS NOT CONFIGURED CORRECTLY OR IF CUSTOMER'S SERVICE IS NOT FUNCTIONING FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, ELECTRICAL POWER OUTAGE, BROADBAND SERVICE OUTAGE, OR SUSPENSION OR DISCONNECTION OF SERVICE BECAUSE OF BILLING OR OTHER ISSUES. IF THERE IS A POWER OUTAGE, CUSTOMER MAY BE REQUIRED TO RESET OR RECONFIGURE THE EQUIPMENT BEFORE BEING ABLE TO USE THE SERVICE, INCLUDING FOR E911 PURPOSES.

II. THE LOCAL EMERGENCY SERVICE OPERATOR RECEIVING CLARITY E911 EMERGENCY SERVICE CALLS MAY NOT HAVE A SYSTEM CONFIGURED FOR E911 SERVICES OR BE ABLE TO CAPTURE AND/OR RETAIN AUTOMATIC NUMBER OR LOCATION INFORMATION. THIS MEANS THAT THE OPERATOR MAY NOT KNOW THE PHONE NUMBER OR PHYSICAL LOCATION OF THE PERSON WHO IS MAKING THE 8X8 E911 CALL. DUE TO TECHNICAL FACTORS IN NETWORK DESIGN, AND IN THE EVENT OF NETWORK CONGESTION ON THE CLARITY NETWORK, THERE IS A POSSIBILITY THAT A CLARITY 911 CALL WILL PRODUCE A BUSY SIGNAL OR WILL EXPERIENCE UNEXPECTED ANSWERING WAIT TIMES AND/OR TAKE LONGER TO ANSWER THAN 911 CALLS PLACED VIA TRADITIONAL, LEGACY, CIRCUIT-SWITCHED TELEPHONE NETWORKS.

III. IF CUSTOMER DOES NOT CORRECTLY IDENTIFY THE ACTUAL LOCATION WHERE THE CLARITY EQUIPMENT WILL BE LOCATED AT THE TIME OF ACTIVATION OF THE SERVICE, CLARITY E911 COMMUNICATIONS MAY NOT BE DIRECTED TO THE CORRECT LOCAL EMERGENCY OPERATOR (PSAP).

8. CUSTOMER ACKNOWLEDGES AND UNDERSTANDS THAT CLARITY WILL NOT BE LIABLE FOR ANY SERVICE OUTAGE AND/OR INABILITY TO DIAL 911 OR ANY OTHER EMERGENCY TELEPHONE NUMBER USING CLARITY SERVICE OR TO ACCESS AN EMERGENCY SERVICE OPERATOR DUE TO THE 911 DIALING CHARACTERISTICS AND LIMITATIONS SET FORTH IN THIS AGREEMENT. CUSTOMER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS CLARITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES AND AGENTS AND ANY OTHER SERVICE PROVIDER WHO FURNISHES SERVICES TO CUSTOMER IN CONNECTION WITH THE SERVICES, FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES, FINES, PENALTIES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY FEES) BY, OR ON BEHALF OF, CUSTOMER OR ANY THIRD PARTY OR USER OF THE SERVICE RELATING TO THE FAILURE OR OUTAGE OF THE SERVICE, INCLUDING THOSE RELATED TO 911 DIALING.

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**EXHIBIT K**  
**DASH USER AGREEMENT**



## ORDER FORM

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### COMPANY INFORMATION

Company Name:

Contact Name:

Phone Number:

Address:

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### TERMS AND CONDITIONS

Contract Start Date:

Contract Term: coterminous with PuroSystems, Inc. \*

Payment Terms: automatic draft on the 1<sup>st</sup> of the month

Billing Contact Email:

PuroClean Franchise ID:

Xactimate Address:

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\*Contract will run coterminous with PuroSystems, Inc.'s Software License Agreement with Next Gear Solutions through 12/31/2026 plus any renewal term(s). Upon renewal of PuroSystems, Inc.'s Software License Agreement, Next Gear Solutions shall have the right to increase the fees contained herein by up to five percent (5%) per year. All data rights PuroSystems Inc. has in Company's data, as governed by any separate agreement between PuroSystems, Inc. and Company, shall remain in place and such data rights shall extend to Company's data contained in the products included in this Agreement. If Company ends their relationship with PuroSystem Inc., it is the responsibility of Company to immediately notify Next Gear Solutions.



## INCLUDED PRODUCTS

Product Name
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**PRODUCT FEES** (Company will only be charged for those products listed in the Included Products section above)

Product Name	Fee	Details
PuroLogic Pro – allows for up to 20 job starts per month. Job starts in excess of 20 per month incur a fee of \$25.00 per job start	\$364.00 per month	Charged monthly beginning 3/1/22; Discounted to \$182.00 per month for 2022
PuroLogic Enterprise – allows for unlimited job starts	\$485.00 per month	Charged monthly beginning 3/1/22; Discounted to \$243.00 per month for 2022
PuroLogic Enterprise Additional Locations	\$250.00 per month per location	Charged monthly upon request; Discounted to \$125.00 per month for 2022
Luxor Activation	\$1,500.00	One-time; <b>Charged at contract signing</b>
Luxor - One Auditor License	\$60.00 per month	Charged monthly beginning 3/1/22; Discounted to \$30.00 per month for 2022
Luxor - Additional Licenses	\$60.00 per month per license	Charged monthly upon request; Discounted to \$30.00 per month for 2022
ProAssist	\$50.00 per month per location	Charged monthly beginning 3/1/22 or upon request; Discounted to \$25.00 per month for 2022
Time and Attendance	\$5.00 per employee per month	Charged monthly in arrears; Charged per employee with a timesheet assigned to them during the previous month
Standard BI Reports	\$0 per month	Fee waived

The Included Products shown above reflect the products requested by Company at the time this Order Form was signed. If during the duration of this Agreement, Company requests additional products, designates additional locations, or Next Gear Solutions



discovers Company is using its Software at an undesignated location, Company shall pay all fees associated with such additional products and/or locations.

All fees shown are exclusive of sales tax. If Next Gear Solutions is required to collect and remit sales tax in your jurisdiction, such sales tax will be charged in addition to the fees shown above.



Upon signature by Company and submission to Next Gear Solutions, this Order Form shall become legally binding and governed by the Master Subscription Agreement between Next Gear Solutions and Company. The Master Subscription Agreement can be viewed at [http://www.nextgearsolutions.com/wp-content/uploads/2015/06/Master\\_Subscription\\_Agreement.pdf](http://www.nextgearsolutions.com/wp-content/uploads/2015/06/Master_Subscription_Agreement.pdf)

Company:

Signature:

Name:

Title:

Date:



**PLEASE FILL OUT YOUR PAYMENT INFORMATION**

**EXHIBIT L**

**XACTANALYSIS LICENSE AGREEMENT**

## XactAnalysis License Agreement

AS A CONDITION TO YOUR LICENSE TO USE THE LICENSED PRODUCT, XACTANALYSIS, AS FURTHER DEFINED BELOW OR ANY OF ITS PARTS, YOU MUST AGREE TO THE FOLLOWING TERMS. YOUR SUBSEQUENT USE OF THE LICENSED PRODUCT WILL BE SUBJECT TO ANY ADDITIONS OR MODIFICATIONS IN EFFECT ON THE DATE OF THAT USE. IF YOU DO NOT AGREE WITH ANY OF THESE TERMS, DO NOT PROCEED, AND DO NOT USE THIS LICENSED PRODUCT. BY PROCEEDING YOU ARE INDICATING YOUR AGREEMENT TO BE GOVERNED BY THIS AGREEMENT IN ITS ENTIRETY.

\*Note: This License Agreement is valid only for one individual user ID and password. If you need more than one individual user ID and password, please contact Xactware's Sales Team at 1-800-424-9228 for appropriate License Agreements.

Pursuant to this Agreement, Xactware Solutions, Inc. (hereinafter "Xactware") authorizes you to accept a non-transferable and non-exclusive license to utilize the Licensed Product "XactAnalysis" for internal purposes during the term of this Agreement on computer(s) located at your office(s) and used by you or any of your employees.

### 1. DEFINITIONS

A. "Accepted Assignment" shall mean an Assignment that has been Downloaded by Assignee to Assignee's Field Unit. The act of Downloading the Loss Assignment shall constitute acceptance of the responsibility to perform the Assignee services as agreed upon with Assignor and as required hereunder.

B. "Anonymous Data" shall mean data from which Assignee, Assignor, and non-public personally identifiable information has been removed, which was created and/or extracted using the Licensed Product.

C. "Assignment" shall mean an electronic record stored on, created by, or transferred through Xactware network products (e.g. XactAnalysis). Assignments can be created through various methods including, but not limited to, Assignment initiation screens in XactAnalysis ("Send Work Assignments"), electronic data interchange connections, field uploads from Xactware's product, Xactimate ("Field Assignments"), through the Create Duplicate Assignment functionality, or through the referral Assignment workflow created from existing Assignments.

D. "Assignee" shall mean the individual or entity that is designated as the recipient of the Assignment by the Assignor.

E. "Assignor" shall mean the individual or entity that originally sends an Assignment to XactAnalysis with instructions for its transfer to a designated recipient.

F. "Completed Assignment" shall mean an Assignment for which Assignee has completed all responsibilities agreed to with Assignor, and Uploaded the required information (e.g., estimate) to XactAnalysis.

G. "Corrected Estimate(s)" shall mean the subsequent updating of a Completed Assignment and Uploading the results.

H. "Download" shall mean to move information from XactAnalysis down to the Field Unit.

I. "Field Assignee" shall mean the individual who performs the fieldwork necessary to fulfill the agreed upon responsibilities attached to an Assignment.

- J. "Field Unit" shall mean a computer used by an Assignee having the capability to Download and Upload Assignments or other information via XactAnalysis.
- K. "Industry Average" shall mean an average of Anonymous Data gleaned from the use XactAnalysis by Xactware customers and other industry data for use in XactAnalysis or other Xactware produced reports.
- L. "Licensed Product" shall mean the product XactAnalysis. Under this license, you are provided web-based access to XactAnalysis and a license for you to use XactAnalysis for SP via an individual user ID and password (and associated downloadable software components).
- M. "Price Data" shall mean applicable pricing information which will be provided to you in an organized format for the specific limited purpose of estimating fixed residential and/or light commercial structural remodel and repair costs.
- N. "Re-Assignor" and "Re-Assign" shall mean an Assignee who designates a surrogate recipient for the Assignment and Re-Assigns the Assignment to that surrogate. For example, an Assignor who is an insurance carrier might designate a large Independent Adjusting firm as the Assignee. The Independent Adjusting firm might accept the Assignment, then Re-Assign it to a specific Field Assignee.
- O. "Tracker Information" shall mean information detailing the dates and times of major events occurring since the time the original Assignment first reached XactAnalysis.
- P. "Upload" shall mean to move information from the Field Unit up to XactAnalysis.
- Q. "Work Product" shall mean estimate data generated by your use of the Licensed Product.
- R. "Xactimate" shall mean Xactware's estimating structural damage repair software product, which is designed to communicate with XactAnalysis.
- S. "XactAnalysis" shall mean Xactware's secure, online full-cycle, electronic-assignment network product, connecting assignment senders and receivers in a secure and private network environment and management reporting tool that generates real-time management reports. Through XactAnalysis, insurance companies, adjusters, contractors, and any applicable organization sending or receiving assignments can securely exchange, among other things, estimates, price lists, data reports, and messages.
- T. "XactRemodel" shall mean Xactware's estimating remodel and repair software product, which is designed to communicate with XactAnalysis.
- U. "Xactware Data" shall mean data provided by Xactware.

## 2. PROHIBITED USES.

YOU HEREBY WARRANT: (a) that in no event will you ever at any time make any attempt to perform automated data collection of information from Xactware's web-sites, de-compile, reverse engineer, disassemble or create derivative works from the Licensed Product or any other applicable Xactware product, including Xactware proprietary or copyrighted materials, including but not limited to pricing information, Price Data, and any other applicable data; (b) not to commercially market all or part of Xactware's products or any product similar to Xactware's products, and that you will not compete with Xactware in any way; or (c) not to

sell, loan, rent, lease, or transfer the Licensed Product to another user or third party.

Portions of the Licensed Product constitute a passive service of allowing the posting of information. Xactware assumes and undertakes no responsibility to police or review the accuracy of the information posted, or the right of the individual posting the information to do so. Nevertheless, postings which come to the attention of Xactware and which are deemed by it to violate the terms of this Agreement may be removed without notice and/or may result in revocation of this License. The following are strictly prohibited:

- a.) Posting to or on the Licensed Product matter that is libelous, invasive of privacy rights, inflammatory, hateful, pornographic, indecent, illegal, or misleading.
- b.) Inserting on the Licensed Product any materials that violate or infringe upon the trademark, copyright, or proprietary rights of others. This includes illegally distributed/hijacked software, copyrighted photographs, text, video, artwork, and music.
- c.) Incorporating in the Licensed Product any electronic component designed to interfere with the function of hardware, software, or data, e.g., virus worm, Trojan Horse, or intentionally corrupted data.

Xactware may make the Licensed Product available to you on mobile devices. You hereby warrant and represent that you will not attempt to or use or cause another party to use the Licensed Product in a way that distracts and/or prevents you from obeying traffic or safety laws.

### 3. DATA USE AND OWNERSHIP.

#### A. Xactware Data for use with the Licensed Product.

Xactware Data provided to you for use with the Licensed Product is owned by Xactware and shall not be transferred, copied, or published (other than as part of the Work Product as defined below) by you or any of your employees, representatives, or agents in any form or format without Xactware's express, prior written permission.

#### B. Anonymous Data and XactAnalysis.

- i) Xactware shall own all Anonymous Data.
- ii) Analytical information on XactAnalysis is owned by Xactware. Use by you of information gathered from XactAnalysis is to be accompanied by appropriate acknowledgement of Xactware's ownership of the information.

#### C. Work Product.

Work Product is shared between the owner of the object of an Assignment (e.g., potential insured), the company with potential financial obligation related to the object of an Assignment (e.g., carrier), the entity which produced the Work Product relating to the object (e.g., contractor), the management or marketing entity responsible for managing the Assignment, if any (e.g., independent adjuster firm), and you. You agree to grant to Xactware a perpetual unlimited license to use and have access to the Work Product.

### 4. TERM.

The term of this Agreement shall be for twelve (12) months, and commences on the date

when the Licensed Product is ordered ("Commencement Date"). This term will automatically renew upon each yearly anniversary of the Commencement Date unless you provide written verified notification of intent to terminate this Agreement at least ninety (90) days prior to the anniversary date, or upon execution of a replacement Licensed Product License Agreement. This Agreement may be terminated by Xactware without cause by giving you at least thirty (30) days written notice of its intent to terminate, except in the event of a breach by you of this Agreement in which case this Agreement may be terminated by Xactware immediately upon written notice. In the event of termination, you shall promptly, but in no event more than ten (10) days following such written request, deliver, return or destroy all or any portion of procedures, proprietary information, documentation, files, and any other confidential information belonging to Xactware, or property provided by Xactware, under this Agreement.

## 5. PAYMENT SCHEDULE.

A. Xactware shall provide an invoice to you each month. This billing shall detail your Assignment or estimate charges for the relevant month and will vary according to the feature-set chose to facilitate the agreement between Assignor and Assignee. You will be notified of the charges for the Assignor/Assignee agree feature set at the time of your implementation of, or acceptance into, its specific program. Your Downloading or Uploading of an Accepted Assignment shall indicate acceptance of responsibility to pay the associated fees.

B. Unless otherwise specified on the invoice, you shall pay all billed charges within thirty (30) days receipt of the invoice. All billings shall be payable in U.S. dollars only.

C. You will pay interest to Xactware in the amount of one and one-half percent (1 ½%) per month, or the maximum interest permitted by law, on amounts on all invoices not paid when due. You will also provide a written list of any charges you dispute within ten (10) days of billing. Any charges not disputed within said period shall be deemed to have been accepted and payable.

D. You hereby acknowledge and agree that your failure to make any payment to Xactware within thirty (30) days after it is due shall constitute a default. Once your account is in default, Xactware, in addition to all other remedies available at law or equity, shall have the right to disable your access rights to any Xactware product and/or service. This includes the right to terminate your sending and receiving access and general access to XactAnalysis and to remove your publicly listed information. So long as the account remains in default, Xactware shall have the right to exercise any or all of these options, at its sole discretion, without prior notice.

## 6. YOUR REPRESENTATIONS AND WARRANTIES.

You represent that you either own or have legal authority to control the property that is the subject of the information you have or have directed to be posted on the Licensed Product. You acknowledge that those parties to whom you grant access may rely upon the information posted by you. You represent and warrant that to the best of your information and belief, the information posted by you is accurate. Unsupported opinions and estimates should be so identified. You further represent and warrant that the information obtained by you through your use of the Licensed Product will be treated as opinion and shall not be relied upon by you without independent verification, except at your own risk.

Xactware cannot and does not represent or assume the accuracy of, or in any way endorse the content provided by its customers or any other entity. You warrant and represent, therefore, that your use of Licensed Product information is only as a source of opinion. You agree not to rely thereon without independent verification except at your own risk.

You agree that as between you and Xactware, you are in the best position to assess your loss potential for any damage or injury incurred by you which arises out of your use of the Licensed Product and you therefore contract and agree to accept the burden of insuring against such loss, including, but not limited to, losses caused by breach of express or implied warranty, product or service defect, negligence and the acts or omissions of Xactware. You waive any right of subrogation as to Xactware against any such insurable loss.

Furthermore, you represent that you are eighteen (18) years of age or older and you accept responsibility for all statements made, acts, or omissions that occur as part of the use of this website when such use is made possible through the use of your ID and password.

In connection with your use of the Licensed Product, Xactware may send you service announcements, administrative messages, and other information. You may be able to opt out of some of those communications. You hereby authorize Xactware to have access to any information you send to Xactware, including but not limited to your ID, password, email address, browser information, or information sent to Xactware for purposes of feedback or support.

You may also list or certify your company's credentials and update your contact information at [www.xactanalysis.com](http://www.xactanalysis.com). You shall be responsible to review and update the accuracy of the information contained therein on at least a semi-annual basis. Your contact information, including phone, beeper, fax, and modem numbers, along with address information and company name shall be kept current at all times and on an ongoing basis. The completion and submission of your company information authorizes Xactware to publish the information listed. You accept full and sole responsibility for the accuracy of its content. You agree to hold Xactware harmless from any action arising from information published in your Public Profile. By subscribing, you consent to said publication and the disclosure of such information to the public indefinitely.

## 7. XACTWARE'S LIMITED WARRANTIES.

The Licensed Product represents an integration point for content obtained from a vast array of sources. You assume the risk of human or mechanical or other error by Xactware, its members, licensees or other contributors that may cause delays, errors, or omissions. You acknowledge and agree that the Licensed Product may provide links to sites created by others. Xactware makes no implied or express representation or warranty with respect to the accuracy of information contained in these linked sites or the pricing information.

Xactware does not warrant that the operation of the Licensed Product or any of its parts will meet your particular application requirements, or that operation of the Licensed Product or any of its parts will be uninterrupted or error free. You assume full responsibility for determining suitability of the Licensed Product and its parts you use.

Xactware does not warrant the accuracy of Price Data. Price Data is intended to be a representation of historical information to be used as a baseline or place to begin creation of an estimate. You are responsible to ensure the estimate includes pricing consistent with components including but not limited to actual materials, equipment, and labor pricing. You acknowledge and understand that Price Data provided as part of the Licensed Product is intended to target the most representative price of the various price points collected relevant to the specific line item in question. Having this single representative price per line item, computed from all valid price points researched in the market, means that some market price data are higher and some market price data are lower than that which is reported. You agree not to prohibit or preclude deviations from the Price Data where contractor requirements, market conditions, demand or any other factor warrants the use of a different

line item price in the specific situation. The pricing information shall be compatible with the current version of the Licensed Product. This pricing information is provided for informational purposes only. It is your responsibility to ensure the estimates you write include pricing consistent with components including but not limited to actual materials, equipment, and labor pricing.

Xactware is the owner of all rights and title to the Licensed Product, data, documentation, training, and/or services and has the right to grant to you the License granted under this Agreement without violating any intellectual property rights of any third party.

If properly installed and operated by you in conformity with Xactware's instructions, including but not limited to periodic updates, Xactware warrants that the Licensed Product shall materially perform substantially as described in the applicable documentation and in conformity the system requirements described in this Agreement. Xactware further warrants that the Licensed Product shall function properly in conformity with the description and documentation as set forth herein and as updated with future releases and upgrades to the Licensed Product. Additional statements such as those made in advertising or presentations, whether oral or written, do not constitute warranties by Xactware and should not be relied upon as such.

In the event any product licensed hereunder fails to comply with the warranty as described herein, Xactware shall exert commercially reasonable efforts to correct such product so that the product licensed hereunder performs as warranted. In no event shall Xactware's total liability exceed the lesser of the fees paid for use of the Licensed Product during the twelve (12) month period of the license preceding the event for which liability is being claimed or \$1,000,000.

THE LICENSED PRODUCT IS LICENSED FOR USE "AS IS" AND SAID WARRANTIES AND LIMITATIONS SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE REMEDIES AND ARE IN LIEU OF ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER TYPE OF WARRANTY, WHETHER EXPRESS OR IMPLIED.

#### 8. INDEMNIFICATION.

You shall protect, defend, indemnify, and hold harmless Xactware, its parent and affiliates, and their respective officers, employees, directors, partners, shareholders, agents, attorneys and advisors from and against any and all claims, suits, losses, liabilities, damages, judgments, awards, expenses and costs, including legal fees and court fees incurred by Xactware from any litigation, as well as claims, losses, liabilities, attorney's fees, and fees incurred out of court, arising out of, based upon, or caused by (a) the unlawful or tortuous conduct of or a breach of duty by you, your employees, agents, subsidiaries, or independent contractors, (b) any damage or injury (including death) to persons or property caused by or sustained in connection with your performance under this Agreement or by conditions created thereby, or based upon your violation of any statute, ordinance, code or regulation, and the defense of any such claims or actions, (c) your use of the Licensed Product website or data obtained therefrom, or (d) your improper use or disclosure of your ID or password. Xactware shall give you notice of any such claim and provide at Xactware's own expense such commercially reasonable assistance as you may require,

#### 9. LIMITATION OF REMEDIES.

In the event you shall assert any claim against Xactware, the total of all such claims shall be limited to the lesser of the amounts paid by you to Xactware under the terms of this Agreement during the twelve (12) month period preceding the claim or \$1,000,000. IN NO EVENT SHALL XACTWARE BE LIABLE FOR LOSS OF PROFIT, GOODWILL, OR ANY OTHER

GENERAL, SPECIAL, CONSEQUENTIAL, INDIRECT, CIRCUMSTANTIAL OR INCIDENTAL DAMAGES SUFFERED OR CLAIMED BY YOU OR ANY OTHER PERSON, FIRM, OR ENTITY AS A RESULT OF YOUR USE OF THE LICENSED PRODUCT, DOCUMENTATION, DATA, SERVICES OR OTHER ITEMS PROVIDED HEREUNDER, IRRESPECTIVE OF WHETHER SUCH LOSS OF PROFIT, GOODWILL, OR OTHER DAMAGES OF ANY NATURE WAS KNOWN OR COULD HAVE BEEN REASONABLY FORESEEN BY XACTWARE.

10. LIMITED USE OF PROPRIETARY, CONFIDENTIAL, AND TRADE SECRET INFORMATION.

The Licensed Product, data and all documentation provided hereunder and all copies thereof are Xactware's proprietary information and the rights and title thereto remain with Xactware. You may not use the Licensed Product for any other use or purpose other than those provided herein. Price Data or any other information marked or designated in written form as confidential are to be treated as trade secrets and confidential information. You agree to take reasonable action by instruction, agreement, and otherwise with your employees, representatives, and agents to inform them of the trade secret and confidential nature of such information and obtain their compliance with this obligation. You agree to protect the confidentiality of the Licensed Product, data, documentation, services and business trade secrets using the same degree of care, but not less than a reasonable degree of care, as you use to protect and preserve your own confidential information.

This Agreement shall not be construed to grant to you any patents, copyrights, trademarks, licenses or similar rights to proprietary information or confidential information disclosed hereunder.

Your undertakings and obligations under this Agreement shall not apply to any confidential information which:

- Is disclosed in a printed publication available to the public, is described in a patent or a patent application anywhere in the world, or is otherwise in the public domain at the time of disclosure; or
- Is generally disclosed to third parties by the disclosing party without restriction on such third parties; or
- Is approved for release by prior written authorization of the disclosing party; or
- Is required to be disclosed by a governmental agency or by a proper order of a court of competent jurisdiction; provided, however, that the receiving party will use its best efforts to minimize such disclosure and will consult with and assist the disclosing party in obtaining a protective order prior to such disclosure; or
- Is in the receiving party's lawful possession prior to the submission thereof by the other party; or
- Is independently developed by the receiving party prior to disclosure by the disclosing party.

The confidentiality provisions of this Agreement are necessary for the protection of the business and goodwill of Xactware. You agree that any breach of these confidentiality provisions or of this Agreement will cause the Xactware substantial and irreparable harm, and, therefore, in the event of such breach, in addition to any other legal remedies that may be available, Xactware shall have the right to seek injunctive relief and any other equitable remedies to prevent or restrain any breach of this Agreement.

The obligations of confidentiality, non-disclosure, and limited use shall survive the termination of this Agreement.

In the event compulsory action is directed to you by a third party to obtain disclosure of Xactware proprietary information, you shall immediately notify Xactware and furnish

information concerning the nature of the proceedings, the forum, matter number(s), and identification of the parties, counsel, and tribunal involved. Unless otherwise directed by Xactware, you will seek reasonable judicial or tribunal protection from disclosure.

## 11. SUPPORT

### A. PRODUCT SUPPORT

During the term of this Agreement, Xactware shall provide you online support, without charge, via Xactware's eService Center, located on the Internet at [www.xactware.com](http://www.xactware.com). Xactware shall also provide telephone support at the fees detailed on Xactware's eService Center.

### B. TRAINING.

Training seminars are available for an additional cost at Xactware's Corporate Headquarters in Lehi, Utah, and regionally throughout the USA and Canada as determined by Xactware. Please visit Xactware's website at [www.xactware.com](http://www.xactware.com) for the latest training schedule and registration forms, or contact Xactware's Training Team at 1-800-232-9228 Ext. 523 to schedule training.

## 12. TAXES.

You shall, in addition to the other amounts payable under this Agreement, pay all applicable sales and use taxes with respect to the license of the Xactware product(s) or service(s) provided to you by Xactware under this Agreement.

## 13. COPYRIGHT.

United States copyright laws and international treaties protect the Licensed Product offered under this Agreement. Unauthorized use of the Licensed Product, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent under the law.

## 14. GOVERNING LAW.

The validity, construction, performance, and enforceability of this Agreement will be governed by the laws of the State of New York. You agree to submit to the jurisdiction of the Courts in New York as to disputes arising out of the interpretation or performance of this Agreement.

## 15. GENERAL.

A. Your use of the Licensed Product or any of its parts indicates that you have read this Agreement with the accompanying "Exhibit A-System Requirements," understand them, and fully accept the terms of this Agreement. You further agree that the Agreement for the Licensed Product you are utilizing is the complete and exclusive statement of the Agreement proposals, understandings, and all other agreements of the date herewith, oral or written, between you and Xactware relating to the Xactware Licensed Product(s) licensed under this Agreement.

B. You acknowledge that XactAnalysis' functionality is dependent on other Xactware Products (such as Xactimate or XactRemodel), and an Internet browser such as Microsoft's Internet Explorer for XactAnalysis. You further acknowledge and agree to legally purchase a license for any other software products not covered by this Agreement.

C. You acknowledge that Xactware is a service provider allowing Assignor and Assignee to pass Assignment information through its systems. Assignee acknowledges that it will be necessary for Assignee to reach an agreement with an Assignor (not Xactware) in order to begin receiving Assignments.

D. If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

E. The failure or delay of Xactware to exercise any right under this Agreement shall not be deemed a waiver of that or any other right. A waiver or consent given by Xactware on any one occasion is effective only in that instance and will not be construed as a waiver of any right on any other occasion.

F. Any other provisions contained herein to the contrary notwithstanding, neither party hereto shall be liable to the other party for loss, injury, delay, or damages, or other casualty suffered or incurred by such other party due to governmental regulations or directions, outbreak of a state emergency, Act of God, war, warlike hostilities, terrorism, civil commotion, riots, epidemics, storms, fires, strikes, lockouts, and any other similar cause or causes beyond the reasonable control of the party whose performance is affected by such cause or causes.

G. You shall not assign, rent, sell, sub-license, sub-contract or otherwise transfer this Agreement or any portion thereof to any other person, firm, or entity without Xactware's express prior written consent. The foregoing notwithstanding, however, a party may assign this Agreement without the express consent of the other to a purchaser of a controlling equity interest, or substantially all of the operational assets of the assigning party.

H. In the event Xactware must seek the services of an attorney to enforce the provisions of this Agreement, you shall pay all reasonable attorney's fees, costs and damages incurred by Xactware, whether such attorney's fees, costs and damages are incurred in or out of court.

I. This Agreement will be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

J. You hereby grant your permission and consent to receive information via fax transmission from Xactware.

**K. YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS, AND FURTHER AGREE THAT THIS IS THE COMPLETE AND EXCLUSIVE STATEMENT BETWEEN XACTWARE AND YOU RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT.**

L. For further information: Should you have any questions concerning the provisions of this Agreement or if you desire to contact Xactware, please write to: Xactware Solutions, Inc., 1100 West Traverse Parkway, Lehi, Utah 84043, call our Sales Department at 1-800- 424-9228 or visit our website at [www.xactware.com](http://www.xactware.com).

All Xactware Product names are trademarks of Xactware Solutions, Inc. All other brand and product names are trademarks of their respective owners.

Copyright 1995–2016 by Xactware Solutions, Inc. All Rights Reserved.

## **EXHIBIT A SYSTEM REQUIREMENTS**

Please refer to  
<http://www.xactware.com/enus/solutions/claims-management/xactanalysis/system-requirements/>

**System requirements are subject to change without prior written notice.**

**EXHIBIT M**

**XACTWARE SOLUTIONS, INC. LICENSE AGREEMENT**

## Xactware Solutions, Inc. License Agreement

AS A CONDITION TO YOUR LICENSE TO USE LICENSED PRODUCT AS FURTHER DEFINED HEREIN, OR ANY OF ITS PARTS, YOU MUST AGREE TO THE FOLLOWING TERMS. YOUR SUBSEQUENT USE OF THE LICENSED PRODUCT WILL BE SUBJECT TO ANY ADDITIONS OR MODIFICATIONS IN EFFECT ON THE DATE OF THAT USE. IF YOU DO NOT AGREE WITH ANY OF THESE TERMS, DO NOT PROCEED AND DO NOT USE THIS LICENSED PRODUCT. BY PROCEEDING, YOU ARE INDICATING YOUR AGREEMENT TO BE GOVERNED BY THIS AGREEMENT IN ITS ENTIRETY.

This License Agreement is valid for short term evaluation or subscription of up to 25 licenses of the Licensed Product. If you need more than 25 licenses of the Licensed Product, please contact Xactware's Sales Team at 1-800-424-9228 for appropriate license agreements.

Pursuant to this Agreement, Xactware Solutions, Inc. (hereinafter "Xactware") authorizes you ("Licensee") to accept a non-transferable and non-exclusive license to: (a) utilize the Licensed Product for internal purposes during the term of this Agreement on computer(s) located at your office and used by you or any of your employees; (b) copy the accompanying Licensed Product onto a single computer and use such Licensed Product on that single computer; (c) copy the accompanying Licensed Product onto multiple computers as long as you purchase a number of licenses of the Licensed Product equal to the number of computers upon which the Licensed Product will be used; (d) when applicable, access the Licensed Product online using an individual user ID and password.

### 1. DEFINITIONS

As used in this Agreement, the terms below shall have the following meanings:

"Licensed Product" shall mean, as applicable, a single copy of Xactimate, a single copy of Xactimate Professional, **or** a single licensed user of Xactimate Online or Xactimate Mobile. Should Licensee pay the applicable additional license fees, Licensed Product shall also mean access to a single copy of XactContents or XactContents Mobile, access to XactScope through Xactimate Professional, and/or access to XactAnalysis (including a license to use XactAnalysis for SP).

"Price Data" shall mean any applicable pricing information authored by Xactware (including but not limited to Xactware's copyrighted price lists) in an organized format for the specific limited purpose of estimating fixed residential and/or light commercial structural remodel and repair costs, that is compatible with the current version of the Licensed Products. This pricing information is provided for informational purposes only.

"SketchCam" shall mean a floor-plan dimensioning feature using the built-in camera in mobile devices available within Xactimate Mobile.

"XactContents" shall mean an application and database created for use in inventorying personal property items lost, estimating the cost to replace the items, and tracking associated payments on personal property claims.

"XactAnalysis" shall mean Xactware's secure, online full-cycle, electronic-assignment network, connecting assignment senders and receivers in a secure and private network environment and providing a management reporting tool that generates real-time management reports. Through XactAnalysis, insurance companies, adjusters, contractors, and any applicable organization sending or receiving assignments can securely exchange, among other things, estimates, price lists, data reports, and messages.

"Xactimate" shall mean Xactware's structural damage repair estimating software.

"Xactimate Online" shall mean Xactware's online structural damage repair estimate software, accessed via a user ID and password.

"Xactimate Professional" shall mean the professional version of Xactware's structural damage repair estimating software.

"XactScope" shall mean any proprietary application which runs on a smart-phone, mobile computerized device or handheld type device for the use of collecting scope data and the proprietary mechanisms used to convey data to and from Xactimate.

"Xactware Marks" shall mean the trademarks XACTIMATE®, X Logo ®, XACTPRICE ®, XACTNET ®, XACTANALYSIS® and any XACT-formative marks owned and used by Xactware in connection with the Licensed Products and any other products or services offered by Xactware.

"Xactware Materials" shall mean all Xactware training materials (e.g., manuals, tutorials, etc.) and/or promotional materials (e.g., advertising, catalogues, web site content and design, etc.), fixed in any tangible means of expression, that have been used, created, or obtained to date anywhere in the world by or on behalf of Xactware.

## 2. PROHIBITED USES.

You hereby warrant that you will never, directly or indirectly:

a.) make any attempt to perform automated data collection of information from Xactware's systems; de-compile, reverse engineer, disassemble or create derivative works from the Licensed Product, any other Xactware product, the Price Data, the Xactware Materials, and/or any other data or information owned by Xactware;

b.) commercially market all or part of Xactware's products (including but not limited to the Licensed Product and/or the Price Data) or any product similar to Xactware's products, and/or compete with Xactware in any way;

c.) install a copy of the Licensed Product onto an Internet site, desktop virtualization application (e.g., Citrix), cloud computing platform, or other open source software platform;

d.) use a copy of the Licensed Product via an Internet site, desktop virtualization application (e.g., Citrix), cloud computing platform, or other open source software platform;

e.) make an electronic copy of the Licensed Product;

f.) sell, loan, rent, lease, or transfer the Licensed Product and/or the Price Data to another user or third party;

g.) use and/or register the Xactware Marks, any designation, trademark or trade name that incorporates the terms XACT or X, or any designation, trademark or trade name that is confusingly similar to the Xactware Marks, as elaborated in greater detail in Paragraph 12.A herein;

h.) use and/or register the Xactware Materials, or any materials that are substantially similar to the Xactware Materials; or

i.) copy, export, reproduce, distribute, display or otherwise use the Price Data other than in conjunction with your use of the Licensed Product as permitted in this Agreement.

Portions of the Licensed Product constitute a passive service of allowing the posting of information. Xactware assumes and undertakes no responsibility to police or review the accuracy of the information posted, or the right of the individual posting the information to do so. Nevertheless, postings which come to the attention of Xactware and which are deemed by it to violate the terms of this Agreement may be removed without notice and/or may result in revocation of this License. The following are strictly prohibited:

a.) matter that is libelous, invasive of privacy rights, inflammatory, hateful, pornographic, indecent, illegal, or misleading;

b.) any materials that violate or infringe upon the trademark, copyright, or proprietary rights of others. This includes illegally distributed/hijacked software, copyrighted photographs, text, video, artwork, and music; and

c.) any electronic component designed to interfere with the function of hardware, software, or data, e.g., virus worm, Trojan Horse, or intentionally corrupted data.

### 3. DATA USE AND OWNERSHIP.

#### A. Data Provided by Xactware for Use with the Licensed Product.

All data provided by Xactware (including but not limited to the Price Data) to you for use with the Licensed Product are owned by Xactware and shall not be transferred, copied, or published (other than as part of the Work Product as defined below) by you or any of your employees, representatives, or agents in any form or format without Xactware's express prior written permission.

#### B. Anonymous Data and XactAnalysis.

i) Xactware shall own all assignment and estimate data from which assignee, assignor, and non-public personally identifiable information has been removed, which were created and/or extracted using the Licensed Product. Such data shall be referred to as "Anonymous Data".

ii) Analytical information on XactAnalysis is owned by Xactware. Use by you of information gathered from XactAnalysis is to be accompanied by appropriate acknowledgement of Xactware's ownership of the information.

#### C. Work Product.

Ownership of estimate data generated using one or more Xactware Product ("Work Product") is shared between the owner of the object of an Assignment, as defined in Exhibit A (e.g., potential insured), the company with potential financial obligation related to the object of an Assignment (e.g., carrier), the entity which produced the Work Product relating to the object (e.g., contractor), the management or marketing entity responsible for managing the Assignment, if any (e.g., independent adjuster firm), and you. You agree to grant to Xactware a perpetual unlimited license to use and have access to the Work Product.

### 4. TERM.

The term of this Agreement shall be for twelve (12) months. This term will automatically renew at each anniversary date unless you provide written verified notification of intent to

terminate this Agreement at least ninety (90) days prior to the anniversary date, or upon execution of a replacement Licensed Product License Agreement. This Agreement may be terminated by Xactware without cause by giving you at least thirty (30) days written notice of its intent to terminate, except in the event of a breach by you of this Agreement, in which case this Agreement may be terminated by Xactware immediately upon written notice, with no rights of cure. In the event of termination, you shall promptly, but in no event more than ten (10) days following such written request, deliver, return or destroy all or any portion of the Licensed Product, Price Data, or any other procedures, proprietary information, documentation, files, and or any other property or data provided by Xactware under this Agreement.

## 5. THE AUTOMATED ASSIGNMENT PROCESS.

For purposes of this Section, additional definitions listed in Exhibit A shall apply.

- A. An Assignor creates an Assignment on XactAnalysis, and an Assignee is designated.
- B. XactAnalysis notifies Assignee that an Assignment is ready for routing to their Field Unit.
- C. Assignee connects Field Unit to XactAnalysis and Downloads the Assignment. The Assignee then has the ability to either accept or reject the Assignment using the field software. The Assignment may also be deemed rejected if it is not Downloaded to the Assignee's computer within the lesser of (i) the time frame specified in Assignee's agreement with Assignor, or (ii) within three (3) work days from the time of the first notification attempt.
- D. The Assignee responds to an Accepted Assignment by fulfilling all responsibilities made to the Assignor in an Agreement pre-dating the receipt of the Assignment. Such responsibilities usually include the preparation of an estimate in a prompt, professional and technically competent manner within the parameters prescribed by the Agreement with the Assignor.
- E. Assignee connects its computer to XactAnalysis and Uploads the required information (e.g., estimate). XactAnalysis stores, analyzes and prepares the Uploaded information to which Assignor or Assignee has rights of ownership as defined below for presentation to Assignor, Assignee and any other recipient (e.g., homeowner) designated by either Assignor or Assignee.
- F. Both Assignee and Assignor may view Tracker Information at any time during the process to monitor the progress of the Assignment.
- G. Xactware bills you for XactAnalysis usage on a monthly basis. Billings vary according to the feature-set chosen to facilitate the agreement between Assignor and Assignee. You will be notified of the charges for the Assignor/Assignee agreed feature set at the time of your implementation of, or acceptance into, its specific program. Your Downloading or Uploading of an Accepted Assignment shall indicate acceptance of responsibility to pay the associated fees.

## 6. PAYMENT SCHEDULE.

- A. Licensed Product license fees are due at the beginning of each twelve (12) month term. In addition, Xactware shall provide an invoice to you each month detailing your Assignment charges plus all applicable per-minute charges for the prior month, and/or any other payments associated with any other Xactware products or services being utilized by you.

B. Unless otherwise specified on the invoice, you shall pay all billed charges by the tenth day of the month in which they are invoiced. All billings shall be payable in U.S. dollars only.

C. You will pay interest to Xactware in the amount of one and one-half percent (1 ½%) per month on amounts on all invoices not paid when due. You will also provide a written list of any charges you dispute within ten (10) days of billing. Any charges not disputed within said period shall be deemed to have been accepted and payable.

D. You hereby acknowledge and agree that your failure to make any payment to Xactware within fifteen (15) days after it is due shall constitute a default. Once your account is in default, Xactware, in addition to all other remedies available at law or equity, shall have the right to disable your access rights to any Xactware product and/or service. This includes the right to terminate your sending and receiving access and general access to XactAnalysis and to remove your publicly listed information. So long as the account remains in default, Xactware shall have the right to exercise any or all of these options, at its sole discretion, without prior notice.

E. You agree to cooperate with Xactware in the establishment of a program that shall allow you to utilize a method of electronic funds transfer as the means for payment to Xactware of the charges you have incurred.

F. Payments are to be made according to your Xactware invoice or, if paying online, payment is due immediately by valid credit card.

G. The twelve (12) month license period commences when the Licensed Product is ordered.

## 7. INDEMNIFICATION

You shall defend, indemnify, and hold harmless Xactware and their directors, officers and employees from and against any and all claims (including claims for bodily injury (including death) and property damage), loss, liability, judgments, awards, and costs, including legal fees and court costs, incurred by Xactware and ISO, that arise out of, are caused by or result from (i) your tortious conduct (including negligence), (ii) any violation by you of any applicable statute, ordinance, code or regulation, (iii) your willful misconduct or illegal act or omission, (iv) your breach of any material obligation of this Agreement, or (v) any actual or threatened claim by a third party in any way relating to the output of any Licensed Product that you provide to such third party.

## 8. YOUR REPRESENTATIONS AND WARRANTIES.

You represent that you either own or have legal authority to control the property that is the subject of the information posted on the Licensed Product. You acknowledge that those parties to whom you grant access may rely upon the information posted by you. You represent and warrant that to the best of your information and belief, the information posted by you is accurate. Unsupported opinions and estimates should be so identified. You further represent and warrant that the information obtained by you through your use of the Licensed Product will be treated as opinion and shall not be relied upon by you without independent verification, except at your own risk.

Xactware cannot and does not represent or assume the accuracy of, or in any way endorse the content provided by its members or any other entity. You warrant and represent, therefore, that your use of Licensed Product information is only as a source of opinion. You agree not to rely thereon without independent verification, except at your own risk. You agree that as between you and Xactware, you are in the best position to assess your loss

potential for any damage or injury incurred by you which arises out of your use of the Licensed Product, and you therefore contract and agree to accept the burden of insuring against such loss, including, but not limited to, losses caused by breach of express or implied warranty, product or service defect, negligence, and the acts or omissions of Xactware. You waive any right of subrogation as to Xactware against any such insurable loss. You agree to indemnify and hold Xactware harmless from liability arising out of your use of the Licensed Product website, [www.xactware.com](http://www.xactware.com), or data obtained therefrom which arise out of any such insurable loss. You accept responsibility for all statements made, acts, or omissions that occur as part of the use of this website when such use is made possible through the use of your ID and password. You agree to indemnify Xactware from claims arising out of your use or from disclosure of your ID or password.

Contingent upon payment of the associated XactAnalysis license fees, you may also list or certify your company's credentials and update your contact information at [www.xactanalysis.com](http://www.xactanalysis.com). You shall be responsible to review and update the accuracy of the information contained therein on at least a semi-annual basis. Your contact information, including phone, beeper, fax, and modem numbers, along with address information and company name shall be kept current at all times and on an ongoing basis. The completion and submission of your company information authorizes Xactware to publish the information listed. You accept full and sole responsibility for the accuracy of its content. You agree to hold Xactware harmless from any action arising from information published in your public profile. By subscribing, you consent to said publication and the disclosure of such information to the public indefinitely.

#### 9. XACTWARE'S LIMITED WARRANTIES.

The Licensed Product represents an integration point for content obtained from a vast array of sources. You assume the risk of human, mechanical or other error by Xactware, its members, licensees or other contributors that may cause delays, errors, or omissions. You acknowledge and agree that the Licensed Product may provide links to sites and information (including but not limited to pricing information) provided by others. Xactware makes no implied or express representation or warranty with respect to the accuracy of information contained in these linked sites or the pricing information.

Xactware does not warrant that the operation of the Licensed Product or any of its parts will meet your particular application requirements, or that operation of the Licensed Product or any of its parts will be uninterrupted or error free. You assume full responsibility for determining suitability of the Licensed Product and its parts for your use.

Xactware does not warrant the accuracy of pricing information in the Price Data. Price Data are intended to be a representation of historical information to be used as a baseline or place to begin creation of an estimate. You are responsible to ensure the estimate includes pricing consistent with components including but not limited to actual materials, equipment, and labor pricing. You acknowledge and understand that Price Data provided as part of the Licensed Product are intended to target the most representative price of the various price points collected relevant to the specific line item in question. Having this single representative price per line item, computed from all valid price points researched in the market, means that some market price data are higher and some market price data are lower than that which are reported. You agree not to prohibit or preclude deviations from the Price Data where contractor requirements, market conditions, demand or any other factor warrants the use of a different line item price in the specific situation.

Xactware does not warrant the accuracy of the SketchCam tool. SketchCam is intended to capture the rough shape of a room and create renderings in Sketch, but should not be relied upon as a definitive measurement device. Accuracy of SketchCam is dependent on device

sensors and human input which are inherently inaccurate. You are responsible to ensure the measurements used to create a Sketch of a room are accurate.

Xactware is the owner of all rights and title to the rights licensed to you hereunder, and has the right to grant to you the License granted under this Agreement without violating any intellectual property rights of any third party.

Xactware warrants that the Licensed Product, if properly installed and operated by you in conformity with Xactware's instructions, including but not limited to periodic updates, shall materially perform substantially as described in the applicable documentation and in conformity with the system requirements identified by Xactware for the proper operation of the Licensed Product. Xactware further warrants that the Licensed Product shall function properly in conformity with the description and documentation as set forth herein and as updated with future releases and upgrades to the Licensed Product. Additional statements, such as those made in advertising or presentations, whether oral or written, do not constitute warranties by Xactware and should not be relied upon as such.

In the event any product licensed hereunder fails to comply with the warranty as described herein, Xactware shall exert commercially reasonable efforts to correct such product so that the product licensed hereunder performs as warranted. In no event shall Xactware's liability exceed the fees paid for use of the Licensed Product.

THE LICENSED PRODUCT IS LICENSED FOR USE "AS IS" AND SAID WARRANTIES AND LIMITATIONS SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE REMEDIES AND ARE IN LIEU OF ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER TYPE OF WARRANTY, WHETHER EXPRESS OR IMPLIED.

10. LIMITATION OF LICENSEE'S REMEDIES.

In the event you shall assert any claim against Xactware, the total of all such claims shall be limited to the lesser of the amounts paid by you under the terms of this Agreement or \$1,000,000. IN NO EVENT SHALL XACTWARE BE LIABLE FOR LOSS OF PROFIT, GOODWILL, OR ANY OTHER GENERAL, SPECIAL, CONSEQUENTIAL, INDIRECT, CIRCUMSTANTIAL OR INCIDENTAL DAMAGES SUFFERED OR CLAIMED BY YOU OR ANY OTHER PERSON, FIRM, OR ENTITY AS A RESULT OF YOUR USE OF THE LICENSED PRODUCT, DOCUMENTATION, DATA, SERVICES, OR OTHER ITEMS PROVIDED HEREUNDER, IRRESPECTIVE OF WHETHER SUCH LOSS OF PROFIT, GOODWILL, OR OTHER DAMAGES OF ANY NATURE WAS KNOWN OR COULD HAVE BEEN REASONABLY FORESEEN BY XACTWARE.

11. LIMITED USE OF PROPRIETARY, CONFIDENTIAL, AND TRADE SECRET INFORMATION.

The Licensed Product, Price Data, Xactware Materials, and any other data or information provided hereunder and all copies thereof are Xactware's proprietary information, and the title thereto remains with Xactware. You may not use the Licensed Product, Price Data, or Xactware Materials for any other use or purpose other than those provided herein. Price Data or any other information marked or designated in written form as confidential are to be treated as trade secrets and confidential information. You agree to take reasonable action by instruction, agreement, and otherwise with your employees, representatives, and agents to inform them of the trade secret and confidential nature of such information and obtain their compliance with this obligation. You agree to protect the confidentiality of the Licensed Product, Price Data, and other Xactware proprietary data, information, services and business trade secrets using the same degree of care, but not less than a reasonable degree of care, as you use to protect and preserve your own confidential information.

Except for the specific limited rights of use specifically granted in this Agreement, this Agreement shall not be construed to grant you any ownership, license, or other proprietary rights in or to any Xactware patents, copyrights, trademarks, confidential information, or other similar proprietary information.

Your undertakings and obligations under this Agreement shall not apply to any confidential information (excluding Xactware's online and offline software programs and associated documentation which shall remain Confidential Information) which:

- Is disclosed in a printed publication available to the public, is described in a patent or a patent application anywhere in the world, or is otherwise in the public domain at the time of disclosure; or
- Is generally disclosed to third parties by the disclosing party without restriction on such third parties; or
- Is approved for release by prior written authorization of the disclosing party; or
- Is required to be disclosed by a governmental agency or by a proper order of a court of competent jurisdiction; provided, however, that the receiving party will use its best efforts to minimize such disclosure and will consult with and assist the disclosing party in obtaining a protective order prior to such disclosure; or
- Is in the receiving party's lawful possession prior to the submission thereof by the other party; or
- Is independently developed by the receiving party prior to disclosure by the disclosing party.

The confidentiality provisions of this Agreement are necessary for the protection of the business and goodwill of Xactware. You agree that any breach of these confidentiality provisions or of this Agreement will cause Xactware substantial and irreparable harm, and, therefore, in the event of such breach, in addition to any other legal remedies that may be available, Xactware shall have the right to seek injunctive relief and any other equitable remedies to prevent or restrain any breach of this Agreement.

The obligations of confidentiality, non-disclosure, and limited use shall survive the termination of this Agreement.

In the event compulsory action is directed to you by a third party to obtain disclosure of any Xactware owned information, you shall immediately notify Xactware, in writing directed to Xactware Legal Department, and furnish information concerning the nature of the proceedings, the forum, matter number(s), and identification of the parties, counsel, and tribunal involved. Unless otherwise directed by Xactware, you will seek reasonable judicial or tribunal protection from disclosure.

## 12. USE OF XACTWARE MARKS AND XACTWARE MATERIALS.

### A. USE OF XACTWARE MARKS PROHIBITED.

Xactware is the sole and exclusive owner of the Xactware Marks. Xactware has not authorized you to use and/or register the Xactware Marks, any designation, trademark or trade name that incorporates the terms XACT or X, or any designation, trademark or trade name that is confusingly similar to the Xactware Marks. Specifically, you shall not use or incorporate the Xactware Marks or any confusingly similar marks or terms in your trade name or in any domain name owned and/or used by you. You shall not use or apply the Xactware Marks or any confusingly similar marks or terms on or in any of your promotional materials, including but not limited to your website, letterhead, business cards, estimates or any contracts. You also shall not use any of the Xactware Marks as a metatag(s). Any unauthorized use of or infringement by you of the Xactware Marks, or any variation or simulation thereof, shall be

deemed a material breach of this Agreement, subject to immediate termination of the Agreement by Xactware, without rights of cure.

**B. USE OF XACTWARE MATERIALS PROHIBITED.**

Xactware is the sole and exclusive owner of the Xactware Materials. Xactware has not authorized you to use and/or register the Xactware Materials, or any materials substantially similar to the Xactware Materials. Any unauthorized use of or infringement by you of the Xactware Materials, or any variation or simulation thereof, shall be deemed a material breach of this Agreement, subject to immediate termination of the Agreement by Xactware, without rights of cure.

**13. LICENSOR'S REMEDIES; INJUNCTIVE RELIEF.**

You acknowledge that your breach of the terms or conditions of this Agreement may substantially diminish the value of the Licensed Product, Price Data, Xactware Materials, and any other Xactware owned materials, thereby causing irreparable harm to Xactware. As such, you therefore acknowledge and agree that in the event of your breach of this Agreement, Xactware shall be entitled to equitable relief, and you consent to the entry of both a preliminary and permanent injunction enjoining you from further violation of this Agreement, solely upon a showing by Xactware that such breach by you has occurred.

Should Xactware seek equitable relief for a breach of this Agreement, including but not limited to injunctive relief, you agree that you shall not request that Xactware post a bond or other security in relation to such proceedings, or request that Xactware prove any actual damages. The provisions of this paragraph relating to you are included in this Agreement solely at the request of Xactware in order to afford Xactware more security and not for the purpose of permitting you to escape or avoid any laws, rules or regulations of any applicable jurisdiction or any subdivision thereof applicable to you. Xactware's entitlement to injunctive relief shall not bar it from recovering monetary damages from you as a result of your breach of this Agreement and/or infringement of any Xactware intellectual property.

**14. ACKNOWLEDGMENT OF XACTWARE'S RIGHTS.**

You acknowledge Xactware's ownership of and the validity of the Licensed Product, the Xactware Marks, Price Data, and Xactware Materials. You shall never challenge Xactware's ownership or the validity of the Licensed Product, the Xactware Marks, Price Data, and Xactware Materials, or of any other intellectual property or other proprietary rights of Xactware therein. You shall not seek to register or otherwise assert rights over all or any portion of the Licensed Product, the Xactware Marks, Price Data, and Xactware Materials, or any variation or simulation thereof. Any such challenge or any attempt to register or obtain rights in and to the Licensed Product, the Xactware Marks, Price Data, and Xactware Materials, or any variation or simulation thereof, shall be deemed a material breach of this Agreement, subject to immediate termination of this Agreement by Xactware, without rights of cure.

**15. SUPPORT, MAINTENANCE, AND TRAINING.**

**A. DATABASE SUPPORT.**

Xactware will provide pricing information, which shall consist of unit costs and unit cost breakdowns consistent with those that may be expected from a contract/repair company in specific available geographic market areas in the United States and Canada that may be served by you. You may be contacted for feedback on current pricing trends. You authorize Xactware to make such contacts and agree to provide personnel knowledgeable of pricing

information in each of the areas for which Price Data shall be assembled. Monthly updates to the Price Data shall be made available to each site over an electronic connection to Xactware's XactAnalysis system.

**B. PRODUCT SUPPORT.**

During the term of this Agreement, Xactware shall provide online support to you and your employees licensed to use the Licensed Product, without charge, via Xactware's eService Center, located on the Internet at [www.xactware.com](http://www.xactware.com). Xactware shall also provide telephone support at the fees detailed on Xactware's eService Center. Due to the added functionality typically associated with newer versions of the Licensed Product, Xactware reserves the right to provide support electronically or by telephone for at least one (1) year after the initial release of the Licensed Product. For prior versions of the Licensed Product, Xactware reserves the right to provide support either electronically or by telephone (a) for at least one (1) year after the release of a replacement or updated version of the Licensed Product; or (b) for at least six (6) months after the Licensed Product has been discontinued (general distribution ceased); or (c) require you to update to the most current supported version of the Licensed Product prior to providing support.

**C. MAINTENANCE.**

During the term of this Agreement and so long as payment required under this Agreement is current, Xactware shall make enhancements available to you for the Licensed Product, as they become available generally to subscription customers. Enhancements shall be provided to you without additional charge. Any enhancement delivered to you under this Agreement shall be considered part of the Licensed Product and shall be governed by the terms and conditions of this License Agreement.

**D. TRAINING.**

Training seminars are available for an additional cost at Xactware's Corporate Headquarters in Orem, Utah, and regionally throughout the USA and Canada as determined by Xactware. Please visit Xactware's website at [www.xactware.com](http://www.xactware.com) for the latest training schedule and registration forms, or contact Xactware's Training Team at 1-800-232-9228 Ext. 523 to schedule training.

**E. STORAGE.**

Xactware will store completed estimates for the term of this Agreement, after which Xactware reserves the right to remove the estimate. Should you discontinue this Agreement and then begin a new Agreement at a later date, Xactware does not guarantee that the original data will remain and/or be available on Xactware's system. Additional fees to reconnect historical data to a new subscription Agreement may apply.

**16. TAXES.**

You shall, in addition to the other amounts payable under this Agreement, pay all applicable sales and use taxes.

**17. COPYRIGHT.**

United States copyright laws and international treaties protect the Licensed Product, Price Data, and Xactware Materials described in this Agreement. Unauthorized use of the Licensed Product, Price Data, and Xactware Materials, or any portion of them, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent under the law.

18. PUBLICITY.

During the term of this Agreement, you agree that Xactware shall have the right, but not the obligation, to list your company as a customer who uses the Licensed Product on Xactware's website and/or in presentations. Xactware will remove your company's name from any such list within thirty (30) days after any termination of this Agreement or upon your written request.

19. GOVERNING LAW.

The validity, construction, performance, and enforceability of this Agreement will be governed by the laws of the State of New York, excluding that body of law applicable to conflicts of law.

20. DISPUTES.

Xactware shall be entitled to seek legal or equitable relief in any Federal, State, and/or County Court in the State of New York without first submitting the matter to arbitration with respect to alleged breaches or threatened breaches of any material term or provision of this Agreement. The Federal, State and/or County Courts in the State of New York have exclusive jurisdiction over any such claim. You hereby irrevocably submit to the personal jurisdiction of any such court in the State of New York for any such claims and waive any claim or defense of inconvenient forum or lack of personal jurisdiction under any applicable law, decision, treaty or otherwise. In making the foregoing submission to jurisdiction, you expressly waive the benefit of any contrary provision of the laws of the jurisdiction of your incorporation or where you are doing business.

All disputes, disagreements, controversies, questions or claims brought by you, arising out of or relating to this Agreement including, without limitation, with respect to its formation, execution, validity, application, interpretation, performance, breach, termination or enforcement, shall be determined by arbitration.

21. GENERAL.

A. Your use of the Licensed Product or any of its parts indicates that you have read this Agreement, understand them, and fully accept the terms of this Agreement. You further agree that the Agreement for the Licensed Product you are utilizing is the complete and exclusive statement of the Agreement proposals, understandings, and all other agreements of the date herewith, oral or written, between you and Xactware relating to this Agreement.

B. You acknowledge that XactAnalysis' functionality is dependent on other Xactware Products (such as Xactimate or XactRemodel), and an Internet browser such as Microsoft's Internet Explorer for XactAnalysis. You further acknowledge and agree to legally purchase a license for any other software products not covered by this Agreement.

C. You acknowledge that Xactware is a service provider allowing Assignor and Assignee to pass Assignment information through its systems. Assignee acknowledges that it will be necessary for Assignee to reach an agreement with an Assignor (not Xactware) in order to begin receiving Assignments.

D. If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

E. The failure or delay of Xactware to exercise any right under this Agreement shall not be deemed a waiver of that or any other right. A waiver or consent given by Xactware on any

one occasion is effective only in that instance and will not be construed as a waiver of any right on any other occasion.

F. Any other provisions contained herein to the contrary notwithstanding, neither party hereto shall be liable to the other party for loss, injury, delay, or damages, or other casualty suffered or incurred by such other party due to governmental regulations or directions, outbreak of a state emergency, Act of God, war, warlike hostilities, civil commotion, riots, epidemics, storms, fires, strikes, lockouts, and any other similar cause or causes beyond the reasonable control of the party whose performance is affected by such cause or causes.

G. You shall not assign, rent, sell, sub-license, sub-contract or otherwise transfer this Agreement or any portion thereof to any other person, firm, or entity without the express prior written consent from Xactware. The foregoing notwithstanding, however, a party may assign this Agreement without the express consent of the other to a purchaser of a controlling interest, or substantially all of the operational assets of the assigning party.

H. In the event of a breach of this Agreement by you, you shall be liable to Xactware for any and all attorneys' fees and costs incurred by Xactware in connection with its efforts to enforce this Agreement, whether such attorney's fees and costs are incurred in connection with a court proceeding or any other action taken by Xactware to enforce the terms of this Agreement.

I. This Agreement will be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

J. In the case of a beta test or demo, Xactware authorizes you a temporary use license to utilize the Licensed Product for the sole purpose of internal pre-release evaluation and testing. This right is subject to additional agreements and covenants by you concerning the specific beta test or demo, which by this reference are incorporated herein. In addition, in the case of a demo, Section 4 does not apply. In the case of a beta test, Sections 4, 9 and 15 do not apply.

K. You hereby grant your permission and consent to receive information via fax transmission from Xactware.

L. **YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS, AND FURTHER AGREE THAT THIS IS THE COMPLETE AND EXCLUSIVE STATEMENT BETWEEN XACTWARE AND YOU RELATING TO THIS AGREEMENT.** Furthermore, you represent that you are 18 years of age or older and you accept responsibility for all statements made, acts or omissions that occur as part of the use of this website when such use is made possible through the use of your ID and password. You agree to indemnify Xactware from claims arising out of your use or from disclosure of your ID or password

M. For further information: Should you have any questions concerning the provisions of this Agreement or if you desire to contact Xactware, please write to: Xactware Solutions, Inc., 1426 East 750 North, Orem, Utah 84097, or call our Sales Department at: 1-800-424 9228.

All Xactware Product names are trademarks or registered trademarks of Xactware Solutions, Inc. All other brand and product names are trademarks of their respective owners.

Copyright 1995-2013 by Xactware Solutions, Inc. All Rights Reserved.

## **EXHIBIT A**

### **XACTANALYSIS DEFINITIONS**

Should you pay the applicable additional fee for XactAnalysis, the following definitions shall apply:

A. "Accepted Assignment" shall mean an Assignment that has been Downloaded by Assignee to Assignee's Field Unit. The act of Downloading the Loss Assignment shall constitute acceptance of the responsibility to perform the Assignee services as agreed upon with Assignor and as required hereunder.

B. "Assignment" shall mean written specification of a task to be accomplished in accordance with an agreement previously entered into between both the sender and receiver of the specifications.

C. "Assignee" shall mean the individual or entity that is designated as the recipient of the Assignment by the Assignor.

D. "Assignor" shall mean the individual or entity that originally sends an Assignment to XactAnalysis with instructions for its transfer to a designated recipient.

E. "Completed Assignment" shall mean an Assignment for which Assignee has completed all responsibilities agreed to with Assignor, and Uploaded the required information (e.g., estimate) to XactAnalysis.

F. "Corrected Estimate(s)" shall mean the subsequent updating of a Completed Assignment and Uploading the results.

G. "Download" shall mean to move information from XactAnalysis down to the Field Unit.

H. "Field Assignee" shall mean the individual who performs the fieldwork necessary to fulfill the agreed upon responsibilities attached to an Assignment.

I. "Field Unit" shall mean a computer used by an Assignee having the capability to Download and Upload Assignments or other information via XactAnalysis.

J. "Industry Average" shall mean an average of Anonymous Data gleaned from XactAnalysis customers and other industry data for use in XactAnalysis or other Xactware produced reports.

K. "Re-Assignor" and "Re-Assign" shall mean an Assignee who designates a surrogate recipient for the Assignment and Re-Assigns the Assignment to that surrogate. For example, an Assignor who is an insurance carrier might designate a large Independent Adjusting firm as the Assignee. The Independent Adjusting firm might Accept the Assignment, then Re-Assign it to a specific Field Assignee.

L. "Tracker Information" shall mean information detailing the dates and times of major events occurring since the time the original Assignment first reached XactAnalysis.

M. "Upload" shall mean to move information from the Field Unit up to XactAnalysis.

N. "XactRemodel" shall mean Xactware's estimating remodel and repair software, which

is designed to communicate with XactAnalysis.

**EXHIBIT N**

**SAMPLE PURO DRYING SOLUTIONS RENTAL AGREEMENT/SAMPLE THIRD  
PARTY LEASE AGREEMENTS**

## **MASTER SERVICE AND RENTAL AGREEMENT**

THIS MASTER SERVICE AND RENTAL AGREEMENT (including the Terms and Conditions and the Exhibits and Schedules attached hereto and incorporated herein by this reference, collectively, the "Agreement"), dated effective as of \_\_\_\_\_, by and between Puro Drying Solutions, LLC, a Delaware Limited Liability Company ("COMPANY"), and \_\_\_\_\_ ("Lessee" or "Grantor") (jointly, the "Parties"), whose address is \_\_\_\_\_, is entered into upon the following terms and conditions.

### **RECITALS**

WHEREAS, the purpose of this Agreement is to establish the basis upon which Lessee desires to receive certain drying solution services and related rental equipment from COMPANY. Lessee agrees to be bound by any and all promises, agreements, or authorizations made by one of their agents, or anyone else related to the location in which the equipment is to be performed pursuant to this Agreement.

WHEREAS, COMPANY and Lessee intend to be bound by the provisions set forth hereunder.

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, and for the valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COMPANY and Lessee agrees as follows:

### **TERMS OF AGREEMENT**

#### **ARTICLE 1 TERM**

This Agreement is binding on the Parties upon full signing hereof (the "Effective Date"), and shall continue for a period of exactly one (1) year from such date. Either party may terminate this Agreement by providing one (1) months written notice prior to the end of the first one-year term. If this Agreement is not renewed in writing during the first one-year term, the Agreement continues on a month-to-month basis until terminated by either Party.

#### **ARTICLE 2 EQUIPMENT RENTAL**

**2.1 Equipment Rental.** The Equipment to be provided by COMPANY to Lessee is described in Exhibit A—Work Order. Should either Party desire to change the terms of the Equipment Rental, the following shall occur: (a) the initiating Party will document the request in writing; (b) authorized representatives of COMPANY and Lessee will negotiate the impact of the requested change(s); (c) if both Parties agree to the change, the terms of the change will be documented in an Amendment to Exhibit A to the particular Equipment (the "Change Order"); and (d) the change(s) will take effect only upon execution of the Amendment by both COMPANY and Lessee. No verbal agreement will have any effect absent an Amendment signed by both Parties. Lessee agrees to not hold COMPANY liable to provide

any such additional Change Order services absent an agreed upon Amendment covering such additional services and associated charges.

**2.2 Rental Period.** Each individual equipment rental period shall commence at the date of shipment of the Equipment, as described in the Work Authorization, and shall continue until said Equipment is returned to COMPANY' address or any other place as COMPANY shall direct. Lessee understands and agrees that any daily portion will be charged to the Lessee at the full daily rate.

**2.3 Loading, Unloading, and Transportation.** Prior to any Equipment Rental Period, Lessee agrees to have examined the hitch, safety chains, and all connections between the Equipment and any relevant motor vehicle in order to ensure the Equipment has been received in a secure condition. At Lessee's own expense, Lessee agrees to load the Equipment for transit to its receiving point and unload said Equipment at COMPANY' address, or any other place COMPANY shall direct. If Lessee is directed by COMPANY to return the Equipment to a location other than the address stated in the Work Authorization, Lessee agrees to pay all shipping expenses up to the amount that would have been incurred to return the Equipment to the original Address stated in the Work Authorization.

**2.4 Recall and Return Notices.** COMPANY may recall any or all Equipment upon a 30-day written notice to the Lessee.

**2.5 Inspections.** Prior to the Rental Equipment being loaded for transit to the Lessee, Lessee may request an inspection by an authorized agent. If such inspection reveals an unsatisfactory condition, the cost of such inspection shall be paid for by COMPANY. If Lessee waives its right to inspect the Equipment prior to transit, Lessee is conclusively deemed to have accepted the Equipment as being in good working order, without broken or worn parts, and in a clean and good operational condition.

At any time during the Rental Period, COMPANY shall have the right to enter the premises where the Rental Equipment is located and shall be given free access to the Equipment and facilities for the purpose of inspection of the Equipment to ensure that all terms of this Agreement and any subsequent Work Authorization is being properly fulfilled.

COMPANY shall have the right to inspect and assess the Rental Equipment upon its return by Lessee. COMPANY, at its sole discretion, has the right to charge Lessee any additional fees related to cleaning and decontamination services, if needed. These charges are detailed on Schedule A, attached to this Agreement hereto and incorporated by reference.

**2.6 Repairs.** The Lessee shall not make any repairs, alterations, additions, or improvements to any Rental Equipment without COMPANY' prior written consent. The Lessee agrees to properly protect all Rental Equipment from weather conditions by providing suitable housing and/or storage, and to only allow competent individuals to operate the Equipment. Lessee agrees to return all Rental Equipment in as good as working conditions as it was received, with the exception of expected reasonable wear and tear. The Lessee, at its own expense, agrees to operate, maintain, clean, and keep the Equipment in good working order, and to return the Equipment in the same clean and good condition in which it was received. Specifically, Lessee shall:

- (a) Supply all fuel, coolants, and lubricants necessary to properly operate the Equipment;
- (b) Supply all extension cords, pigtails, proper drainage or containers with sealing ICOMPANY for dehumidifiers, appropriate trail hitch, and safe chain;
- (c) Perform all necessary repairs to keep the Equipment in good working order, following all conditions and rules state within this Agreement;
- (d) Replace any and all broken or worn out parts; and
- (e) Return the Equipment in a clean and good operational condition.

Lessee agrees to immediately, within one (1) hour of discovery, notify COMPANY of any and all malfunctions or failures

of the Rental Equipment.

**2.7 Special Conditions.** The following conditions apply to this Agreement and prevail notwithstanding any provisions to the contrary:

- (a) If the Equipment requires repairs during the Rental Period, Lessee shall immediately advise COMPANY so that COMPANY can send a qualified mechanic to perform the proper repairs. All relevant travel expenses, mileage, labor, and parts related to the repair will be charged to Lessee. Notwithstanding anything else in this Article, COMPANY may, at its own discretion, replace the Rental Equipment rather than have it repaired. In this case, all such expenses will be charged to Lessee.
- (b) If it becomes apparent that any required repairs were due to the responsibilities and obligations of COMPANY, labor and parts related to the repair will be charged at COMPANY' expense. Any and all other costs will be the responsibility of Lessee.

**2.8 Damage to Equipment.** The Lessee shall be liable to COMPANY for all loss, theft, or damage to the Rental Equipment, including any all parts and additions associated with the Rental Equipment, regardless of the cause, during the entire Rental Period. Loss, theft, or damage to the Rental Equipment or any part thereof, shall not alter or reduce Lessee's obligations pursuant to this Agreement in any way.

### **ARTICLE 3 PAYMENTS & INVOICING**

**3.1 Rental Fee.** The Lessee agrees to pay the Rental Fee, as stipulated in the Work Authorization, for each piece of Equipment rented during the Rental Period.

**3.2 Payment.** Lessee shall deliver payments to COMPANY by one of the following methods: (a) wire transfer (preferred method—see wire transfer instructions attached as Exhibit B), or (b) check or certified funds delivered to Attn: Accounts Receivable Department, P.O. Box 187, Pass Christian, MS 39571. Lessee agrees to pay COMPANY, either (a) for cash customers: in advance, prior to delivery of the Equipment to Lessee and/or the Lessee's agent or carrier; or  
(b) for account customers: within 30-days of Lessee and/or the Lessee's agent or carrier being in receipt of the Equipment.

COMPANY agrees to follow an industry standard format on all invoices. All charges on invoices presented by COMPANY are based upon the "Equipment Rental Fee" (attached as Exhibit "A"), or other charges in accordance with this Agreement (or by other Agreements signed between COMPANY and Lessee).

**3.3 Later Charges.** The Lessee agrees to assume all later charges incurred whenever the Rental Period is exceeded, no matter the reason.

**3.4 Interest.** Interest on any unpaid rental payment or any other amount due to COMPANY according to this Agreement shall be charged at the rate of 2% per month, or 24% per annum until full payment is received. If payment is not timely made on submitted invoices, Contractor reserves the right to cease any Work upon Owner withholding payment, after thirty (30) days of non-payment, until Contractor is fully paid, including interest, for Work performed. This Article is without prejudice to any of COMPANY' other rights, and in particular, without prejudice to COMPANY' rights hereinafter stipulated to regarding termination of this Agreement. All charges apply seven (7) days a week, 365 days a year (including Sundays and Statutory Holidays), unless otherwise specified in writing by COMPANY.

## **ARTICLE 4 DEFAULT AND TERMINATION**

**4.1 Default.** The Lessee shall be found to be in default for any of the following reasons:

- (a) Lessee fails to pay the Rental or any other amount when due pursuant to this Agreement and any subsequent Work Authorization;
- (b) Lessee makes an assignment to the benefit of its creditors, becomes bankrupt or insolvent, makes a proposal pursuant to the Bankruptcy Act, or takes advantage of any Creditors' Arrangement Act;
- (c) Lessee fails to follow any term, condition or obligation of this Agreement;
- (d) The Rental Equipment becomes subject to any lien, levy, privilege, seizure, or attachment; or
- (e) In the reasonable opinion of COMPANY, the Rental Equipment becomes in danger of, or subject to loss, damage, or destruction by any means.

**4.2 Termination.** In the case of default, COMPANY, while reserving any other rights and remedies, may choose to:

- (a) Terminate this Agreement without notice;
- (b) Regain immediate possession of the Equipment from Lessee, at whatever location the Equipment is located, without demand, notice, Court Order, or any other process by law. COMPANY will not be responsible for any direct and/or indirect damages resulting from the application of all COMPANY' rights and remedies pursuant to this Agreement;
- (c) Claim any and all rents and/or other monies due, including but not limited to, accrued interest, damages to the Equipment, and/or any other expenses incurred in the process of regaining possession of the same.

## **ARTICLE 5 INDEMNITY & LIMITATION OF LIABILITY**

To the extent permitted by law, Lessee will reimburse, indemnify, defend, and hold harmless COMPANY, and its Shareholders, Employees, Officers, Managers, Managing Members, and Directors (collectively, "Indemnitees"), from and against loss, damage, expense (including reasonable attorney fees and expenses), for any claim or action by or on behalf of any person (collectively, "Loss") resulting from: (a) any claims, actions, lawsuits, or any other procedures related to the Rental Equipment and its use, operations, handling, or transportation of such Equipment; (b) all claims of Lessee's Employees, Agents, and Subcontractors, whether for injury, death, compensation, social security, pension, or unemployment compensation; (c) all injury, death, damages and loss caused by Lessee or any of its Subcontractors; and (d) any and all fees incurred in the recovery of Rental Equipment and/or any amount due by the Lessee to COMPANY. In no event shall Lessee be liable for consequential, reliance, or special damages, for delay, including lost revenues or lost business opportunities, from any indemnity or claim asserted against COMPANY. Notwithstanding the foregoing, Lessee is not liable to the extent any injury, damage, or loss is proximately caused or alleged to be proximately caused, in whole or in part, by the negligent or willful act(s) or omissions of COMPANY, its Employees, Subcontractors, or Agents.

## **ARTICLE 6 INSURANCE**

Lessee shall, during the performance of this Agreement and any relevant Rental Period, provide, maintain, and pay all premiums to maintain all risk property insurance at the full replacement value for the benefit of COMPANY as a co-insured, and shall include coverage for loss, theft, damage, and destruction of the Rental Equipment. The Lessee shall also obtain insurance coverage as indicated or as required by local law, whichever is greater, with Insurers in good standing and authorized to do business under the laws of the State(s) where performance occurs:

- (a) Commercial General Liability written on an occurrence basis, naming COMPANY as an additional insured, including without limitation, Bodily or Moral Injury and Property Damage Liability,

Completed Operations Liability, and Contractual Liability caused by and/or resulting from the operation and/or handling, and/or transportation of said Equipment. The minimum limits are two million dollars (\$2,000,000.00) per each occurrence.

(b) Marine insurance when required.

Failure to obtain proper insurance coverage will result in a 12% damage waiver being added to the overall rental Equipment and loss of profits resulting from continuous rental of the damaged Equipment from the date of the damage until actual possession by COMPANY of the replacement Equipment.

If requested by COMPANY, Lessee agrees to provide COMPANY with confirmation of insurance, and a copy of the insurance binder showing COMPANY as a loss payee, within five (5) days of the request.

## **ARTICLE 7 ASSIGNMENT**

Neither COMPANY nor Lessee shall assign or otherwise transfer its rights, obligations, and/or duties under this Agreement or give any priority on the Equipment or any part of it, without the prior written consent of the other. Any prohibited assignment is considered void.

## **ARTICLE 8 GUARANTOR**

Each and every Director or Manager of a corporate/company Lessee agrees to be bound under this Agreement as a Guarantor. Accordingly, each guarantor covenants and agrees that any and all Guarantors are jointly and severally bound with Lessee to COMPANY for the fulfilment of all obligations under this Agreement. In the enforcement of its rights hereunder, COMPANY may bring forth any applicable remedy against Guarantor as if they were named as a Lessee under this Agreement.

## **ARTICLE 9 OWNERSHIP**

Lessee agrees that at all times, the Rental Equipment shall remain the property of COMPANY, and Lessee has no rights, title, or interest in or to the Rental Equipment, except as expressly set for in this Agreement. The Rental Equipment shall be considered at all times, moveable property, regardless if the Rental Equipment, or any part thereof, becomes attached or fixed to any other immovable property.

## **ARTICLE 10 CONFIDENTIALITY**

The Parties agree that any information (including the existence or provisions of this Agreement) relating to the Parties and provided by the Parties or their respective Agents and/or Representatives, shall be received by the other Party in confidence. The aforementioned confidentiality and non-disclosure obligation survive termination of this Agreement for any reason whatsoever, and binds each Parties' Legal Representatives, Successors, and Assigns.

## **ARTICLE 11 WARRANTY**

Lessee acknowledges that it has selected the Rental Equipment for its own use and purpose. Except as otherwise

stated in this Agreement, COMPANY make no claim or warranty of any kind, regarding the performance, condition, quality, or the operations of the Equipment. COMPANY' liability under this Section is limited to the repair and replacement, at its sole discretion, Rental Equipment not properly working in its specified capacity.

## **ARTICLE 12 TAXES**

Lessee shall pay any and all license and registration fees, assessments, and taxes which may now or later be charged with regard to this Agreement, and/or with regard to the delivery, leasing, possession, and/or operation of the Rental Equipment, except those expressly stated to be paid by COMPANY. The Lessee shall promptly notify COMPANY upon receipt of any tax or other notification.

## **ARTICLE 13 FORCE MAJEURE**

Neither party will hold the other liable, will not impose any delay charges, and will extend any completion deadlines (to the amount of days incurred by the condition of Force Majeure) for not meeting its obligations under this Agreement due to circumstances that prevent either Party from performing under this Agreement. Those circumstances include, but are not limited to: acts of war, local quarantine or evacuation order, acts of God, continuing severe weather, Order by Court or governmental authority, continuous materials shortages, or other circumstances beyond Contractor's control.

In the event of significant delay occurring during the performance of the Agreement, through no fault of the Parties, the Rental Period, or Agreement requirements shall be equitably adjusted by Change Order in accordance with the procedures of the Agreement Documents.

## **ARTICLE 14 ATTORNEY'S FEES**

The Prevailing Party to any legal action or extra-judicial proceeding relating to this Agreement shall be entitled to recovery of its reasonable attorney's fees, costs, expert fees, and other reasonable expenses incurred. The determination of the "Prevailing Party" shall be based upon the Party who prevails upon the matters actually litigated and shall not be determined solely based upon the Party receiving a net monetary recovery.

## **ARTICLE 15 COUNTERPARTS AND ELECTRIC SIGNATURES**

This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed an original, but all of which together shall constitute one and the same Agreement. Any or all portions of this Agreement, including electronic signatures, delivered in whole or part by means of a facsimile machine, or by any and all forms of electronic mail and/or attachment, shall be treated in the same manner and respect as an original Agreement or signature and shall be considered to have the same binding legal effect as an original signed version that was delivered in person. This Agreement shall become effective upon execution of both Parties.

## **ARTICLE 16 SURVIVAL AND SEVERABILITY**

The provisions of this Agreement, which by their nature survive termination of this Agreement, including, without limitation, all Warranties, indemnities, and payment obligations shall remain in full effect after Completion of any

Work Authorization, and expiration or termination of this Agreement. In the event that a provision or portion of a provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or portions shall be enforceable to the fullest extent allowable by law in order to give maximum legal force to those provisions or portions that are not found illegal or unenforceable.

**ARTICLE 17  
WAIVER**

Failure of COMPANY to enforce, at any time or for any period of time, any provision of this Agreement shall not be construed to be a waiver of such provision or the right thereafter to enforce such provision. No prior waiver or course of dealing between COMPANY and the Lessee shall affect the rights of COMPANY to require strict performance hereunder by the Lessee in accordance with this Agreement.

**ARTICLE 18  
ENTIRE AGREEMENT**

This Agreement, its Exhibits, Schedules, and any Work Authorization(s) are the final, full, and complete Agreement between COMPANY and Lessee with respect to the subject matter hereof. All prior and contemporaneous Agreements, representations, and understandings of the Parties are superseded by the terms of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both Parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, whether or not similar, or shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

**ARTICLE 19  
GOVERNING LAW AND VENUE**

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Both Parties irrevocably and unconditionally consent to (a) submit to the exclusive jurisdiction of the State and/or Federal Courts located closest to COMPANY' then existing office (the "Courts") for any litigation arising out of or relating to this Agreement; (b) waives any objection to venue and/or to any assertion of personal jurisdiction of any such litigation in the Courts; and (c) agrees to not plead or claim that such litigation brought in any Court was brought in an inconvenient forum. Notwithstanding anything else stated in this Article, COMPANY may, at its sole option, elect to bring litigation in any other jurisdiction in regards to collecting unpaid amounts from Lessee.

**ARTICLE 20  
NOTICES**

**For COMPANY:**

Company Name  
Attn. Rod Jenkins  
Address #1  
Address #2  
[name@email.com](mailto:name@email.com)

**For Lessee:**

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

The Parties hereto understand and agree to the terms and conditions of this Agreement. Further, the Lessee declares that they are authorized to bind their Company into this Agreement, and only an COMPANY Officer/Director is authorized to sign, on the day and year set forth below.

COMPANY

LESSEE

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Exhibit A**  
**COMPANY MSA WORK**  
**AUTHORIZATION**

LESSEE NAME (per MSA): \_\_\_\_\_

WORK AUTHORIZATION NUMBER: \_\_\_\_\_

JOB SITE NAME & ADDRESS: \_\_\_\_\_

This Work Authorization is issued by Lessee or Lessee's Representative to COMPANY by a Master Service and Rental Agreement ("MSA") made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to authorize and direct COMPANY to provide drying solutions services and related rental equipment to Lessee, as further describe below. Notwithstanding any other Agreements to the contrary, the Parties agree that the Rental Equipment will be delivered to \_\_\_\_\_ and returned to COMPANY.

**AUTHORIZATION FOR SERVICES:** Lessee directs and authorizes COMPANY to provide the following Rental Equipment and/or Services designated and invoiced as stated below and further described in the attached Rental and Rate Fees sheets:

**Equipment Rental:** In accordance with The Equipment Rental Fee Form, attached as Schedule A, COMPANY agrees to provide the following Rental Equipment to Lessee: Drying systems and /or climate control systems with or without temporary power in accordance with industry standards.

**Rental Services:** *In accordance with The Service and Rental Fee Form, attached as Schedule B, COMPANY agrees to provide the following Services to Lessee:* Technical support necessary to set all equipment in accordance with industry standards and good practices

**Misc. Equipment/Services:** *In accordance with The Service and Rental Fee Form, attached as Schedule B, COMPANY agrees to provide the following miscellaneous Equipment/Services to Lessee:* \_\_\_\_\_

In witness whereof, the Parties to this Work Authorization bind each other to this Agreement.

COMPANY

LESSEE

By \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

## SCHEDULE A—EQUIPMENT RENTAL FEES\*

Please mark all items (including quantities) associated in the attached Work Authorization:

Item		Rate	Item		Rate
<b>PORTABLE (3-day minimum)</b>			<b>GENERATOR (5-day minimum) ***</b>		
	Air Movers	\$12.50/day		45 - 100 k Generator	\$695.00/day
	XL LGR's	\$55.00/day		101 - 175 k Generator	\$895.00/day
	Air Scrubbers (100 cfm to 999 cfm)	\$65.00/day		176 - 250 k Generator	\$1,095.00/day
	Air Scrubbers (1000 cfm to 2000 cfm)	\$75.00/day		251 - 300 k Generator	\$1,395.00/day
				301 – 399 k Generator	\$1,695.00/day
				400 – 500 k Generator	\$1,895.00/day
<b>DESICCANT (3-day minimum)</b>			<b>SETUP (3-day minimum)</b>		
	100 – 700 cfm Desiccant	\$275.00/day		Desiccant/DXDH Supply Kit per 6000 cfm **	\$160.00/day
	800 – 1500 cfm Desiccant	\$350.00/day			
	2000 – 3000 cfm Desiccant	\$650.00/day		Door or Window Board Up	\$15.00/day
	4000 – 5000 cfm Desiccant	\$850.00/day		High Voltage Cable x 50' Long	\$50.00/day
	5500 – 6000 cfm Desiccant	\$950.00/day		High Voltage Splitter or T	\$7.00/day
	6001 – larger	TBD		High Voltage Pig Tail	\$9.00/day
<b>DXDH (3-day minimum)</b>				18" or 20" x 25ft Rigid Ducting	\$30.00/day
	5 – 12 ton DXDH	\$650.00/day		18" or 20" Ducting Splitter	\$28.00/day
	20 – 30 ton DXDH	\$900.00/day			
	35 ton or larger DXDH	TBD		<b>DISTRIBUTION (5-day minimum)</b>	
<b>C.O.D.E. (4ft x 8ft x 8ft Container)</b>				Spider Boxes	\$60.00/day
	CODE (Combo) 8-XL DH's & 30 Air Movers	\$4,075.00 / Week		200 – 400amp Distribution Panels	\$195.00/day
	CODE (DH) 16-XL DHS	\$4,400.00 / Week		50amp x 50' long Power Cord	\$15.00/day
	CODE (AM) 50 – Air Movers	\$3,125.00 / Week		Generator Leads	\$.50/feet
				<b>FILTERS</b>	
				Dehumidifier (Pleated Filter)	\$9.95
				Desiccant / DXDH (Pleated Filter Kit)	\$95.00
<b>MISCELLANEOUS</b>				Air Scrubber (Pre-Filter & Filter)	\$24.95
	Lay Flat (20" x 500ft)	\$375.00 or \$.95/feet		Air Scrubber (HEPA Filter)	\$245.00
	Propane Tank (120 Gallon)	\$25.00/day		<b>METER</b>	
	Power Tools (Drills, Saws, etc.)	\$25.00/day		Thermal Hygrometer	\$25.00/day
				Penetrating or Non-Penetrating Moisture Meter	\$22.00/day
<b>VEHICALS / TRAILERS</b>				Thermal Imaging Camera	\$125.00/day
	Vehicle or Truck (1/2 Ton)	\$95.00/day		Remote Thermal Hygrometer Sensor	\$3.00/day
	Truck (3/4 Ton or 1 Ton)	\$125.00/day		Dry Phone	\$50.00/day
	Box Truck	\$150.00/day			
	Trailer (7k – 18k GVRW)	\$125.00/day			
	Trailer (20k – 25k GVRW)	\$175.00/day			
	Semi-trailer (48' or 53')	\$250.00/day			

\* All cabling and connections charges extra and charges for delivery per transportation rates on Schedule B.

\*\* Desiccant/DXDH set up kit includes four (4) sections of rigid ducting, temporary plywood door template & 50' of cabling

for powering each unit.

\*\*\* Generator Maintenance Fee of \$750 is added for every 144 hours (six days) of run time.

## **SCHEDULE B—SERVICE AND RENTAL FEES**

Please mark all items (including quantities) associated in the attached Work Authorization:

	Fee	Rate		Fee	Rate
<b>TRANSPORTATION CHARGES (3% or the greater of)</b> <i>Charges for One Way Only—Return Extra</i>			<b>TRAVELING &amp; JOB EXPENSES</b> <i>Labor rates are inclusive of per diem and lodging fees, if applicable.</i>		
	53 Foot Semi Trailer	\$3.50/mile		Lodging	Cost + 15%
	30 Foot Flat Deck Trailer & Truck	\$3.00/mile		Per Diem (Per Employee)	\$55.00/day
	Box Truck	\$2.75/mile		Flights	Cost + 15%
	3 <sup>RD</sup> Party Truck	Cost +15%			
<b>LABOR</b> <i>Labor rates are calculated as straight time for 8 hours per day. Any time over 8 hours a day will be invoiced at time and a half.</i>			<b>DECONTAMINATION FEES</b> <i>Applied to all equipment returned not cleaned</i>		
	Project Manager (WLS Certified)	\$195.00/hour		Air Movers (Clean/Decon)	\$12.95/unit
	Project Supervisor/Coordinator	\$150.00/hour		Dehumidifiers (Clean/Decon)	\$24.95/unit
	Commercial (Desiccant) Technician	\$125.00/hour		Air Scrubbers (Clean/Decon)	\$13.95/unit
	Restoration Laborer	\$75.00/hour		Dehumidifier Pleated Filter	\$9.95/unit
	Carpenters	\$85.00/hour		Air Scrubber HEPA Filters	\$245.00/filter
	General Labor	\$55.00/hour		Air Scrubber Pre-Filter & Filter	\$24.95/kit
	Administration	\$70.00/hour		Desiccants/DXDH (Clean/Decon)	\$55.00/hour
	Electrician	\$175.00/hour		Desiccants/DXDH Pleated Filter Kit	\$95.00/kit

### **SPECIALTY LOADING (LARGER EQUIPMENT) TIME AND MATERIAL:**

- All rates are for time out, not time used
- Daily rates are calculated per calendar day
- 12% Damage Waiver will be added without Proof of Insurance
- Lessee is responsible for all electrical hook-ups
- Lessee is responsible for all fuel charges for all equipment
- Lessee is responsible for all loading and unloading

All Equipment referenced in Schedule A or B will be received in good working order except for what is noted and agreed upon by both Parties. The Equipment is contemplated for the above utilization, the whole being subject to the classification and tariff in effect. The carrier ("carrier" being understood throughout this Agreement as meaning any person or entity leasing or guaranteeing this Agreement, and also any person or entity in possession of the Equipment under this Agreement) agrees to transport or have transported the Equipment to its destination and/or otherwise make sure that any other carrier delivers or has delivered the Equipment to its destination, and to return it to COMPANY.

It is hereby understood that Lessee and each carrier of the Equipment and/or any portion of the Equipment and its assignees or designees agrees to be bound by each and every term and condition of this Agreement, subject to the classification of the Equipment at the delivery date.

Lessee and each carrier hereby acknowledge that they read and understand the nature, scope, terms, and conditions of the present Agreement, and personally and/or in the name of its entity, agrees to it.

**Exhibit B**  
**Wire Transfer Instructions**

**Incoming Domestic Wire Transfer Instructions**

<b>Bank Information:</b>	Bank of America NA
<b>SWIFT CODE:</b>	XXXXXXXX
<b>CHIPS Number:</b>	XXX
<b>Bank Routing Number:</b>	XXXXXXXX
<b>Bank Name and Address:</b>	Bank Info & Address
<b>Beneficiary Account #:</b>	XXXXXXXX
<b>Beneficiary Name:</b>	COMPANY

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**Incoming ACH Transfer Instructions**

<b>Bank Information:</b>	Bank Info
<b>Bank Routing Number:</b>	XXXXXXXX
<b>Bank Name and Address:</b>	Bank Info & Address
<b>Beneficiary Account #:</b>	XXXXXXXX
<b>Beneficiary Name:</b>	COMPANY



6961 Cintas Blvd  
Mason, OH 45040

800-766-2874  
www.bushtrucks.com

**LEASE AGREEMENT**

Contract Date:

Lease ID No.

PE576061

LESSEE										
Individual Legal Name (if applicable):										
Company Legal Name (if applicable):										
Mailing Address:										
City: Sacramento		State: CA		Zip: 95823						
EQUIPMENT										
Vehicle Year		Vehicle Make			Vehicle Model			Vehicle Identification Number		
2023		Dodge			RAM PROMASTER 2500					
<i>Refer to Schedule 1 of this Lease Agreement for Equipment details in the event that no Equipment information appears above</i>										
SUMMARY OF LEASE TERMS										
Commencement Date & 1st Basic Rent Date	Initial Term	Rental Periods	Total Number of Payments	Down Payment + Taxes at Closing	Advance or Arrears	Basic Rent (without Taxes)	Doc Fee	Security Deposit	End of Term Option	
	60 MONTHLY	MONTHLY	60	\$6,465.00	Arrears	\$	\$400.00	\$0.00	TRAC	
If Option Upon Expiration of Initial Term of Lease is TRAC under Section 4A herein, the "TRAC Residual" shall be \$10,000.00										

THIS LEASE AGREEMENT ("Lease") is hereby entered into as of the Contract Date above by and between **BUSH TRUCK LEASING, INC.** ("Lessor") and **LESSEE** referenced above.

**1. GRANT OF LEASE.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described herein, together with all replacements, repairs and additions thereto (individually and collectively, the "Vehicles") on the terms and conditions set forth in this Lease. Lessee agrees that Lessee leases the Vehicles "as-is" and confirms that, as of the date of delivery of each Vehicle, such Vehicle is of the design and manufacture selected by Lessee, and as of such date, Lessee has unconditionally accepted such Vehicles in all respects. Lessee further confirms that it has selected the Vehicles on the basis of its own judgment, and expressly disclaims reliance upon any statements, representations, or warranties made by Lessor, and Lessee acknowledges that Lessor is not the manufacturer of the Vehicles. Lessee certifies that the Vehicles identified herein will be used for commercial purposes.

**2. INITIAL TERM.** The term of this Lease for each Vehicle shall commence on the Contract Date and shall continue for that number of months from the first (1st) day of the month following the Contract Date (unless the Contract Date is the first (1st) day of the month, in which case the Contract Date shall be the date on which the term of this Lease commences) ("Commencement Date") each as set forth in the Summary of Lease Terms (such period as extended or sooner terminated by Lessor as provided herein, the "Term").

**3. RENT.** The rental payment amount for each Vehicle hereunder (the "Basic Rent") is set forth in the Summary of Lease Terms. Basic Rent on each Vehicle shall begin to accrue on the Contract Date and shall be due and payable in U.S. dollars in immediately available funds by Lessee in advance or arrears for the periods (each a "Rental Period") and for the total number of payments as set forth in the Summary of Lease Terms, in each case, on the first day of each such Rental Period. If the Contract Date does not fall on the first day of the month, the rental for that period of time from the Contract Date until the Commencement Date shall be an amount equal to the daily rental (Basic Rent divided by 7 days for One Week, 14 days for One Biweekly and 30 days for One Month Rental Periods, as applicable), multiplied by the number of days from (and including) the Contract Date to (but not including) the Commencement Date and shall be due and payable on the Commencement Date. Lessee shall pay all amounts other than Basic Rent Lessee is obligated to pay hereunder (the "Supplemental Rent" and together with Basic Rent, the "Rent") when due or if no date is specified herein, on demand. If any Rent payment is not made within five (5) days after its due date, Lessee shall pay a late charge equal to the lesser of 10% of the late rental payment amount, and the maximum amount permitted by law. LESSEE'S PAYMENT OF RENT AND LESSEE'S PERFORMANCE OF ALL OTHER OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND WITHOUT SET OFF, COUNTERCLAIM, OR ANY DEFENSE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM THAT LESSEE MAY NOW OR HEREAFTER HAVE AGAINST LESSOR, ANY OF LESSOR'S AFFILIATES, ANY ASSIGNEE OF LESSOR, OR THE MANUFACTURER OF THE VEHICLES FOR ANY REASON WHATSOEVER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY CLAIMS THAT LESSEE MAY HAVE AGAINST LESSOR, ANY OF LESSOR'S AFFILIATES, OR ANY ASSIGNEE OF LESSOR WITH RESPECT TO THE SERVICE AND MAINTENANCE AGREEMENT REFERENCED IN SECTION 7 HEREOF.

**4. OPTION UPON EXPIRATION OF INITIAL TERM OF LEASE.** Upon expiration of the Initial Term, Lessee shall comply with the provisions of Clause A or B below, in either case, as specified in the Summary of Lease Terms.

- A. Terminal Rental Adjustment Clause ("TRAC").** Lessee agrees that there shall be an adjustment of the Rent to be paid Lessor under the Lease for the Vehicles. It is presently anticipated that the fair market value of the Equipment (the "Estimated Fair Market Value") will equal the TRAC Residual set forth in the Summary of Lease Terms. Upon expiration of the Initial Term, Lessor will attempt to sell the Equipment. In the event that the Net Proceeds (as defined below) are less than the Estimated Fair Market Value, Lessee shall pay to Lessor the full amount of such shortfall. If the Equipment has not been sold on the last day of the Initial Term, then the Net Proceeds shall be deemed to be zero and Lessee shall immediately pay to Lessor the TRAC Residual. If the Lessor thereafter shall sell the Equipment, the Net Proceeds shall be paid by Lessor to Lessee. Any such payment by either Lessee or Lessor shall be deemed to be a Terminal Rental Adjustment with respect to the Vehicles. As used herein, "Net Proceeds" shall mean the proceeds received by Lessor, after deducting (i) all costs and expenses incurred in connection with the recovery, repair, storage, and sale of the Vehicles, including any and all attorneys' fees and legal expenses, (ii) all late charges and all interest accrued at the Default Rate (as hereinafter defined), and (iii) all rent payments and other obligations of Lessee due and unpaid under the Lease as of the date of the sale or disposition. As to each Vehicle, if the Net Proceeds received by Lessor from the sale or other disposition of such Equipment after expiration of the Initial Term are less than the TRAC Residual amount for such Equipment as set forth in the Summary of Lease Terms, then Lessee shall immediately pay to Lessor the amount of such deficiency as additional Rent hereunder. If the Net Proceeds are in excess of the TRAC Residual amount, then 100% of such excess shall be returned to Lessee as a reduction in the Rent for such Equipment, provided, however, that Lessor shall be entitled to retain all or any portion of such amount to satisfy any of Lessee's obligations under the Lease.

Lessee hereby certifies, under penalty of perjury, that:

- (i) Lessee intends that more than 50% of the use of the Equipment subject to this TRAC is to be used in a trade or business of the Lessee,
- (ii) Lessee has been advised by tax counsel or other tax advisor, and
- (iii) Lessee understands and agrees that Lessee will not be treated as the owner of the Equipment identified above for federal income tax purposes.

- B. \$1.00 Buyout.** Lessee hereby unconditionally agrees to purchase all, but not less than all, of the Equipment for \$1.00 upon expiration of the Initial Term. Lessee and Lessor agree that Lessee is owner of the Equipment and shall file and pay all license, registration fees, and documentary, sale and use taxes, and personal property taxes and all other taxes, fees and charges relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment.

With respect to any option upon expiration of the Initial Term set forth herein, if written notice of Lessee's intention to exercise such elected option is not received on a timely basis, then such failure shall constitute an Event of Default, and to the extent that the Lessee fails to return to Lessor the Equipment in accordance with Section 7 hereof, Lessee agrees to pay a daily rental fee equal to 150% of the daily Rent for each day that the Equipment is retained by Lessee; provided, however, such payments shall not extend Lessee's right to have and use the Equipment beyond the Initial Term as provided herein. Upon exercise of the option elected by Lessee and payment in full by Lessee of any related purchase amounts and all Rent, Lessor will execute and deliver to Lessee the title to the Vehicles, and any other documentation necessary to transfer title to Lessee. THIS SALE WILL BE WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND BY LESSOR, WHETHER EXPRESS OR IMPLIED IN FACT OR LAW and, Lessee will accept the Vehicles "AS IS" and "WHERE IS".

If this Lease is deemed at any time to be a lease intended as security: (i) Lessee hereby grants Lessor a security interest in the Vehicles to secure its obligations under this Lease and all other indebtedness at any time owing Lessee to Lessor; (ii) Lessee agrees that, if at any time an Event of Default exists, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code ("UCC"); and (iii) this Lease shall be construed in a manner so that interest, the applicable interest rate or other charge shall not exceed, in any event, the maximum amount of time price differential, rate, interest or amount allowed by applicable law, and any excess payment will be applied to the payments due under this Lease as a prepayment of principal, and any remaining excess will be refunded to Lessee.

**5. TAX INDEMNIFICATION.** Except to the extent Section 4B is applicable, it is understood and agreed that Lessor is owner of the Equipment and that Lessor shall be entitled to such tax benefits that are available as owner of the Equipment through depreciation of the total capitalized cost of the Equipment thereof for federal income tax purposes. In the event that Lessor suffers any loss, disallowance, unavailability, or recapture of such depreciation for any reason whatsoever, then, after written notice thereof by Lessor to Lessee, Lessee shall pay to Lessor an additional incremental amount payable on each date that the Basic Rent is thereafter due, which in the opinion of Lessor, will cause Lessor's net after-tax annual cash flow and net after-tax rate of return respectively, that would have been available if Lessor had been entitled to full utilization of the depreciation. In the event that any payment is required to be made pursuant to this Section 5, and such payment is to be made on succeeding rent payment dates, but at such time this Lease shall have been terminated or Rent otherwise no longer shall be due and payable on the remaining rent payment dates, Lessee shall promptly pay Lessor any amount equal to the incremental increase in Basic Rent which would have been required if such tax loss had occurred immediately prior to the last rental payment date on or prior to the expiration or other termination of the Lease. Lessor shall promptly notify Lessee of the commencement of any proceeding by the Internal Revenue Service in respect of any item as to which indemnity is

sought hereunder. Lessee's agreement to pay any sums which may become payable pursuant to this Section 5 shall survive the expiration or other termination of this Lease.

**6. USE OF VEHICLES.** Lessee shall use the Vehicles only in its business and in compliance with all laws, rules, and regulations of any jurisdiction where the Vehicles are used or located. Lessee represents and warrants to Lessor at all times that (i) Lessee has the right and ability to enter into this Lease; (ii) this Lease constitutes a valid, legal, and binding obligation and agreement of Lessee, enforceable against Lessee in accordance with its terms; and (iii) that the entering into and performance of this Lease by Lessee will not result in a breach, violation, or default under any judgment, order, law, regulation, loan, mortgage, agreement, indenture, or other instrument applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon the Vehicles pursuant to any instrument to which Lessee is a party or by which it is bound. Lessee shall (i) use and operate the Vehicles in a careful and prudent manner for the purposes and in the manner intended to be used; (ii) shall keep the Vehicles properly housed or otherwise protected from damage; and (iii) shall pay for all maintenance of Vehicles to keep them in good and efficient working order and condition during the Term, including, but not limited to, Lessee's supplying all fuel, lubricants, and other parts, supplies, maintenance and services, and/or Lessee, upon Lessor's request, entering into a service and maintenance agreement with Lessor or an affiliate of Lessor upon such terms and conditions provided by Lessor. After notice to Lessor, Lessee may, at its own expense, make alterations or add attachments to the Vehicles, provided that such alterations or attachments are removable and do not reduce the value, utility or useful life of the Vehicles. Upon the expiration or termination of the Lease, all alterations or attachments affixed to the Vehicles shall become the property of Lessor if not removed, and if Lessee does remove such attachments, Lessee shall be liable to Lessor for any damage to the Vehicles as the result of such removal. In the event that any federal, state, or local law, ordinance, rule or regulation shall require the installation of any additional accessories to any of the Vehicles, including, but not limited to, anti-pollution and/or safety devices, or in the event that any other modifications to the Vehicles shall be required by virtue of such law, ordinance, rule or regulation, then and in any of such events, Lessee shall pay the full cost thereof, including installation expenses. Lessor may, at its option, arrange for the installation on such Vehicles or the performance of such modifications, and Lessee agrees to pay the full cost thereof immediately upon receipt of an invoice for the same.

**7. SURRENDER.** Upon either the (i) failure by Lessee to exercise any purchase option for any Vehicle set forth herein, or (ii) upon demand by Lessor made in connection with an Event of Default pursuant to Section 19 hereof, Lessee shall, at its own expense, return such Vehicle to Lessor to such location within the continental United States as Lessor shall designate, in the same condition as when delivered, reasonable wear and tear excepted and otherwise in the condition required by this Lease. Upon return of the Vehicles, Lessor, or such entity designated by Lessor, shall perform a physical and mechanical inspection of the Vehicles. Lessee shall be responsible for the payment of any and all costs associated with the inspection, and for any and all repairs necessary to place the Vehicles in the same condition as when delivered, reasonable wear and tear excepted and otherwise in the condition required by this Lease.

**8. PAINTING.** Lessee may paint the Vehicles in Lessee's customary manner and affix advertising or identifying insignia, provided that, upon the expiration or termination of this Lease, and in the event that Lessee does not purchase the Vehicles pursuant to Section 4.B hereof, Lessee shall, upon the request of Lessor and at Lessee's expense, restore the Vehicles to original condition, ordinary wear and tear excepted.

**9. WARRANTIES.** LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT MADE, AND SHALL NOT BE DEEMED TO HAVE MADE, ANY EXPRESS OR IMPLIED WARRANTY AS TO MERCHANTABILITY, FITNESS FOR ANY PURPOSE OR USE, DESIGN OR CONDITION OF VEHICLES, QUALITY OF MATERIAL OR WORKMANSHIP, OR AS TO ANY OTHER MATTER WHATSOEVER RELATING TO THE VEHICLES, AND LESSOR SHALL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE VEHICLES, OR ANY INADEQUACY, DEFICIENCY, OR DEFECT IN THE VEHICLES. LESSEE AGREES THAT LESSEE LEASES THE VEHICLES "AS IS". Lessor agrees, to the extent possible and without increasing its liability hereunder, and upon request, to assign to Lessee, any warranty of a manufacturer or seller relating to the Vehicles available to Lessor, provided, however, that the foregoing rights shall automatically revert to Lessor upon the occurrence and during the continuance of any Event of Default hereunder, or upon return of the Vehicles to Lessor. Lessee agrees to settle all claims with respect to the Vehicles directly with the manufacturers thereof, and to give Lessor prompt notice of any such settlement and the details of such settlement. Lessee acknowledges that this Lease constitutes a "finance lease" under UCC Article 2A in all respects, and that Lessor's sole obligations to Lessee hereunder is not to interfere with Lessee's quiet enjoyment of the Vehicles so long as Lessee is not in default hereunder. Subject to the foregoing sentence and to the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the UCC and/or the right to reject any Equipment or repudiate this Lease).

**10. TITLE AND INSPECTION.** Lessee, at its expense, shall protect and defend Lessor's title and keep it free of all claims and liens except those claims and liens created by Lessor in connection with any assignment or financing by Lessor. Lessor may inspect the Vehicles at any time without prior notice during regular business hours. If, at any time during the Term, Lessor supplies Lessee with labels, plates or other markings stating that the Vehicles are owned by Lessor, Lessee shall affix and keep the same in a prominent place on the Vehicles.

**11. LICENSES.** Lessee shall at its expense obtain all necessary licenses (including motor vehicle license plates) and registrations required for the use and operation of each Vehicle. All certificates of title or registration of each Vehicle shall name Lessor as the owner thereof.

**12. INTERESTS IN VEHICLES.** Lessee's rights with respect to this Lease and any Vehicles leased hereunder will be subject to any rights and interest in and to said Vehicles which may be granted by Lessor (or Lessor's affiliates) to any assignee or lender of Lessor (or Lessor's affiliates). Lessor may assign to a lender or any other assignee all or any part of Lessor's rights hereunder, including its interest in the Vehicles and the right to receive rents and other sums due hereunder. Upon notice of such assignment in writing by a lender, assignee and/or Lessor, Lessee shall pay all rents and other sums due or to become due under this Lease directly to such lender or assignee without set off, counterclaim, or any defense whatsoever.

**13. TAXES.** Lessee shall pay all personal property, sales or use taxes, business licenses, assessments, penalties, and charges which may be levied or asserted with respect to the Vehicles (except income taxes levied on lease payments to Lessor). In the

event that any such taxes, licenses, assessments, penalties, or charges are paid by Lessor, Lessee shall reimburse and pay Lessor immediately after Lessor notifies Lessee in writing of the amount of such taxes, licenses, assessments, penalties, charges or expenses paid by Lessor, as well as an administrative fee. Increases or decreases in sales or use tax rates will affect all lease payments after the effective date of the change by the taxing authority, and Lessor shall notify Lessee in writing of such change. Lessee shall indemnify and hold Lessor harmless from and against any loss, cost or expense arising out of or relating to any such tax, import or levy, including, without limitation, any penalties, interest and fines relating thereto.

**14. FINES.** Lessee shall pay all fines due to overload, overlength, overweight, lack of plates or permits, speeding and any other charges which may be imposed or assessed in respect to the Vehicles and/or Lessee's use thereof. The provisions of this Section 14 shall survive the expiration or other termination of this Lease.

**15. LOSS OR DAMAGE.** Lessee shall bear the entire risk of loss, theft, destruction of or damage to any Vehicle from any cause whatsoever ("Loss or Damage"). Lessee shall promptly notify Lessor in writing of any Loss or Damage. No Loss or Damage to any Vehicles shall relieve Lessee of any obligation with respect to such Vehicle under this Lease. In the event of Loss or Damage, Lessee shall, at the option of Lessor: (a) put such Vehicle in good condition and repair in accordance with the manufacturer's recommendations, and to the reasonable satisfaction of Lessor, at Lessee's expense; (b) replace such Vehicle with a like Vehicle (same value, utility and useful life as damaged Vehicle) in good condition and repair as approved by Lessor in Lessor's sole discretion with clear title thereto vested in Lessor; or (c) pay Lessor on or before the next rent payment date as set forth in accordance with Section 3 hereof (such payment date, the "Loss Payment Date") in cash the sum of: (i) all amounts then due Lessor by Lessee under the Lease relating to such Vehicle, which amounts shall be prorated through the Loss Payment Date, plus (ii) an amount equal to the present value of the TRAC Residual, if any, relating to such Vehicle (as set forth in the Summary of Lease Terms), discounted at 5.0% computed from the expiration of the Initial Term to the Loss Payment Date, plus (iii) an amount equal to the present value of the unpaid future remaining Rents for the Initial Term, relating to such Vehicle discounted at 5.0% computed from the scheduled payment dates for such Rents to the Loss Payment Date (the "Casualty Value Amount"). Upon receipt of the Casualty Value Amount set forth in (c) above, Lessor shall assign to Lessee (or Lessee's insurer) Lessor's interest in such Vehicle in its then condition and location, "AS IS" without any warranty whatsoever, express or implied. If Lessee is required to repair any Vehicle in accordance with (a) above, or to replace any Vehicle in accordance with (b) above, the insurance proceeds actually received by Lessor, if any, pursuant to Section 16 hereof shall be first applied to pay any amounts then due under this Agreement, and then shall be paid to Lessee upon proof satisfactory to Lessor that such repairs have been completed as required herein (in the case of (a)), or of adequate purchase and title documents in Lessor's sole discretion (in the case of (b)). In the event that Lessee is obligated to pay to Lessor the amount specified in (c) above, Lessee shall be entitled to a credit against such amount equal to the amount of insurance proceeds actually received by Lessor, if any, pursuant to Section 16 hereof, on account of such Vehicle.

**16. INSURANCE.** Lessee shall obtain and maintain insurance on or with respect to each Vehicle at its own expense and in the amounts and forms satisfactory to Lessor. In no event shall any insurance coverage be less than the following: (a) physical damage insurance insuring against loss or damage to the Vehicles in an amount not less than the full replacement value of such Vehicle; and (b) (i) in all States except Florida: (1) not greater than \$500 deductible for collision, fire, theft, and comprehensive, and (2) \$500,000 combined single limit for bodily injury liability and property damage; or (b)(ii) for the State of Florida: (1) not greater than \$500 deductible for collision, fire, theft, and comprehensive, and (2) \$250,000 per person / \$1,000,000 per incident bodily injury liability, and (3) \$100,000 property damage liability. In addition, the following require \$1,000,000 excess liability coverage (umbrella): (a) truck/tractors over 45,000 lbs.; (b) trailers/semi-trailers; (c) tow trucks; and (d) limos used for livery. Lessee shall furnish Lessor with a certificate of insurance evidencing issuance of such insurance to Lessee in at least the minimum amount required herein, naming Lessor and such other parties designated by Lessor as additional insured thereunder for liability coverage, and as loss payee for property damage coverage. Each policy shall require insurer to give Lessor 30 days prior written notice of any material alteration in terms of policy or cancellation thereof, and shall provide that no action, misrepresentation or breach of warranty of Lessee shall invalidate the policy. If Lessee fails to provide such insurance, Lessor shall have the right, but no duty, to obtain such insurance, and Lessee shall pay Lessor all costs thereof, including all costs incurred by Lessor in obtaining such insurance together with interest at the Default Rate from the date paid by Lessor to the date paid in full by Lessee. Lessee shall not use any Vehicle if the insurance required herein is not in full force and effect with respect to such Vehicle. Upon Loss or Damage as set forth in Section 15 hereof, Lessee shall receive credit for any amounts paid to Lessor by the insurer against Lessee's obligations hereunder.

**17. INDEMNITY.** Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, damages, obligations, liabilities, liens (including any arising or imposed under the doctrines or strict liability in tort or product liability), and costs and expenses (including attorneys' fees), arising from or out of the manufacture, purchase, lease, possession, operation, condition, return, or use of the Vehicles, or by operation of law. Lessee agrees that, upon written notice by Lessor of assertion of any such claim, action, damage, obligation, liability, or lien, Lessee, at Lessee's expense shall assume full responsibility for the defense thereof, provided that Lessor shall have the right, but not the obligation, to participate in any defense conducted by Lessee without relieving Lessee of any of its obligations hereunder. The provisions of this Section 17 shall survive termination of this Lease.

**18. ASSIGNMENT.** Except as otherwise permitted herein, without Lessor's prior written consent, Lessee shall not assign, transfer, pledge, hypothecate or otherwise dispose of this Lease, the Vehicles or any interest therein, or sublet or lend the Vehicles, or permit the Vehicles to be used by anyone except Lessee or Lessee's authorized employees. Lessor may assign this Lease or any interest therein in whole or part without notice to Lessee.

**19. DEFAULT.** Lessee shall be in default of this Lease upon the happening of any of the following events or conditions which shall constitute "Events of Default": (a) Lessee fails to pay any Rent or other amount when due; (b) Lessee fails to observe, keep or perform any other covenant or provision of this Lease required to be observed, kept, or performed, by Lessee; (c) Lessee removes, sells, transfers, encumbers, creates a security interest in, relinquishes possession of the Vehicles, or performs any act which impairs Lessor's title to any Vehicle or attempts any of the foregoing; (d) Lessee makes a misrepresentation to Lessor of any matter or covenant connected with this Lease; (e) Lessee fails to satisfy any traffic ticket or summons or fails to register any Vehicle; (f) Lessee becomes insolvent, bankrupt or has a trustee or receiver appointed for Lessee or for a substantial part of Lessee's property; (g) Lessee experiences a material change in its business or affairs (including termination of Lessee's employment or termination of the contract under which Lessee provides services or a change in the control or ownership of Lessee or Lessee's employer or the party with which Lessee

contracts to provide services) which in Lessor's sole judgment impairs the security of any Vehicle or increases the credit risk involved therein; (h) Lessee attempts to assign this Lease without the consent of Lessor; or (i) Lessee fails to notify Lessor of any material change in its business and affairs, including a change in the ownership or control of Lessee. Lessee hereby irrevocably appoints and constitutes Bush Truck Leasing, Inc. and its successors and assigns, the true and lawful attorney-in-fact of Lessee, with full power in the name of Lessee upon occurrence of an Event of Default, (i) to demand and receive any and all moneys and claims for moneys due in respect of or relating to the Equipment, (ii) to assign or transfer any of Lessee's rights under this Lease or in the Equipment (including assigning the rights of Lessee to any replacement lessee hereunder and/or causing any other person to become the registered owner of the Equipment) and (iii) to take any other action in respect of this Lease or any of the Equipment. Lessee ratifies and approves all acts of Bush Truck Leasing, Inc., as attorney-in-fact. Bush Truck Leasing, Inc. as attorney-in-fact will not be liable for any acts or omissions or errors of judgment or mistake of fact or law. This power, being coupled with an interest, is irrevocable until all obligations under this Lease have been fully satisfied.

**20. REMEDIES.** Upon the occurrence of any Event of Default, Lessor may declare this Lease to be in default, and at any time thereafter, Lessor, at its option, may do any one or more of the following: (a) cancel this Lease; (b) proceed by appropriate action to enforce performance of the Lease at Lessee's expense or to recover damages (including attorneys' fees) for the breach thereof; (c) demand that Lessee, and in such case Lessee shall, return all or any part of the Vehicles promptly in the manner required by and in accordance with Section 7 hereof; (d) enter, with or without legal process, Lessee's premises or any other premises where the Vehicles are located, and take possession of all or any part of the Vehicles without any liability to Lessee by reason of such entry; (e) sell, lease, or otherwise dispose of all or any part of the Vehicles at a public or private sale, which may be conducted where such Vehicles are then located; (f) demand that Lessee, and in such case Lessee shall, pay to Lessor as liquidated damages for loss of a bargain and not as a penalty an amount equal to the sum of (i) all amounts due and unpaid under the Lease (including without limitation any indemnity obligations) plus interest thereon from the due date thereof at a per annum interest rate equal to the prime rate of interest then in effect as published in the Wall Street Journal plus 2.0% (the "Default Rate"), plus (ii) the present value of all future Rent payments for such Vehicles, discounted at 5.0%, plus (iii) the present value of the TRAC Residual, if any, discounted at 5.0%, plus (iv) all costs and expenses incurred by Lessor in enforcing Lessor's rights hereunder (including, without limitation, all costs of repossession, recovery, storage, repair, sale, re-lease, and attorneys' fees), together with interest thereon at the Default Rate from the date of demand to the date of payment in full (the "Liquidated Damages"), or (g) exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code or any other applicable law. The proceeds of any sale or lease of the Vehicles by Lessor shall be applied in the following order of priority: (1) to pay all of Lessor's expenses in taking, holding, preparing for sale or lease, and disposing of the Vehicles, including all attorneys' fees and legal expenses, then (2) to pay any late charges and all interest accrued at the Default Rate; then (3) to pay accrued but unpaid Rent payments, then (4) to pay any other unpaid sums due under this Lease including Liquidated Damages. If the proceeds of any sale or lease are not sufficient to pay the amounts owed to Lessor under this Lease, Lessee will pay the deficiency. Lessor may also, without liability, take any personal property stored within the Vehicles and may store any such property at Lessee's expense for 30 days. Lessee will be obligated to reclaim such property within 30 days and hereby waives any rights in such property thereafter. Any unclaimed property will be deemed abandoned after 30 days and will be discarded by Lessor. Lessor's remedies hereunder shall be cumulative. Any security deposit paid by Lessee to Lessor in connection with this Lease shall be forfeited by Lessee upon the happening of any Event of Default and shall be applied to Lessee's obligations under this Lease pursuant to this Section 20. Lessor's remedies hereunder may be exercised instead of or in addition to any other legal or equitable remedies. Lessor has the right to set off any sums received from any source (including insurance proceeds) against Lessee's obligations under this Lease. Lessee waives its right to object to the notice of the time or place of sale or lease, and to the manner and place of any advertising therefore. Lessee waives any defense based on statutes of limitations or laches in actions for damages. In case of failure by Lessee to pay any fees, assessments, charges, or taxes arising with respect to the Vehicles, Lessor shall have the right, but not the obligation to pay such amounts, and in that event, the cost thereof shall be payable by Lessee to Lessor upon demand, together with interest at the Default Rate from the date of disbursement by Lessor.

**21. SECURITY DEPOSIT.** The Security Deposit shall be held by Lessor during the entire Term, including the Interim Term and any renewal term, as security for the full payment and performance of the terms, conditions and obligations of Lessee hereunder and under any and all Schedules. The Security Deposit shall not excuse the performance at the time and in the manner prescribed or any obligation of Lessee or cure a default of Lessee. Lessor may, but shall not be required to, apply such Security Deposit towards discharge of any overdue obligation of Lessee. Lessor shall be entitled to commingle the Security Deposit with any of its own funds. No Interest shall accrue on the Security Deposit and Lessor shall have no liability to account to Lessee for any interest. If Lessor shall apply any of the Security Deposit towards any obligations of Lessee under the Lease, Lessee shall, upon demand, pay to Lessor an amount necessary to return the Security Deposit to the sum specified above. In furtherance thereof, Lessee hereby grants to Lessor a security interest in the cash comprising the Security Deposit from time to time and any and all interest thereon, together with the proceeds thereof, to secure the prompt payment as and when due of all indebtedness, and the prompt performance as and when due of all obligations, of Lessee now or hereafter required under the Lease. If no Event of Default then exists, upon the expiration or earlier termination of the Term, the balance of the Security Deposit then held by Lessor shall promptly be paid to Lessee.

**22. SEVERABILITY.** The invalidation of any provision or provisions of this Lease as unenforceable shall not operate to invalidate the remainder of the Lease which shall remain in full force and effect.

**23. NOTICES.** All notices relating to this Lease shall be delivered in person to an officer of Lessor or Lessee or mailed to the respective addresses shown above on the first page of this Lease, or to such address as otherwise specified in writing by the appropriate party hereto.

**24. WAIVER.** Lessor's forbearance of exercise of any right or remedy on Lessee's breach of any terms, covenants or conditions hereunder shall not be deemed a waiver of such right or remedy, the requirement of punctual performance, or any of its remedies upon any other or subsequent breach or default.

**25. GOVERNING LAW.** This Lease takes effect upon its acceptance and execution by Lessor and shall be governed, interpreted and construed under the laws of the State of Ohio. Ohio law shall prevail in the event of any conflict of law without regard to, and without giving effect to, the application of choice of law rules. LESSEE WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED TO THIS LEASE, AND LESSEE SUBMITS TO THE JURISDICTION OF THE

FEDERAL DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, OR ANY STATE COURT OF COMPETENT JURISDICTION WITHIN MONTGOMERY COUNTY, OHIO, AND WAIVES ANY RIGHT TO ASSERT THAT ANY ACTION INSTITUTED BY LESSOR IN ANY SUCH COURT IS IN THE IMPROPER VENUE OR SHOULD BE TRANSFERRED TO A MORE CONVENIENT FORUM.

**26. WAIVER OF DAMAGES.** Lessee waives to the fullest extent permitted by law any right to or claim of any punitive, exemplary, indirect, special, consequential, or incidental damages against Lessor. Lessee agrees that, in the event of a dispute, claim or controversy against Lessor, Lessee shall be limited to the recovery of actual direct damages sustained by it, subject to any limit on direct damages set forth in this Lease. Lessee will not accept or attempt to collect through the courts or otherwise any punitive, exemplary, indirect, consequential, or incidental damages from Lessor.

**27. SUCCESSORS AND ASSIGNS.** This Lease shall be binding on and inure to the benefit of Lessor and Lessee and their respective successors and assigns permitted hereunder.

**28. FORCE MAJEURE.** The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances, acts of God, fires, storms, accidents, failure of the manufacturer to deliver any of the Vehicles, court order, governmental regulations, or other interference or any cause whatsoever not within the sole control of Lessor.

**29. SANCTIONS.** Lessee covenants and agrees that at all times: (i) no member of its Related Party Group (as hereinafter defined) is a Sanctioned Target (as hereinafter defined) of economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes or restrictions and anti-terrorism laws imposed, administered or enforced from time to time by the United States, the United Nations Security Council, the European Union, the United Kingdom, any other governmental authority with jurisdiction over Lessee or any member of its Related Party Group (collectively, "**Sanctions**"); (ii) each member of its Related Party Group (A) has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws (each as hereinafter defined) and (B) is in compliance with all Anti-Money Laundering Laws and Anti-Corruption Laws; and (iii) to the best of Lessee's knowledge, after due care and inquiry, no member of its Related Party Group is under investigation for an alleged violation of any Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws by a governmental authority that enforces such laws. As used herein: "**Anti-Corruption Laws**" means: (I) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (II) the U.K. Bribery Act 2010, as amended; (III) the French Law 2016-1691 of 9 December 2016, as amended; and (IV) any other anti-bribery or anti-corruption laws, regulations or ordinances (in each case, as amended) in any jurisdiction in which Lessee or any member of its Related Party Group is located or doing business; "**Anti-Money Laundering Laws**" means applicable laws in any jurisdiction in which Lessee or any member of its Related Party Group is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto; "**Related Party Group**" means: (I) Lessee, and (II) any affiliate of Lessee, and (III) to the knowledge of Lessee, any officer or director acting on behalf of any of the foregoing parties with respect to any obligations hereunder; and "**Sanctioned Target**" means any target of Sanctions, including (without limitation) (I) persons or entities on any list of targets identified or designated pursuant to any Sanctions, (II) persons, entities, countries, or territories that are the target of any territorial or country-based Sanctions program, and (III) persons or entities that are a target of Sanctions due to their ownership or control by any Sanctioned Target(s).

**30. GENERAL PROVISIONS.** The Agreement (including any addendum, amendment, modification or supplement thereto or thereof) may be in the form of an Electronic Record and may, only so long as Lessor has expressly agreed in favor of Lessee to accept Electronic Signatures, be executed using Electronic Signatures (including manually executed paper documents that are sent by facsimile or .pdf), which shall be considered an original and shall have the same legal effect, validity and enforceability as an original paper record. This Lease may be executed in one or more counterparts, including both paper and electronic counterparts, but all such counterparts shall constitute one and the same agreement. If the Agreement (or a counterpart hereof) is in the form of an Electronic Record, each of the parties hereto acknowledges and agrees that Lessor may, in its sole discretion: (a) designate one version thereof as the sole authoritative copy of the Agreement (the "**Authoritative Copy**") and maintain, in the ordinary course of its business, the Authoritative Copy in a document management system designated by it for the storage of authoritative copies of Electronic Records (and destroy any paper original thereof); and/or (b) convert the same to paper format and mark such converted version as the "original" (the "**Paper Original**"), which Paper Original shall be binding on the parties hereto. For purposes hereof, each of the terms "**Electronic Record**" and "**Electronic Signature**" has the respective meaning assigned to it in 15 USC §7006 (as the same may be amended from time to time). To the extent that this Lease constitutes chattel paper (as that term is defined in the Uniform Commercial Code), a security or ownership interest intended to be created through the transfer and possession of this Lease can be done only by the transfer of the "Original" bearing the original wet ink signature of Lessor. Upon request by Lessor, Lessee shall verify in writing the location of the Vehicles. Lessee shall furnish Lessor with such financial information as Lessor may from time to time request. Lessee hereby warrants and represents that all financial statements heretofore and hereafter delivered to Lessor by or on behalf of Lessee have been and will be prepared in accordance with generally accepted accounting principals consistently applied, and all statements and data submitted to Lessor in connection with this Lease shall be complete and accurate in all respects.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have entered into this Lease Agreement as of the date first above written.

**LESSOR:**

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

**Name:** \_\_\_\_\_

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

**Sacramento**

**LESSEE:**

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

SIGNATURE

**EQUIPMENT ACCEPTANCE**

Lessee hereby confirms that the Equipment has been delivered, duly assembled and in good working order and condition. Lessee confirms that after a reasonable opportunity to inspect the Equipment, it has solely selected, and unconditionally and irrevocably accepted the Equipment as-is, where-is for all purposes of this Lease as of this date. In the event that the Equipment is not delivered and accepted within thirty (30) days of Lessee's signing of this Equipment Acceptance, Lessee hereby authorizes Lessor to increase the Payments to reflect any Lease rate increase applicable to the Lease.

**Sacramento**

**LESSEE:**

Dated: \_\_\_\_\_

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

SIGNATURE



## VEHICLE LEASE AGREEMENT

This **Vehicle Lease Agreement** ("Agreement") is effective as of the Effective Date listed below, and is by and between on the one hand, **Holman Fleet Leasing, LLC t/a Holman Small Business Solutions** ("Holman") a Delaware limited liability company, and its affiliate, **Marketplace LT** ("Marketplace LT"), a Delaware business trust, each with a place of business at 4001 Leadenhall Road, Mount Laurel, NJ 08054 (collectively, Lessor") and on the other hand, **the legal entity listed below** ("Lessee").

1. Holman provides fleet financing and related solutions to businesses ("Clients"), through a web portal ("Holman Fleet Marketplace"). Marketplace LT is a Delaware business trust formed to hold title to vehicles leased to Clients.
2. Via Holman Fleet Marketplace, a Client may select vehicles, including work trucks and vans, with specific upfit packages, such as ladders and shelving. Each Client selection is detailed on a Holman Funding Quote generated by Holman Fleet Marketplace. No Holman Funding Quote is binding unless and until signed by the Client and by Holman. A sample Holman Funding Quote is attached as **Exhibit A**, and can be viewed on Holman Fleet Marketplace at: (insert link).
3. Each Holman Funding Quote when signed by a Client and Holman is under and subject to this Agreement. (A Holman Funding Quote when fully signed is referred to herein as a "Quote.")
4. The parties by their duly authorized representatives have signed this Agreement and the initial Quote as of the Effective Date. The terms and conditions set forth below the parties' signature block are incorporated into this Agreement by this reference.

<b>Lessee:</b>		<b>Marketplace LT, a Delaware Business Trust</b>
<b>Address:</b>		4001 Leadenhall Road Mount Laurel, NJ 08054
By:		By:
Name:		Name: Mark Bryan
Title:		Title: President
(Authorized Representative)		(Authorized Representative)
		<b>Holman Fleet Leasing, LLC t/a Holman Small Business Solutions</b>
		4001 Leadenhall Road Mount Laurel, NJ 08054
		By:
		Name: Mark Bryan
		Title: President
		(Authorized Representative)
		<b>Effective Date:</b>

## TERMS AND CONDITIONS

The following terms and conditions are incorporated by reference into the Agreement between Holman and the legal entity listed above and signing the Agreement (defined as "Lessee"). Any capitalized term used but not defined in these terms and conditions is as defined above or in the Quote. Lessee and Lessor agree as follows:

### 1. Lease of Vehicles.

1.1. From time to time, Lessor may lease to Lessee new or used vehicles of such make, model, and equipment as Lessee may request, as specified on the initial Quote (and each subsequent Quote) signed by Lessee and Holman. Each vehicle leased hereunder (each, a "Leased Vehicle") shall be identified on an individual Motor Vehicle Lease Agreement ("MVLA") provided to Lessee. The Lessor, whether Holman or Marketplace LT, shall be identified on the applicable MVLA. (Holman and Marketplace LT are individually and collectively referred to as "Lessor", as the context requires). All Leased Vehicles shall be owned by, and titled and registered in the name of Lessor. If Marketplace LT is

named as Lessor, then Holman shall act as servicer in performing all Lessor obligations under this Agreement. Each MVLA incorporates this Agreement (including these terms and conditions) and is and shall be an agreement of lease only. Lessee has no right or option to purchase a Leased Vehicle at the end of the Depreciation Period (defined in Section 3.1), except with Lessor's prior approval. The sales tax on any such purchase shall be based upon the then fair market value of the Leased Vehicle, as determined by Lessor. Notwithstanding that the parties to this Agreement intend to create a true lease and not a security agreement, if any court determines that this Agreement or any MVLA is intended as security, then Lessee hereby grants to Lessor a security interest in all of Lessee's right, title and interest in and to each Leased Vehicle leased under an MVLA hereunder and in all proceeds, products and substitutes or replacements thereof.

1.2. Each MVLA is non-cancellable by Lessee during the Initial Lease Term (defined in Section 3.1). Lessee's obligation to pay all amounts due under each MVLA and all other obligations hereunder are absolute and unconditional and are not subject to any abatement, set-off, defense or counterclaim for any reason whatsoever. Notwithstanding the foregoing, if Lessor approves early termination of an MVLA, then in exchange for such approval, Lessee shall pay Lessor a fee equal to the remaining balance of all Monthly Funding Payments (less depreciation) plus all Other Amounts payable through the end of the Initial Lease Term under such MVLA, not to exceed the maximum amount permitted by law.

1.3 Lessee, jointly and severally with the person signing this Agreement, represents that (a) Lessee is a business entity and not a consumer, (b) the person signing this Agreement is duly authorized to do so and to bind the corporation or limited liability company or other legal entity that is Lessee, (c) Lessee intends that the Leased Vehicles to which Section 7701(h) of the Internal Revenue Code of 1986, as amended, applies, shall be used more than 50% in the trade or business of Lessee, and (d) Lessee understands that Lessee shall not be treated as owner of the Leased Vehicles for Federal income tax purposes. By signing this Agreement, Lessee, jointly and severally with the person signing this Agreement, certifies under penalty of perjury that the foregoing representations are true and correct.

## **2. Ordering, Delivery, and Acceptance of Vehicles.**

2.1 Lessee shall place orders for Leased Vehicles by selecting vehicles through Holman Fleet Marketplace, with each Leased Vehicle specified in the Quote signed by Lessee and Lessor. Lessor shall deliver each Leased Vehicle to Lessee's address specified in the Quote, or such other location as directed by Lessor.

2.2 At signing of the Quote, Lessee shall pay to Holman a non-refundable down payment in the amount specified on the Quote (the "Down Payment"). The Down Payment shall be applied to the Acquisition Value of the Leased Vehicle.

2.3 At or after signing of the Quote, Holman shall provide notice of availability to Lessee (the "Vehicle Available Notice"). Such Notice shall include the estimated date of delivery and delivery location. Holman may periodically update such Notice, such as where upfit work requested by Lessee is completed. Upon completion of all work for a vehicle, Holman shall provide a final Vehicle Available Notice ("Final Vehicle Available Notice") to Lessee. Holman may provide the Vehicle Available Notices (including updates) and Final Vehicle Available Notices to Lessee by posting such Notice in Holman Fleet Marketplace, or by communicating such Notice to Lessee via Lessee's email address of record in Holman Fleet Marketplace, or otherwise.

2.4 On issuance of the Final Vehicle Available Notice, Holman shall arrange for and complete delivery of the Leased Vehicle to the delivery location designated in such Notice. Holman may designate a delivery representative to deliver the Leased Vehicle. Risk of loss to the Leased Vehicle automatically transfers to Lessee at time of delivery to Lessee or Lessee's representative ("Delivery Date"), and Lessee shall be deemed to have irrevocably accepted the Leased Vehicle, on the Delivery Date. If at time of delivery of a Leased Vehicle, Lessee determines such Leased Vehicle does not materially conform to the Quote or such Leased Vehicle is materially damaged, then Lessee shall not accept possession.

2.5 Lessee shall accept delivery of each Leased Vehicle promptly on issuance of the Final Vehicle Available Notice, and in any event, not later than 30 days from the date of such Final Vehicle Available Notice ("Road Ready Date"). If Lessee has not taken delivery of a Leased Vehicle by the applicable Road Ready Date, then: (a) Lessor may commence billing Lessee as of the Road Ready Date, (b) Lessor may charge Lessee a reasonable daily storage fee from the Road Ready Date until the date Lessee accepts and takes possession of such Leased Vehicle, (c) Lessee shall bear all risk of loss or damage to such Leased Vehicle, and (d) such Leased Vehicle shall be subject to Lessee's indemnity obligations set forth in this Agreement.

2.6 Except as set forth on a Quote signed by Lessee and Lessor, any written statements appearing in the Holman Fleet Marketplace are provided for Lessee's reference and administrative convenience only, and are not binding on Holman. In case of any conflict between this Agreement and any terms stated in the Holman Fleet Marketplace, this Agreement (including all MVLAs) governs.

### **3. Vehicle Lease Term.**

3.1. Each Leased Vehicle shall be depreciated for the term stated on the applicable Quote ("Depreciation Period"). The term of each MVLA shall commence on the Delivery Date (or Road Ready Date, if applicable), and shall be for a minimum of 367 days (the "Initial Lease Term"). For the avoidance of doubt, the term of the applicable MVLA shall commence (a) on the Delivery Date, if the Delivery Date occurs on the first of the month, or (b) on the first day of the month following the Delivery Date, if the Delivery Date occurs on a day other than the first of the month. Thereafter, the term of the applicable MVLA shall automatically renew on a month-to-month basis until the end of the Depreciation Period, unless Lessee gives Lessor at least 30 days' prior notice of Lessee's intent not to renew prior to the end of the Initial Lease Term. At the end of the Depreciation Period, if Lessor and Lessee agree, the term of such MVLA may continue on a month-to-month basis at a monthly payment agreed upon in advance by Lessor and Lessee. If the term of an MVLA is month-to-month, either Lessor or Lessee may terminate such MVLA on at least 30 days' prior notice to the other, with termination effective only upon surrender of the Lease Vehicle to Lessor.

3.2 At or after the Delivery Date, Lessor shall deliver to Lessee (or make available via the Holman Fleet Marketplace), an MVLA, indicating the Leased Vehicle's information, such as (a) the year, make, model, VIN, and Delivery Date, (b) the monthly funding payment for such Leased Vehicle ("Monthly Funding Payment"), and (c) such other information as Lessor may determine. Acceptance of the Leased Vehicle on the Delivery Date is acceptance of the MVLA terms and Lessee shall be bound by such MVLA, subject only to review and audit of such MVLA for plain error.

3.3 This Agreement governs the lease of each Leased Vehicle under each MVLA, and is incorporated into each MVLA by this reference.

3.4 Each MVLA is and shall be a separate, independent lease agreement relating solely to the Leased Vehicle named therein. Each MVLA is and shall therefore be separate and distinct from each other MVLA and any other agreement between Lessee and Holman, Marketplace LT or any affiliate of either.

### **4. Additional Services.**

4.1 Lessor shall provide a Maintenance Management Program and a Fuel Management Program, as specified as Additional Services in the Quote. Amounts billed under this Section are "Monthly Service Fees" as referenced in the Quote for the applicable Leased Vehicle. In addition, via Holman Fleet Marketplace, Lessee may enroll vehicles other than Leased Vehicles in the Maintenance Management Program and the Fuel Management Program, and amounts billed for participation in such Programs shall be as detailed in Holman Fleet Marketplace. Lessee shall pay such amounts when billed, in accordance with this Agreement, including Section 5. Enrollment in both Programs is required.

4.2 Under the Maintenance Management Program, Lessor shall provide administrative services to Lessee, including making available an open network of maintenance and repair service providers ("Service Providers") for use by Lessee at Lessee's option. Lessor's administrative services consist of receiving estimates for maintenance and repairs from such Service Providers, paying amounts invoiced by such Service Providers, and then at the end of each month, rebilling Lessee for the amounts invoiced during such month, plus the Additional Services Fee specified in the Quote for the applicable Leased Vehicle (or for a non-Leased Vehicle, the amount detailed in Holman Fleet Marketplace for such vehicle), plus an administrative fee equal to 6% of the amounts invoiced. No administrative fee is added where the Service Provider is a National Account Vendor as listed in Holman Fleet Marketplace. Where Lessor is required to pay a Service Provider via a single use credit card, such as because such Service Provider has not provided adequate information for Lessor to pay via Automated Clearinghouse (or "ACH"), then Lessor shall charge an additional administrative handling fee equal to \$25.

4.3 Under the Fuel Management Program, Lessor provides administrative services to Lessee, consisting of issuance of third party fuel cards to enable Lessee employees to purchase fuel, provision of fuel reporting for Lessee's business management purposes, paying amounts invoiced by fuel card providers and fuel companies, and then at the end of each month, rebilling Lessee for the amounts invoiced during such month.

### **5. Payment.**

5.1 At signing of the Quote, Lessee shall pay the Down Payment specified on such Quote to Lessor via ACH or other method approved by Lessor.

5.2 Lessee shall pay Lessor for each Leased Vehicle: (a) the Monthly Funding Payment specified on the applicable Quote, (b) Monthly Service Fees described in the applicable Quote and above in Section 4, and (c) all applicable taxes (including sales and property tax), tariffs, fees, expenses, and other charges payable hereunder as invoiced by Lessor ("Other Amounts") (the Monthly Funding Payments, Monthly Service Fees, and Other Amounts, are collectively referred to as the "Payments").

5.3 Lessor shall invoice Lessee electronically by the 1st of each month, commencing on the 1st day of the calendar month after the Delivery Date. Lessee shall pay Lessor's invoices in full on or before the 20th day of each month. Lessee shall make all Payments via ACH or other method approved by Lessor. Any payments not made when due shall bear interest from the due date until paid at the rate of 1.5% or the maximum amount permitted by applicable law, whichever is less, per month or fraction thereof. With respect to payments of amounts due hereunder, time is of the essence.

5.4 Where the Delivery Date for a Leased Vehicle occurs during a month, then Lessor shall include an amount equal to the Total Monthly Payment as set forth on the Quote for such Leased Vehicle, pro-rated based on the actual number of days in such month, from the Delivery Date to the end of such month.

5.5 Lessor's initial invoice for a Leased Vehicle shall include (a) the Total Monthly Payment as set forth on the Quote for such Leased Vehicle, (b) if finalized, Lessor's Road Ready Charges, namely Initial Tag, Title and Licensing, Courtesy Delivery Fee, and Non-Capitalized Upfit Amount (if any), and (c) Monthly Service Fees, and (d) Other Amounts.

5.6 If Lessor's Road Ready Charges are not finalized by time of Lessor's initial invoice, Lessor shall include such Charges in Lessor's next monthly invoice. Similarly, if Monthly Service Fees are not finalized by time of Lessor's initial or subsequent monthly invoice, whether due to third party billing or reporting delays or otherwise, then those amounts may appear on Lessor's subsequent monthly invoices.

5.7 Where a Leased Vehicle is surrendered during a month, the Total Monthly Payment due for such month shall be pro-rated, based on the actual number of days in such month, from the 1st of such month to the date of surrender.

**6. Capitalized Value.** The Capitalized Value is as specified on the Quote for the applicable Leased Vehicle, and is the sum of: (a) the Acquisition Value, less (b) the Down Payment (if any), plus (c) Upfit Amount (if any, as specified as capitalized on the applicable Quote), plus (d) sales tax, with the sales tax amount finalized based on the State where the Leased Vehicle is domiciled.

**7. Licensing and Registration.** Lessor shall provide vehicle titling, and initial licensing, plating and registration for the Leased Vehicles. Thereafter, Lessee is responsible for compliance with vehicle inspection, registration and other requirements under applicable laws and regulations ("Laws"), and for paying all associated fees, charges, and other amounts in connection therewith.

**8. Assignment of Rentals.** For purposes of funding, Lessor may collaterally assign all rights, title, and interest of Lessor in and to each MVLA and all monies due and to become due to Lessor under this Agreement to a financing institution (an "Assignee"). Where advised by Lessor or such Assignee, all Payments due and to become due hereunder shall be made to such Assignee; such Assignee's right to receive Payments is not subject to any defense by Lessee. No such assignment relieves Lessor or Lessee of their respective obligations hereunder.

**9. Vehicle Replacement or Surrender without Replacement.**

9.1 At any time after the Initial Lease Term, concurrently with Lessor's placement of an order under Section 2, Lessee may notify Lessor in writing of Lessee's intent to replace a Leased Vehicle, such notice to specifically identify the Leased Vehicle to be replaced. Upon delivery of the replacement Leased Vehicle, Lessee shall surrender the Leased Vehicle being replaced to Lessor.

9.2 At any time after the Initial Lease Term, Lessee may surrender a Leased Vehicle without replacement and terminate the applicable MVLA, on at least 30 days' written notice to Lessor. Lessee's notice shall state when and where such Leased Vehicle shall be surrendered to Lessor.

9.3 Where Lessee surrenders a Leased Vehicle to Lessor, such surrender shall be at a time and location agreed upon by the parties, and at time of surrender the MVLA as to such Leased Vehicle shall terminate. Where Lessor in its discretion consents to sale of such Leased Vehicle, then the MVLA shall terminate on the date Lessor receives signed sale documentation and all sales proceeds.

**10. Disposition Upon Sale of Vehicles.**

10.1 Lessor shall sell every Leased Vehicle after termination of the applicable MVLA. Upon sale of such Leased Vehicle, Lessor shall deduct from the sale proceeds any charges for remarketing of the vehicle (including transportation, marketing, vehicle de-identification, reconditioning), a lease termination fee, and auction or other third party fees. The sales proceeds for such vehicle, less such deductions, are the "Net Resale Proceeds".

10.2 Lessor shall credit to Lessee a rental adjustment equal to the amount by which the Net Resale Proceeds exceeds the Depreciated Value. If the Net Resale Proceeds are less than the Depreciated Value, Lessee shall pay to Lessor a

rental adjustment equal to the amount of such deficiency, but only to the extent that such deficiency exceeds an amount equal to 20% of the Capitalized Value at the beginning of the Initial Lease Term (such 20% is the "Guaranteed Net Resale Proceeds"). If the term of an MVLA extends beyond the Initial Lease Term, and Net Resale Proceeds are less than the Depreciated Value, then Lessee shall pay to Lessor a rental adjustment equal to the amount of such deficiency, but only to the extent such deficiency exceeds an amount equal to 20% of the Depreciated Value (such 20% is also the "Guaranteed Net Resale Proceeds"). Lessor may offset sums owed to Lessee against any sums owed to Lessor.

**11. Depreciated Value.** The "Depreciated Value" means the Capitalized Value of each Leased Vehicle, less the Total Depreciation Reserve paid by Lessee for such Leased Vehicle. The "Total Depreciation Reserve" means the amount of depreciation included in the Monthly Funding Payment for the number of months a Leased Vehicle was in billed service and paid by Lessee. Such Monthly Funding Payment is calculated on an amortized level-pay basis, such that as the interest component decreases, the principal shall increase while at all times the Monthly Funding Payment remain constant. Where a Leased Vehicle is delivered during a month, or surrendered during a month, and the Monthly Funding Payment for such month is pro-rated, the pro-rated amount is not applied to Depreciated Value.

**12. Use of Vehicles.**

12.1 Lessee has the right to possess, control, and use the Leased Vehicles during the term of applicable MVLA, so long as no Event of Default has occurred and is continuing. Lessee shall use the Leased Vehicles in Lessee's trade or business, in accordance with applicable manufacturer requirements, and in compliance with Laws, including Laws related to the use, condition, operation, and possession of any Leased Vehicle, including operator licensing requirements. Lessee represents that the Leased Vehicles shall not be used for consumer or household purposes. Title to each Leased Vehicle shall remain in Lessor, but Lessor shall have no control or supervision of the operation of any Leased Vehicle. Nothing herein authorizes Lessee or any other person to operate or otherwise use a Leased Vehicle contrary to Law or to incur any liability or obligation on behalf of Lessor. Lessor may charge Lessee a reasonable processing fee for any violation, summons, citation or other governmental charge against any Leased Vehicle hereunder, and may pay and bill Lessee for such charges not timely paid by Lessee. Lessor reserves the right to charge Lessee a reasonable processing fee for any new titles which must be obtained due to driver state changes.

12.2 All items of equipment installed on a Leased Vehicle as specified in the applicable MVLA shall not be removed without Lessor's prior written consent and shall be deemed part of the Vehicle. Upon request, Lessee shall, at its expense, affix and maintain on such equipment a plate, satisfactory to Lessor, indicating Lessor's ownership.

12.3 Lessee shall not make any modification to any Leased Vehicle hereunder that would negate the manufacturer's warranty or diminish the value of such Leased Vehicle. Lessee shall not cause or permit any lien, claim, security interest, or other encumbrance on any Leased Vehicle hereunder, including any equipment installed thereon. Lessee shall, at Lessee's own expense, to take such action as may be necessary (a) to remove any such lien, claim, security interest or encumbrance, and (b) to prevent any third party from acquiring any other interest in any Leased Vehicle, including by reason of any equipment installed thereon. Lessee shall not sublease any Leased Vehicle hereunder without the Lessor's prior written consent.

**13. Lessee Responsible for Maintenance.** Lessor is not responsible for the maintenance and upkeep of any Leased Vehicle after the Delivery Date (or Road Ready Date, as the case may be). Lessee at its expense, shall maintain, service, and keep in good repair each Leased Vehicle until surrender to Lessor in accordance with this Agreement. For any equipment installed on Leased Vehicle or otherwise leased to Lessee, on Lessor's request, Lessee shall permit Lessor access to such equipment at all reasonable times for the purpose of inspection and examination. Lessee shall make no material alterations in such equipment without Lessor's prior written consent.

**14. Damage, Loss, or Theft of Leased Vehicles.** Lessee is responsible for all repairs to a Leased Vehicle hereunder and in such instance, Lessor shall assign to Lessee all rights Lessor may have to be reimbursed for such repairs pursuant to Lessee's insurance coverage. If a Leased Vehicle hereunder is damaged or destroyed, to such extent that Lessee finds such Leased Vehicle undesirable to continue its use, Lessee may terminate the applicable MVLA under Section 9, and Lessor shall dispose of the applicable Lease Vehicle and process the sale of such Leased Vehicle under Section 10, except that Lessor shall not be required to apply the Guaranteed Net Resale Proceeds under Section 10. If a Leased Vehicle hereunder is lost, seized, or stolen, Lessee shall terminate the applicable MVLA under Section 9 herein and, upon payment of the Depreciated Value, Lessor shall forward to Lessee documentation necessary to transfer ownership of such Leased Vehicle when requested by Lessee.

**16. Insurance.**

16.1 Lessee, at its expense, shall obtain and maintain for the benefit of Lessor, (a) automobile liability insurance against liability for bodily injury and property damage, in a minimum single limit of at least \$1,000,000, covering all owned, non-owned, and hired autos (including coverages required by Law such as uninsured/underinsured motorist and no

fault), and (b) comprehensive (including loss caused by wind, hail, flood, earthquake, and wildfire) and collision insurance insuring the full value of vehicles against physical damage. Lessee shall cause Holman and Marketplace LT to be included as an additional insured and loss payee under such policies and coverages. All such coverages shall be primary and non-contributory, irrespective of any other insurance or self-insurance programs carried by Lessor or any affiliate. Prior to the Delivery Date for any Leased Vehicle, subsequently at each insurance renewal, and upon request from Holman, Lessee shall furnish Holman with an ACORD insurance certificate evidencing all required coverages. Insurance certificates shall identify any applicable self-insured retentions or deductibles, which shall be Lessee's sole responsibility. Such certificates shall provide that Holman shall receive at least 30 days' prior written notice of any cancellation or non-renewal. Limits may be satisfied through a combination of primary and excess/umbrella policies. All such insurance shall be procured from insurance companies having an A.M. Best rating and financial size category of at least an "A-, VII" or better, or otherwise reasonably satisfactory to Lessor. Lessee shall bear all risk of loss or damage to each Leased Vehicle and the contents thereof.

16.2 If Lessee shall fail to provide such required insurance, Lessor, at its sole option may: (a) provide same and upon demand shall be reimbursed by Lessee for the amount invoiced by the applicable carrier, plus 10% of such amount to defray administrative expense; or (b) terminate the MVLA's related to any and all Leased Vehicles, effective immediately on notice to Lessee. Lessee agrees that the insurance required under this Section does not limit Lessee's liability to Lessor hereunder, including Lessee's duty to defend, indemnify and hold harmless Lessor and all other indemnities hereunder. If Lessee maintains higher limits than the minimums shown above, Lessor shall be entitled to coverage for such higher limits maintained by Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Lessee.

**17. Indemnification.** Lessee shall defend, indemnify, and hold harmless Holman and Marketplace LT, their respective affiliates, and directors, officers, agents and contractors, from and against all claims, suits, damages, judgments, losses, or other liabilities (including costs and reasonable attorney's fees) ("Claims and Losses") arising out of or related to delay in delivery of Leased Vehicle, or the use, condition, or operation of any Leased Vehicle prior to surrender to Lessor in accordance herewith, including any Claims and Losses arising out of or related to any Leased Vehicle inspection, maintenance, repair or service. Lessee shall take upon itself the defense and settlement of all Claims and Losses (including any suit or legal or administrative proceedings), and the payment of all judgments entered, whether or not Lessor is a party thereto. Lessor shall give Lessee prompt written notice of any Claim or Loss for which defense and indemnity is requested under this Section. This Section includes Claims and Losses, howsoever arising, whether by reason of negligence, breach of warranty, defect in manufacture or maintenance, or otherwise and even though strict liability be claimed.

**18. Statement of Odometer Warranty and Indemnification.** Federal and applicable State Laws require that Lessee disclose the mileage of each Leased Vehicle when returned to Lessor in connection with the transfer of ownership of such Leased Vehicle. Such Laws provide that failure to make disclosure (or the making of a false statement) may result in fines and/or imprisonment. Lessee represents to Lessor that the mileage indicated on the odometer of any Leased Vehicle returned to Lessor is the true and actual reading, that no tampering with such odometer nor any replacement not in compliance with applicable Law, has taken place and that Lessee is in compliance with applicable Law. Lessee shall defend, indemnify and hold harmless Lessor from any and all Claims and Losses arising from or related to Lessee's breach of this Section, including the payment of any fines or penalties and satisfaction and discharge of any judgments against Lessor or affecting a Leased Vehicle. Lessor shall give Lessee prompt written notice of any Claim or Loss for which defense and indemnity is requested under this Section.

**19. Warranties.** As to each Leased Vehicle, Lessor warrants that (a) the Leased Vehicle, at the Delivery Date (or Road Ready Date, as the case may be) is free of all encumbrances (other than the interest of an Assignee pursuant to Section 7) and (b) Lessor (i) is the sole and absolute owner of the Leased Vehicle, (ii) has the right to lease the Leased Vehicle to Lessee, (iii) shall not cause the Leased Vehicle to become subject to any lien or encumbrance, (iv) shall not sell, assign, lease or otherwise dispose of the Leased Vehicle except as provided for in Section 7 and 10 hereof (or after an Event of Default (defined in Section 20)), and (v) shall do nothing to disturb Lessee's full right of possession and enjoyment of the Leased Vehicle and the exercise of all Lessee's rights with respect thereto as provided by this Agreement. **As to any Leased Vehicle (whether new or used when initially leased) and as to any services provided hereunder, Lessor hereby disclaims all warranties, either expressed or implied, including any implied warranties of merchantability or fitness for a particular purpose, and Lessor neither assumes nor authorizes any other person to assume for Lessor any liability in connection with the use, condition, operation and possession of Leased Vehicle.** Lessee leases the Leased Vehicles "as is", and Lessee acknowledges Lessee has selected the Leased Vehicles on the basis of Lessee's own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. No Service Provider or other contractor of Lessor is an agent of Lessor or is authorized to bind Lessor or modify or waive any term of this Agreement or any MVLA. **No representation as to the Leased Vehicles or any other matter by any Service Provider or other contractor of Lessor shall in any way affect**

**Lessee's duty to perform its obligations hereunder or under any MVLA.** Neither party to this Agreement shall be entitled to recover from the other party any consequential damages (including damages for loss of use or lost profits) or incidental, special, punitive or exemplary damages.

**20. Default; Remedies.**

20.1 Any of the following events or conditions shall constitute an "Event of Default" hereunder: (a) Lessee or any guarantor of Lessee's obligations hereunder ("Guarantor") defaults in the payment when due of any amounts payable to Holman and/or Marketplace LT, whether under this Agreement, any MVLA or any other agreement between Holman and/or Marketplace LT (collectively, "Other Agreements") or in the performance of any term of this Agreement, any MVLA, or any Other Agreements, and such default continues for a period of 10 days after written notice from Lessor of such default, (b) a petition or proceeding is filed by or against Lessee or any Guarantor under any bankruptcy or insolvency law and such action is not dismissed within 60 days after the filing, (c) Lessee or any Guarantor ceases doing business as a going concern, (d) Lessee or any Guarantor makes an assignment for the benefit of creditors, (e) a receiver, trustee, conservator, or liquidator is appointed for Lessor or any Guarantor or any of their respective properties, (f) Lessee or any Guarantor suffers any material adverse change in its financial condition, as determined by Lessor in its discretion, or (g) any statement, representation or warranty made by Lessee or any Guarantor to Lessor is incorrect in any material respect.

20.2 Upon the occurrence of any Event of Default, Lessor shall have the right to, but shall not be obligated to, exercise any one or all of the following remedies (which are and shall be cumulative), simultaneously or serially, and in any order: (a) accelerate the due date, and demand payment of all amounts due to Lessor hereunder and any remaining unpaid charges for the balance of the applicable terms of the MVLA's or Other Agreements, (b) with or without notice, demand, or legal process, take possession of any or all Leased Vehicles hereunder and (i) retain such Leased Vehicles and all payments and other amounts paid under this Agreement and all MVLA's or (ii) sell any of the Leased Vehicles hereunder at public or private sale without notice to Lessee at such price and upon such terms as Lessor deems commercially reasonable and, after applying such resale proceeds to the amounts due Lessor hereunder, recover the remaining balance from the Lessee, (c) terminate this Agreement or any MVLA's hereunder, or (d) pursue any other remedy permitted at law or in equity. In addition, Lessee shall reimburse Lessor for all of Lessor's out-of-pocket costs and expenses incurred in exercising any of its rights or remedies under this Agreement or any MVLA, or in enforcing any of the terms of this Agreement or any MVLA, including reasonable fees and expenses of attorneys and collection agencies, whether or not suit is brought. Upon any Event of Default, Holman and Marketplace LT shall have all remedies available to either of them at law or in equity, including the right to offset any sums owing or to be owing to Lessee by either of them against any sums owing or to be owing to either of them, whether under an MVLA or otherwise. No remedy pursued under this Section shall be deemed an act of termination of the Agreements.

**21. Financial Statements; Ownership.** Unless publicly available, Lessee shall provide Lessor annually a copy of Lessee's complete year-end financial statements promptly upon expiration of Lessee's fiscal year and any such other financial information as may be requested by Lessor. Lessor retains the right to limit vehicle orders and Leased Vehicle deliveries based upon Lessor's credit evaluation of Lessee. Lessee shall notify Lessor, in writing, of any change in name, address, ownership or control of Lessee within 30 days after such change.

**22. Books and Records.** Lessor's books and records with respect to the matters set forth herein shall be binding on Lessee, absent manifest error.

**23. Publicity.** Neither party shall use, or permit the use of, the name or logo of the other party in any press release or other public disclosure, including any website or social media, without the prior written consent of the other party, except as required by applicable Law.

**24. Data.** All data collected by Lessor in the course of providing the services under this Agreement is the property of Lessee. Lessor shall have a non-exclusive license to use such data to enable Lessor to perform its obligations under this Agreement. Without limiting the generality of the foregoing, Lessor and its affiliates shall have the right to use Lessee's data for benchmarking purposes, for the purpose of improving the services Lessor provides, so long as such data is aggregated with data of other Lessor clients and not attributable to Lessee. Lessee acknowledges that the Leased Vehicles, including any navigation system, telematics, and attached devices may retain content or other data that Lessee (including its employee drivers and other operators of the vehicles) may input and store for purposes of operation of the Leased Vehicles ("Vehicle Retained Data"). Neither Lessor nor any affiliate has any obligation to erase or overwrite such Vehicle Retained Data upon any surrender or other disposition of a Leased Vehicle. Lessee is responsible for Lessee's compliance with all applicable Laws pertaining to data privacy, security and retention with respect to such Vehicle Retained Data.

**25. Confidentiality.**

25.1 All non-public information supplied by a party (the "Disclosing Party") to the other party (the "Receiving Party") under this Agreement, including all systems and system specifications, policies, procedures, practices, business and operating methods, client, customer, driver and vehicle information, sourcing techniques and supplier data, maintenance and repair information, all financial and statistical data and analyses associated with the foregoing, and all software associated with the foregoing, whether disclosed orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," or "proprietary," is and shall be and remain confidential information of the Disclosing Party and shall be owned solely by the Disclosing Party ("Confidential Information").

25.2 Confidential Information shall cease to be protected as confidential if such information: (a) is or becomes generally available to the public other than as a result of the Receiving Party's breach of this Section or breach by a third party of a similar confidentiality obligation; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information; (c) was in the Receiving Party's possession prior to the Disclosing Party's disclosure hereunder; or (d) was or is independently developed by Receiving Party without using any Confidential Information.

25.3 During the Initial Lease Term and all renewal terms, the Receiving Party shall protect and safeguard the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own most sensitive information, but in no event with less than a reasonable degree of care consistent with industry standards. The Receiving Party shall not use the Disclosing Party's Confidential Information, nor permit such Information to be accessed or used, for any purpose other than to fulfill the terms of this Agreement. The Receiving Party shall not disclose any of the Disclosing Party's Confidential Information to any person or entity, except to the Receiving Party's employees who have a strict need to know such Information in order to assist the Receiving Party to comply with this Agreement.

25.4 If the Receiving Party is required by applicable Law or legal process to disclose any of the Disclosing Party's Confidential Information, then unless prohibited by Law, the Receiving Party shall notify the Disclosing Party of such requirement as far in advance as practicable, to afford the Disclosing Party the opportunity to seek, at the Disclosing Party's expense, a protective order or other remedy. If requested, the Receiving Party shall cooperate with the Disclosing Party in that effort.

25.5 On any termination of this Agreement, the Receiving Party shall either return or destroy all of the Disclosing Party's Confidential Information and should the Receiving Party opt to destroy, then upon destruction of such Information, Receiving Party shall provide the Disclosing Party with an affidavit signed by the Receiving Party's Chief Financial Officer that such Information has in fact been destroyed. Notwithstanding the foregoing, the Receiving Party shall be entitled to (a) retain copies of the Disclosing Party's Confidential Information preserved or recorded in any computerized data storage device or component (including any hard drive or database) or saved automatically to standard back-up or archival systems, and (b) retain copies of Confidential Information to the extent required by Law; provided that any such Confidential Information shall continue to be subject to this Agreement.

25.6 This Section is necessary to protect Confidential Information, and its confidential and proprietary nature. Each party agrees that its breach of this Section may cause the other party substantial and irreparable harm, for which damages may not be an adequate remedy and, therefore, in case of any such breach or threatened breach, in addition to other available remedies, the Disclosing Party shall have the right to seek specific performance and other injunctive and equitable relief without the requirement of posting a bond or other security.

**26. Assignment.** This Agreement binds the parties and their respective successors and permitted assigns. In addition to the rights set forth in Section 7 above, Lessor may, in its discretion, assign any or all of its rights, interests, and obligations hereunder to an affiliate of Lessor, without Lessee's consent. Lessee may not assign or sublease this Agreement without the prior written consent of Holman and Marketplace LT, and any assignment without such consent is void from the beginning.

**27. Termination.** This Agreement shall remain in effect until terminated by either party upon 30 days written notice to the other party. The termination of this Agreement shall not affect any Leased Vehicle and all such Leased Vehicles shall remain subject to the terms hereof until the termination or expiration of the applicable MVLAs, and Lessor and Lessee shall retain their respective rights and obligations hereunder as to such Leased Vehicles.

**28. Miscellaneous.** This Agreement is the entire agreement and understanding the parties as to its subject matter, and supersedes all prior or contemporaneous agreements and understanding. Except as expressly set forth in this Agreement, all warranties, representations, terms, conditions, and undertakings, express or implied, whether by statute, common law, custom, trade usage, course of performance, course of dealing or otherwise (including as to quality, performance or fitness or suitability for purpose) in respect of vehicles (including Leased Vehicles) or any other goods

or services provided by Holman or Marketplace LT, are excluded to the fullest extent permitted by Law. A party's failure or delay in enforcing an obligation, or exercising a right or remedy is not a waiver of that obligation, right or remedy. A party's waiver of a term hereof or a breach of such term, is not a waiver of such term or any other term, or any breach of such term or other term hereof. If any term of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term of this Agreement or invalidate or render unenforceable such term in any other jurisdiction. Upon a determination that any term is invalid, illegal, or unenforceable, the court may modify this Agreement to effect the original intent of the parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible. The respective obligations of Lessor and Lessee under this Agreement that by their nature would continue beyond termination or expiration, including Lessee's obligation to pay amounts due Lessor, to indemnify, to provide insurance and to maintain confidentiality, shall survive any termination or expiration of this Agreement. There are no third party beneficiaries under this Agreement, except for affiliates of Lessor. The word "including" means "including but not limited to."

**29. Governing Law; Venue; Waiver of Jury Trial.** This Agreement is governed by New Jersey law without regard to conflicts or choice of laws rules. The UN Convention on the International Sale of Goods is expressly excluded. Any litigation under this Agreement shall be commenced and maintained in US District Court, District of New Jersey, sitting in Camden, New Jersey or if jurisdiction is lacking, in New Jersey state court, Burlington County, New Jersey. The parties waive any objection to such jurisdiction and venue. **Each party hereby irrevocably waives all right to a trial by jury in any action or proceeding arising out of this Agreement or any of the transactions contemplated hereby.**

**30. Notices.** Any notice required or permitted under this Agreement shall be in writing and either delivered by hand or recognized overnight courier, or sent by US Mail, postage prepaid, certified or registered, return receipt requested, (a) if to Holman, to the address specified on the first page of this Agreement, Attention: Chief Financial Officer, Holman, with a required copy to Marketplace LT, at the address specified on the first page of this Agreement, Attention: Chief Financial Officer, Holman, and (b) if to Lessee, to the street address specified in Lessee's Account Profile in Holman Fleet Marketplace, Attention: Chief Executive Officer / Owner, with a required copy sent by email to Lessee's email address of record in Lessee's Account Profile in Holman Fleet Marketplace. However, Lessor may send Vehicle Available Notices (including updates) and Final Vehicle Available Notices by posting such Notices in Holman Fleet Marketplace, by email to Lessee's email address of record in Holman Fleet Marketplace or by phone. Notices shall be deemed given when received or when receipt is first refused, as evidenced by the delivery receipt or return receipt, and in the case of email, when the recipient sends a non-automated message to the sender. Addresses for notice purposes may be modified by notice given as stated above in this Section.

**EXHIBIT A**

**SAMPLE QUOTE FROM MARKETPLACE**

<b>Provided To:</b>	Customer XYZ LLC		<b>Customer ID:</b>	
<b>Customer contact name, title, phone number:</b>			<b>Customer Address:</b> (principal address (street number only, city, state and zip) )	
<b>Unit Number</b>				
<b>Year:</b>		<b>Make:</b>		<b>Model:</b>
<b>Series:</b>	(e.g. Base w/60/40 Pass-Side Cargo Doors Low Roof Cargo Van 129.9 in WB)			
<b>Upfit:</b>	See Upfit Detail at end of Quote			
<b>Vehicle Order Type:</b>		<b>Term:</b>	[48]	<b>State:</b> [PA] <b>Est. Ann. Mileage:</b>
<b>FUNDING CHARGES:</b>		<b>ONE-TIME ROAD READY CHARGES:</b>		
<b>Acquisition Value(1):</b>	\$	<b>Initial Title, Tag and Licensing (Estimate only)(3):</b>	\$	
<b>Down Payment:</b>	\$	<b>Courtesy Delivery Fee (Estimate only)(3):</b>	\$	
<b>Sales Tax (Estimate only)( %, St) (2):</b>		<b>Non-Capitalized Upfit Amount (Estimate only)(3):</b>	\$	
<b>Total Capitalized Value (Delivered Price):</b>	\$	<b>Road Ready Charge Total (One-time):</b>	\$	
<b>Physical Damage Waiver (4):</b>	\$			

<b>Monthly Funding Payment:</b>	\$				
<b>Monthly Service Fees:</b>	\$		<b>ADDITIONAL SERVICES:</b>		
<b>Sales Tax (% , St):</b>	\$		<b>Maintenance Management Program:</b>	\$	
<b>Total Monthly Payment (Excludes One-Time Road Ready Charges and Additional Services) (5):</b>	\$		<b>Fuel Management Program:</b>	\$	
<b>Total First Month's Payment (Estimate only) (6):</b>	\$				
<b>Residual Value at End of Lease:</b>	\$				

Current market conditions may affect availability and value. Quote subject Customer's credit standing and limits established by Lessor.

(1) Acquisition Value: Includes acquisition price and governmental and other charges. Lessor retains, and Customer hereby assigns, all manufacturer rebates, incentives or similar payments.

(2) Sales Tax: Amount is an estimate only, based on State where vehicle domiciled. Finalized amount will be set forth on initial invoice.

(3) One-Time Road Ready Charges: Amounts listed for Initial Title, Tag and Licensing, for Courtesy Delivery, and Non-Capitalized Upfit Amount are estimates only. Amounts charged may vary based on geography and third party provider rates. Finalized One-Time Road Ready Charge amounts will be set forth on initial invoice.

(4) Physical Damage Waiver: Waiver available at competitive rates. Customer opt out means Customer must deliver proof of damage coverage, prior to order fulfillment.

(5) Monthly Funding Payment is billed on 1st day of month after delivery. One-Time Road Ready Charges are billed with 1st Monthly Funding bill. For vehicles delivered during a month, Monthly Funding Payment is pro-rated, from delivery date to end of month, and included with 1st Monthly Funding Payment bill. Charges for Additional Services are billed with Monthly Funding Payment. Any other charges under Lease are billed when incurred or with Monthly Funding Payment. All invoices shall be paid in full within 15 days after invoice date, without setoff.

(6) Total First Month's Payment: Total of (a) Monthly Funding Payment, plus (b) One-Time Road Ready Charges, (c) pro-rated Monthly Funding Payment (if any), (d) non-capitalized upfit (if any) and (d) Sales Tax on items (b), (c) and (d).

Customer has executed a certain Vehicle Lease Agreement ("Lease") with Holman Small Business Solutions ("HSBS") and Marketplace LT ("Lessor"), under which Marketplace LT is title owner of vehicles leased ("Leased Vehicles") and HSBS acts as servicer. Customer agrees that this Quote when executed is binding, noncancellable and made part of and is under and subject to the Lease.

Customer represents that Customer is a legal entity and not a consumer, and that Customer intends that more than 50% of Customer's use of the vehicle is to be in a trade or business of Customer. Upfit Detail below incorporated herein by reference.

**Customer / Lessee:**

By:	Title:	Date:
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<b>Upfit Detail – Upfit selected by Customer</b>		
<b>Item and Description</b>	<b>Capitalized (Cap) or Billed (Bill)</b>	<b>Price</b>
Upfit Pkg 7 (Ladder rack, 2 ft L X 1ft D three stack shelves, fire extinguisher and mount)	Cap	\$
Graphics	Cap	\$
		\$
Total Upfit Capitalized (Included in Acquisition Value)		\$
Total Upfit		\$

## COMMERCIAL MOTOR VEHICLE LEASE AGREEMENT

This Commercial Motor Vehicle Lease Agreement ("Lease"), is made and entered into this **01/17/2024** by and between Mitsubishi HC Capital America, Inc., ("LESSOR"), a Delaware corporation having a place of business at 800 Connecticut Ave., 4<sup>th</sup> Floor North, Norwalk CT 06854-1631, and **ABC Company** ("LESSEE", and with LESSOR, the "Parties") having an address at \_\_\_\_\_. When used in this Lease, the term "Vehicle", whether singular or plural, shall mean the motor vehicles leased hereunder.

1. **LEASE OF VEHICLE(S)** LESSOR hereby agrees to lease to LESSEE, and LESSEE hereby agrees to lease from LESSOR, during the term of this Lease, the Vehicles identified and described in the table below. LESSEE'S or its designated agent's acceptance of delivery of a Vehicle shall constitute a warranty by LESSEE that the party accepting such Vehicle(s) has the authority to do so on behalf of LESSEE, and that the Vehicle(s) are properly identified in the table, below.

### VEHICLE INFORMATION\*

1.	Year / Make / Model	
2.	Body	
3.	Attachment # 1	
4.	Attachment # 2	
5.	Vehicle Identification Number	
6.	Delivery Date	
7.	Monthly Rental	
8.	Lease Term	
9.	Estimated FMV	

**GARAGING ADDRESS:**

**\*SALES TAX BASED ON GARAGING ADDRESS**

**2. TERM OF LEASE AND VEHICLE LEASE TERM**

- (a) The term of this Lease shall commence on the date hereof, and continue until the expiration of the Lease Term for each of the Vehicles set forth in Section 1, unless earlier terminated pursuant and subject to the terms and conditions of this Lease.
  - (b) Provided that LESSEE is not then in default, LESSEE may, with LESSOR'S prior written approval, extend the lease term for any Vehicle(s) on a month-to-month basis at the monthly rental charge for such Vehicle specified in Section 1 (but subject to an appropriate adjustment in the Estimated FMV set forth in Section 1) by giving LESSOR written notice of such election at least thirty (30) days in advance of the expiration of the lease term(s) for such Vehicle(s), including vehicle identification number(s) and location(s) of the subject Vehicle(s). Upon receipt of such notice, LESSOR shall have the right to conduct an inspection of said Vehicle(s) at a time and place designated by LESSOR and LESSEE shall make the Vehicle(s) available for such inspection.
- 3. LESSEE'S OPERATION OF VEHICLE(S)** So long as LESSEE is not in default under this Lease, LESSEE shall be entitled to the possession and use of the Vehicle(s) in the United States in accordance with the terms and conditions of this Lease. LESSEE shall comply with all federal, state and local statutes, ordinances, laws and regulations that may be applicable to the leasing, possession, use operation or maintenance of the Vehicle(s).
- (a) LESSEE agrees to maintain the Vehicle(s) in safe and good mechanical condition and running order at all times during the term of this Lease, reasonable wear and tear excepted, and to complete all prerequisites and maintenance procedures required and recommended in any manufacturer's warranty and manufacturer's service recommendations for such Vehicle. In no event shall the Vehicles be used to transport any hazardous substances, munitions or explosive devices. LESSEE shall not permit any Vehicle to be operated by an unlicensed driver or any other driver not legally authorized to operate the Vehicle or in any other manner that would adversely affect the insurance coverage maintained on such Vehicle.
  - (b) Lessee represents, warrants and agrees that: (a) the Vehicle(s) will be used 100% for business and commercial purposes and not for personal, family or household purposes; (b) the Vehicle(s) will be maintained in good operating condition, repair and appearance, and will be used and operated with care, only by qualified personnel in the regular course of Lessee's business and in conformity with all applicable governmental laws and regulations; (c) the Vehicle(s) will remain personal property and not become part of any real property; (d) Lessor may inspect the Vehicle(s) at all reasonable times and from time to time; (e) and the Vehicle(s) will not be used outside of the Continental United States. Notwithstanding the prohibition from removing the Vehicle(s) from the United States, in the event that Lessee contemplates any exporting of the Vehicle(s) (including any technology supplied as part of the Vehicle(s)), Lessee shall follow all procedures as required by the U.S. Export Administration Regulations and any related export control laws and regulations promulgated and administered by the government of any country having jurisdiction over the parties hereto or the transactions contemplated herein.
- 4. LESSOR'S DISCLAIMERS**
- (a) DURING THE LEASE TERM, LESSOR HEREBY ASSIGNS TO LESSEE ALL MANUFACTURER'S WARRANTIES APPLICABLE TO EACH VEHICLE, IF ANY. THERE ARE NO WARRANTIES OR OTHER RIGHTS PROVIDED BY LESSOR OR MANUFACTURER OTHER THAN SUCH MANUFACTURER'S WARRANTIES ASSIGNED TO LESSEE, WHICH SHALL BE ENFORCEABLE SOLELY AGAINST

MANUFACTURER AND NOT LESSOR. LESSEE SHALL LOOK TO THE MANUFACTURER AND ITS AGENTS FOR ANY AND ALL CLAIMS RELATED TO THE VEHICLES.

(b) LESSOR LEASES THE VEHICLE(S) "AS-IS, WHERE-IS", WITH ALL FAULTS AND THAT AS BETWEEN LESSOR AND LESSEE, ALL RISKS ARE TO BE BORNE BY LESSEE. **LESSOR MAKES NO REPRESENTATIONS OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY VEHICLE.**

5. **COSTS, EXPENSES, FEES AND CHARGES** LESSEE covenants that it will pay, in addition to the rental, all costs, expenses, fees, charges, assessments and taxes (other than federal income taxes and income taxes imposed by any state or local government in the United States to which LESSOR would otherwise be subject absent its lease of Vehicle(s) under this Lease) incurred in connection with the titling, registration, delivery, purchase, sale, rental, installation, lease, use, possession, operation or maintenance of the Vehicle(s) during the term of this Lease and shall file any and all forms required in connection therewith. LESSEE agrees to pay all fines, tickets and other charges imposed on any Vehicle or its driver, including without limitation, any other initial direct costs incurred including, but not limited to storage charges, towing charges, parking charges and fines or any other public or private charges levied or assessed against the Vehicle. If LESSOR pays any bills, fines, fees or other charges which are the responsibility of LESSEE on LESSEE'S behalf, LESSEE shall reimburse LESSOR all such amounts paid, upon demand, plus \$100.00 for expenses incurred by LESSOR.
6. **REGISTRATION, PLATES, LICENSES** LESSEE shall, at its own expense, obtain in the name of LESSOR, all titles, registration certificates, license plates, permits, inspections and other certificates, permits or licenses required to be obtained except for the initial title registration certificate and license plates that LESSOR shall obtain at LESSEE'S expense. LESSEE shall promptly forward copies of all such titles, registration certificates, permits, inspections and other certifications and licenses to LESSOR. LESSEE shall notify LESSOR at least fourteen (14) days before registering any Vehicle in a State other than the State of original registration. In addition, LESSEE shall prepare and furnish to LESSOR any and all documents, returns or forms legally required in connection with the leasing, possession, use or operation of the Vehicles in the locations where the Vehicle(s) will be leased, used or operated.
7. **RENTAL CHARGES**
  - (a) Commencing on the Delivery Date, LESSEE shall pay LESSOR, and LESSOR shall accept as payment from LESSEE as rental for the Vehicles, the Monthly Rental charges set forth in Section 1 of this Lease ("rental"), which rental shall be irrevocable, independent, absolute and unconditional, and LESSEE shall not be entitled to any abatement or reduction of, or set-off against, such amounts for any reason whatsoever. All rental payments shall be in United States legal tender and in immediately available funds, paid at LESSOR'S address noted above, or to such other place as LESSOR may designate by written notice to LESSEE. Rental shall continue to accrue and be payable with respect to any Vehicle that is lost, stolen, damaged, out-of-service or malfunctioning until all amounts due LESSOR hereunder in respect of such Vehicle are paid in full.
  - (b) With respect to each Vehicle, all monthly rental payments shall be due and payable with respect to each calendar month during the lease term for that Vehicle, in advance, on the Delivery Date and on or before the same date each such month thereafter (the "Due Date"), **WHICH TIME SHALL BE OF THE ESSENCE.** In the event any monthly rental is not paid in full within ten (10) days after the Due Date, LESSEE shall pay a late fee of five percent (5%) of any past due monthly rental payment commencing on the Due Date and ending on the date of receipt of payment in full by LESSOR with such late fee not to be less than \$25.00. The said late payment fee is in addition to and not in limitation of any other rights and remedies of LESSOR.
  - (c) In addition to the rental charges, LESSEE shall deposit with LESSOR, upon LESSOR'S demand, a Security Deposit for each Vehicle in the amount specified in Section 1 of this Lease on or before the Delivery Date. LESSOR may use the Security Deposit amount to pay amounts owed under this Lease. Any unused Security Deposit will be returned to Lessee upon the termination of this Lease, without interest, increase or profits.
  - (d) All billing and other statements rendered by LESSOR shall be presumed correct and accurate and constitute a liquidated and undisputed amount due LESSOR from LESSEE unless, within ten (10) days after receipt thereof, LESSEE shall deliver written objection thereto specifying any errors in the statement. In the event of any confirmed errors, LESSOR'S sole liability and LESSEE'S exclusive remedy shall be to make appropriate adjustments to LESSEE'S account.

AUTO DEBIT AUTHORIZATION (ACH): Automatic electronic payments are: **MANDATORY.**

If MANDATORY appears, you will be in default of your contracts if you cancel automatic payment. This authorization shall be deemed to be a continuing requirement, and authorization may not be revoked until all obligations of Lessee under this Agreement have been satisfied in full or otherwise terminated.

If MANDATORY appears above, the DIRECT PAYMENT SIGN-UP FORM (ACH) and section 1 of the BILLING SET-UP INFORMATION FORM must be completely filled out and signed where applicable.

If OPTIONAL appears above, the BILLING SET-UP INFORMATION FORM must be completely filled out.

8. **TERMINAL RENTAL ADJUSTMENT** The Parties anticipate that the fair market value of each Vehicle upon the expiration of the original lease term for such Vehicle shall be set forth in the Vehicle Information table in Section 1 of this Lease (the "Estimated FMV"). The Parties further anticipate that each Vehicle will be sold upon the expiration of the original lease term relating thereto at the actual fair market value (the "Actual FMV"). In the event that the Estimated FMV exceeds the Actual FMV (less all selling costs), the amount of the excess shall promptly upon demand be paid by LESSEE to LESSOR. In the event that the Actual FMV (less all selling costs), exceeds the Estimated FMV, the amount of the excess shall promptly upon demand be paid by LESSOR to LESSEE. Any such payment by either LESSEE or LESSOR with respect to a Vehicle shall be deemed to be a "Terminal Rental Adjustment", as such term is defined in Section 7701(h) of the Internal Revenue Code of 1986, as amended (the "Code").
9. **PURCHASE OPTION** At the expiration of the lease term as set forth in Section 1, if LESSEE has paid in full all rental and other amounts owing under this Lease, and is not then in default under this Lease, LESSEE shall have the option to purchase the Vehicle upon giving written notice not less than 90 days prior to expiration of the original term hereof. The purchase price shall be the fair market value as indicated on Page 1, Section 9 or, which shall be determined on the basis of, and shall be equal in amount to, the value which would be obtained in an arm's length transaction between an informed and willing buyer-user (other than a LESSEE currently in possession and a used Vehicle dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of the Vehicle from their location of current use shall not be a deduction from such value.
10. **SURRENDER AND DISPOSITION OF VEHICLES** Subject to all of the provisions of Section 8 above and unless purchase option set forth in Section 9 is exercised, the following provisions governing the surrender and disposition of vehicle shall apply:
  - (a) At the expiration of the lease term with respect to a Vehicle or the termination of this Lease, whichever is earlier, LESSEE shall, at its own expense, surrender the Vehicle(s) at such place as specified by LESSOR. Such surrender shall include all license plates, registration certificates, documents of title, odometer certifications and other documentation necessary to affect a sale and transfer of ownership of the Vehicle.

- (b) LESSOR shall use reasonable efforts to sell such Vehicles within a reasonable time after the date of surrender of possession unless otherwise mutually agreed. LESSOR shall, and LESSEE may, solicit from prospective purchasers in the wholesale vehicle market cash bids for such Vehicle(s) on an AS IS, WHERE IS BASIS, WITHOUT RECOURSE OR WARRANTY. Such Vehicle(s) shall be sold for cash payable, in full, upon delivery. Without limiting the generality of the foregoing, LESSOR shall have the right to sell such Vehicle(s) to any dealer or broker or at any wholesale automobile auction, including companies affiliated with LESSOR.
- (c) All Vehicle(s) surrendered for sale shall continue to be subject to the terms and conditions of this Lease until completion of the sale. For purposes of Section 8 of this Lease, the costs and expenses of sale shall be deducted from the proceeds realized from the sale of a Vehicle, and the balance remaining shall be the Actual FMV of such Vehicle.

**11. RISK OF LOSS, INSURANCE AND DAMAGE**

- (a) Commencing on the Delivery Date of each Vehicle, LESSEE agrees to assume and bear the entire risk of any partial or complete loss with respect to any Vehicle(s) from any and every cause whatsoever, including but not limited to theft, loss, damage, destruction or governmental taking, whether or not such loss is covered by insurance or caused by any fault or neglect of LESSEE. All physical damage insurance proceeds shall be payable directly to LESSOR.
- (b) LESSEE will purchase and maintain in force during the term of this Lease insurance policies written on an “occurrence” basis in at least the amounts listed below, covering the Vehicle(s) between the Delivery Date to LESSEE and final disposition by LESSOR. All insurance maintained by LESSEE shall be primary without any right of contribution from insurance which may be maintained by LESSOR or third parties. The insurance shall be written by an insurance company or companies acceptable to LESSOR and must be rated B+ or better by A.M. Best throughout the term of this Lease insuring LESSEE against any loss, damage, claims, suits, actions or liability and, by endorsement, naming LESSOR as an additional insured and loss payee. Such policies shall provide that proceeds thereof shall be payable to LESSOR and/or LESSEE as their interests may appear, that the insurance company or companies shall give to LESSOR at least thirty (30) days’ prior written notice of proposed cancellation, non-renewal, modification, or alteration of the insurance and require that LESSOR’S interests continue to be insured regardless of any breach or violation by LESSEE or others of any warranties, declarations or conditions contained in such insurance policy. Prior to the date that any Vehicle is placed in service by LESSEE, LESSEE shall furnish LESSOR with a certificate of insurance or other evidence thereof acceptable to LESSOR. If LESSEE fails to keep the Vehicle(s) properly insured, then, in addition to the other remedies available hereunder, LESSOR has the right, but not the obligation, to obtain such insurance for the term of this Lease at LESSEE’S expense and if so obtained, LESSOR will add to LESSEE’S monthly installment due hereunder and LESSEE will pay to LESSOR LESSOR’S costs of obtaining such insurance and any customary fees or charges of LESSOR’S or LESSOR’S designees associated with such insurance. LESSEE also agrees to pay an administrative fee equal to 10% of LESSEE’S monthly installment due for each 30-day period during the period the Vehicle(s) is uninsured or remains improperly insured. Any assessed administrative fee(s) will appear on LESSEE’S monthly billing statement. LESSEE understands that this fee will not be utilized to obtain insurance on LESSEE’S behalf and any insurance LESSOR purchases as permitted hereby will benefit LESSOR and not LESSEE and may be more expensive than insurance LESSEE could purchase by compliance with the terms hereof. Nothing in this Lease nor LESSOR’S actions hereunder, including without limitation LESSOR’S assessment of administrative fees or other amounts permitted hereby, shall mean that LESSOR is selling insurance or providing insurance coverage. The fees and other amounts payable hereunder do not necessarily reflect actual costs or exposures and may result in additional profit to LESSOR. LESSEE may, upon not less than thirty (30) days express written notice to LESSOR and delivery to LESSOR of satisfactory insurance certificates or other satisfactory evidence of insurance complying with the terms of this Lease, terminate any insurance or related charges pursuant to this Section. LESSEE’S obligations under this Section shall survive termination or expiration of this Lease. **NO INSURANCE IS BEING PROVIDED BY LESSOR.**

<u>TYPE</u>	<u>AMOUNT</u>
<b>Public liability and property damage</b>	
<b>Less than 33,001 GVW (Class 1 – 7)</b>	\$500,000.00 combined single limit (comprehensive automobile liability) per occurrence with Maximum deductible of \$1,000.00
<b>33,001 GVW or Greater (Class 8)</b>	\$1,000,000.00 combined single limit (comprehensive automobile liability) per occurrence with Maximum deductible of \$2,500.00
<b>Collision, fire and theft (all risk)</b>	Not less than the actual value of the Vehicle(s) from time to time.

Lessee’s insurance information:  
 Additional Instructions for supplying verification of insurance coverage are provided on the MINIMUM CUSTOMER INSURANCE REQUIREMENTS form and Lessee must provide an insurance ACORD meeting those requirements.

The above insurance shall carry a maximum deductible, as applicable from above, and shall include the following in amounts not less than the applicable minimum legal requirement: (1) uninsured/underinsured motorist coverage and (2) no-fault coverage. LESSEE shall be solely responsible for and shall pay any deductible(s) and any losses not covered by insurance payments. LESSEE shall, in addition, provide contractual liability insurance covering LESSEE’S indemnification responsibilities under this Lease.

- (c) LESSEE, in the event of any default hereunder, hereby appoints LESSOR as LESSEE’S attorney-in-fact to receive payment of and endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if LESSEE fails to do so. Any expense of LESSOR in adjusting or collecting insurance shall be borne or promptly reimbursed by LESSEE.
- (d) LESSEE shall notify LESSOR immediately of any physical damage to or accident involving any Vehicle that is required to be reported under applicable federal, state and local statutes, ordinances, laws and regulations, or under the terms and conditions of insurance policies maintained with respect to that Vehicle. **Except as expressly provided herein, the total or partial destruction of any Vehicle or the total or partial loss of use or possession thereof to LESSEE shall not release or relieve LESSEE from the obligation to pay rental payments and other amounts due under this Lease.**
- (e) In no event shall LESSOR be responsible for any premiums, warranties or representations to any insurer or any agent thereof. If for any reason LESSEE shall fail to maintain insurance in force in accordance with this section, LESSOR may, at its sole option, and in addition to any other remedies then available to LESSOR on account of such breach: (1) obtain such insurance on behalf of LESSEE and, upon demand, shall be promptly reimbursed by LESSEE for the actual cost thereof together with 10% of such cost to defray administrative expense; or (2) terminate this Lease of any or all Vehicle(s) leased hereunder, effective immediately, by giving written notice of termination to LESSEE.
- (f) If any Vehicle shall be damaged beyond repair or destroyed, LESSEE shall pay to LESSOR an amount equal to: (1) the sum of (A) all amounts then due on the Vehicle under this Lease; (B) all rental payments due on the Vehicle under this Lease for the remainder of the lease term of the Vehicle (had the Vehicle not been destroyed) discounted to present value at a rate equal to the discount rate stated in Section 15 (c) of this Lease; (C) the estimated FMV (as hereinafter defined) of the Vehicle at the end of its lease term (had it not been destroyed); and (D) any official fees and taxes imposed in connection with the termination of the lease of the Vehicle; MINUS (2) the sum of: (A) any salvage sale net proceeds received by

LESSOR for the Vehicle; and (B) any insurance net proceeds received by LESSOR for the Vehicle. Upon such payment in full, the lease term of the Vehicle shall end.

12. **INDEMNIFICATION BY LESSEE:** LESSEE AGREES THAT LESSOR SHALL NOT BE LIABLE TO LESSEE FOR, AND LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR AND ITS OFFICERS, DIRECTORS, AGENTS, SERVANTS, EMPLOYEES, AND ANY PARENT, SUBSIDIARY OR AFFILIATE OF LESSOR (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, ACTIONS, CAUSES OF ACTIONS, SUITS, PROCEEDINGS, LOSSES, COSTS, EXPENSES, FINES, PENALTIES, DAMAGES (INCLUDING REASONABLE ATTORNEYS' FEES) AND JUDGMENTS OR AWARDS OF ANY KIND OR NATURE WHATSOEVER, DIRECTLY OR INDIRECTLY ARISING FROM, CAUSED BY OR RELATING TO:

- i.) LESSEE'S BREACH OF OR FAILURE TO PROMPTLY AND FULLY PERFORM ANY OF ITS OBLIGATIONS UNDER THIS LEASE;
- ii.) INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY RESULTING FROM OR BASED UPON ACTUAL OR ALLEGED SELECTION, POSSESSION, USE, OPERATION, STORAGE, DELIVERY, TRANSPORTATION, LEASING, SALE, ACQUISITION OR MAINTENANCE OF THE VEHICLE(S), OR THEIR LOCATION OR CONDITION, OR THE INADEQUACY THEREOF, OR ANY REPAIRS, SERVICINGS OR ADJUSTMENTS THERETO, ON AND AFTER THE DELIVERY DATE THEREOF TO LESSEE UNTIL THE SURRENDER THEREOF BY LESSEE TO LESSOR OR ITS AUTHORIZED AGENT, REGARDLESS OF WHETHER A CLAIM COVERED BY THIS SECTION 12(A) IS ASSERTED AFTER SUCH SURRENDER; PROVIDED, HOWEVER, THAT IF LESSOR SELLS ANY VEHICLE TO LESSEE OR ANY OFFICER, AGENT, SERVANT, EMPLOYEE, PARENT, SUBSIDIARY OR AFFILIATE OF LESSEE, LESSEE'S INDEMNIFICATION OBLIGATIONS SHALL CONTINUE THEREAFTER WITH RESPECT TO SUCH VEHICLE(S);
- iii.) INADEQUACY OF THE VEHICLE(S) FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT THEREIN, OR IN THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICING OR ADJUSTMENT THERETO, OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE THEREOF, OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS; OR
- iv.) THE THEFT OR DESTRUCTION OF ANY VEHICLE.

In any instance where such claims in any way affect LESSOR'S interests under this Lease, LESSEE shall not consummate any settlement without LESSOR'S prior written consent.

**13. LESSOR-LESSEE RELATIONSHIP**

- (a) LESSEE acknowledges that LESSOR is the owner of all Vehicle(s) leased hereunder, for all purposes, including but not limited to federal, and to the extent applicable, state and local income tax purposes, and LESSEE shall not take any inconsistent position on any income tax return of LESSEE
  - (b) Except as may be specifically provided in an executed power of attorney, neither LESSEE nor any employee of LESSEE shall have any authority to act on behalf of LESSOR or be deemed to be the partner, agent, servant or employee of LESSOR. Nothing herein contained shall give or convey to LESSEE any right, title or interest in and to any Vehicle leased hereunder except as lessee of such Vehicle.
  - (c) In the event this Lease or any part hereof is deemed to be a lease intended as security, LESSEE grants LESSOR a security interest in each Vehicle as Collateral security for all of LESSEE'S indebtedness and obligations owing under this Lease, as well collateral security for as all other present and future indebtedness and obligations of LESSEE to LESSOR of every kind and nature, and authorizes LESSOR to file any and all UCC financing statements deemed necessary or appropriate by LESSOR. In addition to all rights hereunder, LESSOR shall have all rights afforded to secured creditors under applicable state and federal law including but not limited to those afforded secured creditors under Article 9 of the Uniform Commercial Code.
14. **RIGHT OF INSPECTION AND FINANCIAL STATEMENTS** LESSOR shall have the right to inspect any Vehicle and the records of LESSEE pertaining to the Vehicle(s) or its maintenance at any reasonable time upon reasonable notice. During the term of this Lease, LESSEE shall provide LESSOR with LESSEE'S annual audited financial statements and such other annual and quarterly financial statements and other financial information as is reasonably requested by LESSOR. LESSEE shall notify LESSOR, in writing, of any change in name, ownership or control of LESSEE within fifteen (15) days of such change.

**15. DEFAULT BY LESSEE; LESSOR'S REMEDIES**

- (a) The following shall constitute events of default by LESSEE under this Lease: (1) LESSEE fails to pay in full, when due, any installment of rental, additional rental or other amounts required to be paid under this Lease or any other debt obligations owed by LESSEE to LESSOR and LESSOR'S affiliates; (2) after ten (10) days' written notice, LESSEE fails to perform or cure the non-performance of any of its other covenants or conditions under this Lease, (3) LESSEE or any guarantor of LESSEE makes an assignment for the benefit of creditors, or suffers a receiver or trustee to be appointed, or files or suffers to be filed any petition under any bankruptcy or insolvency law of any jurisdiction; (4) LESSEE or any guarantor commits or omits any act that LESSOR reasonably determines impairs LESSEE'S or any guarantor's prospects of making payments or performing any of the other covenants required by LESSEE hereunder; (5) LESSEE or any guarantor is in default under any other agreement or obligation it may have with LESSOR or any parent, subsidiary or affiliate of LESSOR; (6) LESSEE or any guarantor ceases doing business as a going concern or suffers a material adverse change in operating or financial condition that impairs LESSEE'S or any guarantor's ability to perform its obligations hereunder or impairs LESSOR'S title to or rights in the Vehicle(s); (7) LESSEE or any guarantor makes any representation or warranty in this Lease, or in any document delivered to LESSOR in connection herewith or in connection with any other obligation of LESSEE to LESSOR that proves to be false or misleading in any material respect; (8) LESSEE assigns, sublets, liens, encumbers or transfers any interest in any Vehicle or any interest in this Lease to any party, or attempts to do so, without LESSOR'S prior consent; or (9) LESSEE fails to obtain or maintain insurance as required by Section 11 of this Lease; (10) ACH is deemed Mandatory as indicated by the signed Direct Payment Form – Lease and LESSEE at any time during the term of this Agreement fails to provide valid Depository Institution Information and Authorization permitting LESSOR to debit a LESSEE'S bank account for all payments due.
- (b) Upon the occurrence of any of the events of default set forth in subsection (a) of this Section, LESSOR shall have all of the rights and remedies provided by this Lease and which may be available at law or in equity, all of such rights and remedies being cumulative. Notwithstanding that this Lease is a lease and title to the Vehicle(s) is at all times in LESSOR'S name, LESSOR, at its option, shall have all of the rights and remedies of a secured party under the Uniform Commercial Code. In addition, LESSOR, at its option, may:
  - (1) Terminate this Lease with respect to any or all of the Vehicle(s), in which event any or all such Vehicle(s) shall immediately be delivered, at LESSEE'S expense, to a location or locations specified by LESSOR, or (B) repossess any or all Vehicle(s) hereunder, with or without process of law, or require LESSEE to surrender such Vehicle(s) to LESSOR at a location or locations specified by LESSOR, without terminating this Lease; and
  - (2) In addition to the foregoing, upon the occurrence of any of the events of default set forth above, LESSEE shall pay LESSOR damages equal to the sum of aggregate unpaid rental and other payments (including collection costs and attorneys' fees) due under this Lease for the remainder of the term of the lease of each Vehicle (discounted to present value as provided in subsection (c) of this section) and the

appraised value of the Vehicle as of the end of the term of the lease of the Vehicle (as determined by an appraiser selected by LESSOR) with the aggregate of these sums, (less the sum of the net sales proceeds (after expenses incurred by LESSOR) of the sale of the Vehicle) being subject to a default interest rate of 18% per annum.

- (c) The Parties specify that the discount rate applicable with respect to each lease of a Vehicle under this Lease shall be equal to the one-year U.S. Treasury Bill rate set forth under the caption "U.S. Government Securities/Treasury Bills/Auction Average (Investment)" in the weekly statistical release designated as H.15(519), or any successor publication, most recently published by the Board of Governors of the Federal Reserve System prior to the Delivery Date of such Vehicle.
  - (d) In the event LESSEE fails to comply with any provision of this Lease, LESSOR shall have the right, but not the obligation, to effect such compliance, in whole or in part, and all costs, charges, fees and expenses (including reasonable attorneys' fees) of LESSOR incurred in effecting such compliance shall be immediately due and payable by LESSEE. LESSOR'S effecting such compliance shall not in any way be deemed to constitute an election of remedies or a waiver of any by LESSOR in the event of default.
  - (e) If upon the termination of this Lease LESSEE fails or refuses to return any and all Vehicle(s) to LESSOR, upon demand of LESSOR, said failure or refusal shall be deemed to constitute a conversion and treated as a theft of the Vehicle(s), and LESSOR shall have the right to notify and request the appropriate law enforcement authorities to recover the same as stolen vehicles.
  - (f) **IN THE EVENT A BANKRUPTCY OR INSOLVENCY PROCEEDING IS FILED BY OR AGAINST LESSEE, LESSEE IRREVOCABLY CONSENTS TO THE LIFTING AND TERMINATING OF THE AUTOMATIC STAY OF THE BANKRUPTCY CODE, 11 U.S.C. 362, SO AS TO ENABLE LESSOR TO EXERCISE ITS RIGHTS AND REMEDIES AS SET FORTH IN THIS SECTION AND IN THIS LEASE GENERALLY. LESSEE AGREES THAT IT SHALL NOT OPPOSE OR DELAY OR ENCOURAGE OR ASSIST ANYONE ELSE TO OPPOSE OR DELAY ANY MOTION FILED BY LESSOR FOR RELIEF FROM THE AUTOMATIC STAY.**
16. **LIMITATION OF LESSOR'S LIABILITY** LESSOR ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY ACTS OR OMISSIONS, OR FOR ANY PROPERTY OF LESSEE, OR ITS AGENTS, SERVANTS OR EMPLOYEES. LESSEE AGREES THAT LESSEE'S SOLE AND EXCLUSIVE REMEDY FOR ANY MATTER OR CAUSE OF ACTION ARISING OUT OF OR RELATED DIRECTLY OR INDIRECTLY TO ANY BREACH BY LESSOR OF THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LESSEE AND LESSOR SHALL BE A CAUSE OF ACTION FOR CONTRACT DAMAGES LIMITED TO ACTUAL AND DIRECT OUT-OF-POCKET COSTS AND EXPENSES INCURRED BY LESSEE. LESSOR SHALL IN NO EVENT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF ACTUAL OR ANTICIPATED PROFIT OR GOODWILL. LESSEE FURTHER AGREES THAT ANY ACTION AGAINST LESSOR FOR DEFAULT UNDER THIS LEASE OR OTHERWISE MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION SHALL HAVE ACCRUED.
17. **ASSIGNMENTS** This Lease and any Guarantees and all rights of LESSOR hereunder shall be assignable by LESSOR without LESSEE'S consent. An Assignment of this Lease by LESSOR constitutes an assignment of any Guarantees hereof unless specifically indicated otherwise by LESSOR. LESSEE shall not assign, sublet, lien, encumber or transfer any interest in any of the Vehicle(s) or any interest in or obligations under this Lease to any party without the prior written consent of LESSOR. Any such assignment by LESSEE shall be void and shall not relieve or release LESSEE of its obligations and liabilities hereunder.
18. **ENTIRE AGREEMENT; MODIFICATIONS** This Lease and any Guaranty delivered herewith contain the entire and final understanding and agreement of the Parties and merge all prior written or oral representations, understandings and agreements herein with respect to the subject matter hereof. Any modifications, changes or amendments, may be made only in writing executed by LESSEE and LESSOR. Failure or forbearance of either Party to enforce any right or remedy granted herein shall not be deemed a waiver of such right or remedy.
19. **EXECUTION, GOVERNING LAW, JURISDICTION AND VENUE** THIS LEASE SHALL NOT BECOME EFFECTIVE UNTIL EXECUTED BY AN AUTHORIZED REPRESENTATIVE OF LESSOR. THE LAWS OF THE STATE OF CONNECTICUT SHALL GOVERN ALL QUESTIONS, DISPUTES OR CLAIMS, WHETHER BASED IN TORT, STRICT LIABILITY, CONTRACT OR EQUITY, ARISING OUT OF OR RELATING DIRECTLY OR INDIRECTLY TO THIS LEASE, THE PERFORMANCE OR BREACH HEREOF, OR TO THE INTERPRETATION, VALIDITY, ENFORCEMENT OR EFFECT OF THIS LEASE, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES THEREOF. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS LEASE SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF CONNECTICUT, OR, AT THE SOLE OPTION OF LESSOR, IN ANY OTHER COURT IN WHICH LESSOR SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. LESSEE WAIVES ANY RIGHT IT MAY HAVE TO ASSERT LACK OF PERSONAL JURISDICTION, THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE (OR TO SEEK TO TRANSFER VENUE) TO THE EXTENT ANY ACTION OR PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION.
20. **SEVERABILITY** If any portion of this Lease shall be found to be illegal, invalid or contrary to public policy, the same may be modified or stricken by a court of competent jurisdiction to the extent necessary to allow the court to enforce such provision in a manner that is as consistent with the original intent of the provision as possible. The striking and modification by the court of any provision shall not have the effect of invalidating this Lease as a whole.
21. **WAIVER OF JURY TRIAL. THE LESSOR AND THE LESSEE HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY OR AGAINST EACH OTHER ON, OR IN RESPECT OF, ANY MATTER ARISING OUT OF, RELATING TO OR PERTAINING TO THE LEASE OR THE INTERPRETATION, BREACH, ENFORCEMENT OR SUBJECT MATTER HEREOF, THE RELATIONSHIP BETWEEN THE LESSEE AND THE LESSOR AND/OR ANY CLAIM OF INJURY OR DAMAGE FROM ANY OTHER RELATIONSHIP BETWEEN THE PARTIES HERETO.**
22. **MAXIMUM CHARGES** If this transaction would violate applicable maximum finance charge laws, then regardless of any provision contained in this Agreement, it is agreed that the total of all consideration which constitutes finance charges under applicable law that is contracted for, charged or received under this Agreement shall under no circumstances exceed the maximum finance charges authorized by applicable law and any excess shall be credited or refunded to the LESSEE.
23. **MISCELLANEOUS** This Lease is for the benefit of, and may only be enforced by, the respective Parties and their successors and permitted assigns and is not for the benefit of, and may not be enforced by, any third party claiming through LESSEE. This Lease is the product of negotiations between the Parties. Each provision hereof shall be read and interpreted in accordance with its common and ordinary meaning and no ambiguity in language shall be read or interpreted strictly against either Party as the drafter thereof. All notices required or permitted under this Lease shall be in writing and shall be deemed received if delivered personally to an officer or authorized representative of a Party, or if sent by certified mail, return receipt requested and

postage prepaid, to a Party at its address noted above or to such other address for which notice has been given pursuant hereto. LESSEE authorizes LESSOR to contact LESSEE via LESSEE's home or business telephone number, e-mail, cell phone or fax number for the purposes of, including, but not necessarily limited to, contacting LESSEE to provide informational updates in regard to LESSOR's services or products provided to LESSEE. LESSEE hereby consents to LESSOR obtaining a credit report on LESSEE and any personal and/or corporate guarantors of LESSEE at the time of execution hereof and semi-annually in the event of a default under this Lease or any other obligations of LESSEE to LESSOR and any Guarantees therefor. *Copies of this executed Agreement transmitted by facsimile transmission, email or generated through electronic signature/documentation technology shall be considered originals for all purposes*

**BY EXECUTING BELOW, LESSEE CERTIFIES THAT HE/SHE/IT HAS TAKEN DELIVERY AND ACCEPTED THE VEHICLE(S) INDICATED IN SECTION 1, ABOVE.**

**NOTICE TO LESSEE: DO NOT SIGN THE LEASE BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE AGREEMENT YOU SIGN. KEEP IT TO PROTECT YOUR LEGAL RIGHTS.**

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed by their duly authorized representatives.

LESSOR: <b>MITSUBISHI HC CAPITAL AMERICA, INC.</b>
Signature:  _____  _____  _____

LESSEE:
  _____
Signature: Name (print): Title:



## Master Vehicle Lease Agreement (Open End)

This Master Vehicle Lease Agreement (Open End), referred to as the "Master Lease", is entered into between Selig Leasing Co., Inc. ("Lessor") and the undersigned ("Lessee") as of the date indicated in the signature provision listed below. If more than one Lessee executes this Master Lease, each will be jointly and severally liable under this Master Lease.

- 1. LEASE.** Lessor agrees to lease to Lessee certain motor vehicles pursuant to the terms of this Master Lease. Motor vehicles which will be eligible for lease are previously untitled or previously titled automobiles and trucks (collectively referred to as "Leased Vehicles"). The minimum lease term for any Vehicle lease ("Vehicle Lease") hereunder shall not be less than twelve (12) months. The terms and conditions of each Vehicle Lease will be evidenced by a vehicle endorsement in the form attached hereto as Exhibit A or such other form as acceptable to Lessor ("Vehicle Endorsement"). Each Vehicle Endorsement received by Lessee subsequent to the date hereof shall be deemed accepted by Lessee unless written objection is sent to Lessor on or before ten (10) business days after Lessee's receipt of the Vehicle Endorsement. The terms and conditions of this Master Lease apply to each Vehicle Lease, commencing as of the Vehicle Delivery Date of such Vehicle Lease.
- 2. AGREEMENT TERM.** This Master Lease shall commence as of the date indicated in the signature provision listed below, and shall continue until terminated by either party upon thirty (30) days written notice to the other. This Master Lease shall remain in effect with respect to each Leased Vehicle then leased and each Vehicle Endorsement until all terms and conditions of this Master Lease and each Vehicle Lease have been satisfied.
- 3. PAYMENTS.**

  - (a) Monthly Rentals.** Lessee agrees to pay Monthly Rentals for each Leased Vehicle in accordance with the payment and amortization schedule set forth in the applicable Vehicle Endorsement. However, at no time will the Monthly Rentals for each Leased Vehicle be less than \$25.00 per month.
  - (b) Due Dates.** All charges are due and payable on the first of each month. Late payments will be charged in the amount of 5% of the payment past due more than 15 days. If any payment method used is dishonored, a \$25 returned payment fee will be imposed. Lessee agrees to carefully review each invoice for any numerical error. Lessee will advise Lessor promptly of any such error and in such event, Lessor's sole liability and Lessee's exclusive remedy shall be adjustments in Lessee's account. All charges are based upon Lessor's standard operating routines, existing business policy and computer systems capabilities.
- 4. VEHICLE USE.** Lessee agrees that it will lease each Leased Vehicle primarily for business purposes. Lessee agrees to operate and garage the Leased Vehicle in the United States in accordance with all applicable federal, state and local laws governing the use, operation, maintenance of and alteration of motor vehicles. Lessee shall have exclusive possession, control and use of a Leased Vehicle during the term of the Vehicle Lease except that, Lessor may obtain possession of the Leased Vehicle following the termination of the Vehicle Lease, for maintenance or repairs, for any required government inspections, or because of violation of this Master Lease. Lessee agrees not to abandon the Leased Vehicle or subject the Leased Vehicle to forfeiture or seizure by governmental entities. Lessee may not remove the Leased Vehicle from the United States without the Lessor's prior written permission. Lessee agrees that it will not use the Leased Vehicle to transport persons for hire (except with the Lessor's prior written permission) or transport hazardous materials. Lessee agrees that the Leased Vehicle will not be driven by an unauthorized or unlicensed driver; or in any manner which would invalidate the insurance coverage thereon.
- 5. INSURANCE/LIABILITY CLAIM INDEMNIFICATION.** Lessee shall furnish Lessor with policies or certificates of public liability and property damage insurance, in companies acceptable to Lessor, insuring Lessor against liability for: (a) bodily injury to or death of any one person in an amount not less than \$100,000; (b) bodily injury or death in any one accident or occurrence in an amount not less than \$300,000; (c) injury to or destruction of property in an amount not less than \$50,000. Lessor shall be named as additional insured and loss payee on each such insurance policy. Lessee's agreement to indemnify Lessor extends to any and all claims for bodily injury, death, or damage to property in excess of the limits of public liability and property damage insurance furnished pursuant to this Paragraph 5, and said agreement shall not be considered nullified by virtue of Lessor's acquisition or retention of additional public liability and/or property damage insurance in compliance with applicable state laws and regulations. Lessee shall further furnish Lessor with policies or certificates of insurance, in companies acceptable to Lessor, insuring the Leased Vehicle against collision or upset subject to a deductible amount of not more than \$1,000.00 and comprehensive fire and theft insurance subject to a deductible amount of not more than \$1,000.00. Lessor shall be named as additional insured and loss payee on each such insurance policy. Lessee will give at least thirty (30) days advance notice of any cancellation, reduction or material change in coverage.
- 6. RISK OF LOSS.** Lessee agrees to bear all risk of damage, loss, theft or destruction of each Leased Vehicle from any cause. Lessee shall promptly notify Lessor of any loss, theft or accident involving the Leased Vehicle or damage thereto and of any claim, suit or demand arising out of the ownership, maintenance or use of the Leased Vehicle. In the event of partial damage to the Leased Vehicle, Lessee shall accomplish and pay for repairs in accordance with the provisions of this Master Lease. In the event of loss, theft or destruction of the Leased Vehicle beyond repair, there shall be no abatement of rental, unless the applicable Vehicle Lease is terminated in accordance with its provisions.
- 7. MAINTENANCE, REPAIRS AND OPERATING EXPENSES.** Lessee, at his own expense, shall keep and maintain each Leased Vehicle and each part thereof in good working order and condition and shall make all necessary repairs and replacements thereto. Lessee's maintenance and repair obligations shall include having the Leased Vehicle serviced and repaired whenever such services and repairs are required, but not less frequently than recommended in the owner's manual of the Leased Vehicle. All such servicing, repairs, replacements, and operating expenses shall be paid for by the Lessee at his own expense. Title to all replacements shall vest in the Lessor.
- 8. TERMINATION OF VEHICLE LEASES.** Each Vehicle Lease shall have a minimum twelve (12) month term, an initial term as shown on the appropriate Vehicle Endorsement, and successive automatic

monthly renewal terms. Each Vehicle Lease may be terminated after the twelfth month by either party upon thirty (30) days written notice of termination, the return of the Leased Vehicle to Lessor and the payment by Lessee of all amounts for which Lessee is responsible hereunder. Upon the termination of a Vehicle Lease and the return of the Leased Vehicle to Lessor, Lessor shall sell the Leased Vehicle in a commercially reasonable manner as determined by Lessor. Such sale of Leased Vehicle by Lessor may be at wholesale and nothing herein shall obligate Lessor to sell or attempt to sell a Leased Vehicle at retail.

If the net amount received from the sale of a Leased Vehicle exceeds the Current Residual Value or Residual Value at End of Initial Term as applicable, as stated in Section 1 on the applicable Vehicle Endorsement, Lessor shall pay excess to Lessee. If the net amount received from the sale of a Leased Vehicle is less than the Current Residual Value or Residual Value at End of Initial Term, as applicable, the total amount of such deficiency shall be paid promptly by the Lessee to Lessor upon demand. The "net amount" received from the sale of a Leased Vehicle as used in the Vehicle Lease is the sale price of the Leased Vehicle less all direct and sales expenses of Lessor incurred in selling, preparing and holding such Leased Vehicle for sale and less all debts incurred by Lessee which, if not paid, might constitute a lien on a Leased Vehicle or a liability to the Lessor.

- 9. EARLY TERMINATION.** Each Vehicle Lease is intended to have a minimum twelve (12) months term. However, should unforeseen developments arise, Lessee upon Lessor's permission may terminate a Vehicle Lease before the first 12 months provided Lessee is not in default with respect to any of the terms, conditions and covenants herein. In that event, Lessee shall be obligated to pay all payments remaining for the initial twelve months, in addition to other amounts noted herein. Acceptance of early lease termination by Lessor shall not relieve Lessee on any obligations herein except and until the return of a Leased Vehicle to Lessor and payment by Lessee of all amounts for which Lessee is responsible hereunder.

Upon return of a Leased Vehicle to Lessor, Lessor shall sell the Leased Vehicle as described in Paragraph 8 above. If the net amount received is less than the Current Residual Value at the end of Month 12 per the Vehicle Endorsement, the total amount of such deficiency shall be paid promptly.

- 10. WARRANTIES. With respect to all Leased Vehicles, the Lessor is not a party to, nor co-warrantor under any manufacturer's warranty and Lessor hereby expressly disclaims all warranties on Lessor's own behalf with respect to Leased Vehicles including any implied warranties of merchantability or fitness for a particular purpose.**

**11. DEFAULT.**

(a) The occurrence of one or more of the following events shall constitute default of this Master Lease by Lessee:

1. Nonperformance. Lessee fails to pay when due any of the obligations, or to perform, or to rectify breach of any warranty or other undertaking by Lessee in this Master Lease or any Vehicle Lease or in any evidence of or document relating to the obligations;
2. Inability to Perform. Lessee or a surety for any of the obligations dies, ceases to exist, becomes insolvent or becomes the subject of bankruptcy or insolvency proceedings;
3. Misrepresentation. Any warranty or representation made to induce Lessor to enter into this Master Lease or any Vehicle Lease with Lessee is false in any material respect when made;
4. Other Obligations. Lessee fails to pay when due any of its obligations, or to perform, or to rectify breach of any warranty or other undertaking by the Lessee in any other contract executed between Lessee and Lessor; or

5. Insecurity. Any other event which causes Lessor, in good faith, to deem itself insecure.

(b) Upon the occurrence of default, this Master Lease shall terminate the option of the Lessee and without any notice or demand. Upon default, Lessor shall be entitled to any and all remedies allowed by law including, but not limited to the immediate right to possession of any Leased Vehicle and the right to take possession of any Leased Vehicle together with all attachments, equipment, accessories, or other personal property therein or attached thereto, wherever such Leased Vehicles may be found (including the premises of Lessee), using all reasonable means to do so and without liability to anyone for damages thereof.

(c) Upon repossession, Lessor shall dispose of each Leased Vehicle in the same manner as provided in Paragraph 8 above. Lessee shall reimburse Lessor for any and all expenses incurred by Lessor in protecting or enforcing its rights under this Master Lease, including without limitation, reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition of a Leased Vehicle. Such expenses shall be deducted from the proceeds from disposition of a Leased Vehicle as elected by Lessor for purposes of determining the amount of any deficiency owed by the Lessee. Nothing herein shall affect the right of Lessor to recover from Lessee any and all damages which Lessor shall have sustained by the reason of the breach of Lessee of any of the covenants, terms or conditions of this Master Lease. The remedies herein provided for the Lessor upon default of Lessee shall not be deemed to be exclusive, but shall be cumulative and in addition to all other remedies existing in law, equity or bankruptcy.

**12. OPTION TO PURCHASE.** The Lessee may exercise an option to purchase the Leased Vehicle after the first 12 months of the applicable Vehicle Lease by providing 30 days written notice to the Lessor. Lessee may exercise such option by paying Lessor the applicable Current Residual Value as shown on the Vehicle Endorsements. In addition to this amount, Lessee agrees to pay Lessor any sales tax, registration and title fees and any and all other necessary expenses incurred by Lessor in transferring title of the Leased Vehicle to Lessee. Lessee agrees to pay the Lessor a \$150 purchase fee. Upon full payment and fulfillment of all obligations herein by Lessee, Lessor shall execute and complete all necessary requirements to transfer title of the Leased Vehicle to Lessee.

**13. TAXES.** Lessee shall pay and bear all sales, use, excise, personal property, ad valorem or other taxes and government assessments, fees and charges payable or for which Lessor is made responsible for payment during the term hereof with respect to each Leased Vehicle or the ownership, possession, rental, transportation or delivery thereof except the Lessor shall pay and bear all net income taxes on or measured by rentals payable hereunder.

**14. TITLE AND GOVERNMENT INSPECTIONS.** Each Leased Vehicle will be titled in the name of Lessor and registered in accordance with the direction of Lessor. Lessor shall accomplish and Lessee shall pay for the titling, registration and for all inspections required by any government authority during the term of this Master Lease.

**15. INDEMNITY.** Lessee shall indemnify and hold harmless Lessor from and against any damage, loss, theft or destruction of each Leased Vehicle and of the cargo or contents thereof, during the term of any Vehicle Lease, and from and against any and all losses, damages, injuries (including bodily injuries and death), claims, demands, costs, and expense (including legal expenses) of every kind and nature, arising out of or connected with the use, condition or operation of a Leased Vehicle during such term in violation of any law or regulation. The obligations of Lessee under this paragraph shall survive the termination of this Master Lease.

**16. VEHICLE RETURN AND DAMAGE RESPONSIBILITY.** Upon expiration of the term of each Vehicle Lease, Lessee shall return the

Leased Vehicle to Lessor's place of business or such other place as may be mutually agreed upon. Lessee assumes the entire risk of loss or damage to each Leased Vehicle from any cause whatsoever and the obligation of Lessee to pay the rentals herein provided shall not in any manner be affected and shall remain in full force and effect regardless of any damage, loss or destruction of such Leased Vehicle. Lessor shall in no way be liable for and Lessee shall hold Lessor harmless against any damage, loss, theft or destruction of any Leased Vehicle during the term of the Vehicle Lease.

**17. LIMIT OF LESSOR'S LIABILITY AND DISCLAIMER OF CONSEQUENTIAL DAMAGES.** Lessor shall not be liable for any failure to perform any provision hereof resulting from fire or other casualty, riot, terrorist act, strike or other labor difficulty, governmental regulation or restriction of any cause beyond Lessor's control. In no event shall Lessor be liable for any loss or profits or other consequential damages or any inconvenience resulting from any theft, damage to, loss of, defect in or failure of a Leased Vehicle or the time consumed in recovering, repairing, adjusting, servicing or replacing the same, and there shall be no abatement or apportionment of amounts due hereunder during such time.

**18. REIMBURSEMENT.** If either party shall fail, for any reason, to perform any provision of this Master Lease to be performed by such party, the other may, at its option, and upon performing the same shall be reimbursed upon demand for all sums paid or incurred therefore.

**19. SECURITY DEPOSIT.** Any security deposit paid by Lessee to Lessor pursuant hereto shall be retained by Lessor during the term of the Vehicle Lease as additional security for all of Lessee's obligations thereunder and such amount shall be returned by Lessor to Lessee upon termination of such Vehicle Lease except to the extent that all or a portion thereof is applied by Lessor to any obligation of Lessee hereunder, including, but not limited to, damages incurred by Lessor upon early termination of the Vehicle Lease or default.

**20. OWNERSHIP.** It is expressly agreed that Lessee by virtue of this agreement acquires no ownership, title, property, right, interest, or any option therefore in any Leased Vehicle except as herein provided.

**TRAC CERTIFICATION.** Lessee certifies that more than 50% of the use of any Leased Vehicle will be used for trade or business purposes. Lessee acknowledges that they have been advised that Lessee will not be treated as the owner of the Leased Vehicle for Federal income tax purposes.

Lessee has been advised that Lessee will not be treated as the owner of any Leased Vehicle for Federal income tax purposes.

**21. GENERAL.**

**(a) Entire Agreement; Severability.** This Master Lease along with each Vehicle Endorsement constitutes the entire agreement between the parties and may not be changed except by an instrument in writing signed by both Lessor and the Lessee. In the event any provision hereof shall be determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other or remaining provisions hereof.

**(b) Governing Law.** This Master Lease shall be governed by the laws of the State of Wisconsin.

**(c) Waiver.** No forbearance or failure to exercise any rights or privileges under this Master Lease or waiver of any breach of any of its terms shall be construed as a waiver of any such terms, rights or privileges, but the same shall continue and remain in full force and effect the same as if no such forbearance or waiver had occurred.

**(d) Assignment.** Neither this Master Lease nor any interest herein may be assigned by Lessee. This Master Lease or its interest or any rent due or to become due may, however, be assigned by Lessor without consent of Lessee, but subject to the rights of Lessee hereunder. In the event this Master Lease is assigned by the Lessor, Lessee will not assert against any subsequent holder as assignee of this Master Lease any claim or defense which Lessee may have against the Lessor.

**(e) Notice.** Any notice given by one party to other under this Master Lease shall be given in writing at the address of the other party set out herein, or at such other address as may have been furnished in writing for such purpose.

This MASTER LEASE is executed as of \_\_\_\_\_.

**LESSOR:** SELIG LEASING CO., INC.  
**BY:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
(Please Print)  
**TITLE:** President

**LESSEE:** \_\_\_\_\_  
**BY:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
(Please Print)  
**TITLE:** \_\_\_\_\_

**CO-LESSEE:** \_\_\_\_\_  
**BY:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
(Please Print)  
**TITLE:** \_\_\_\_\_

**EXHIBIT O**  
**RELEASE OF CLAIM/RENEWAL ADDENDUM**

**THESE FORMS ARE SUBJECT TO CHANGE OVER TIME**

For and in consideration of the agreements and covenants described below, PuroSystems, LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) enter into this Release of Claims (“Agreement”).

**RECITALS**

A. Franchisor and Franchisee entered into a PuroSystems, LLC Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

**AGREEMENTS**

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of \$\_\_\_\_\_ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the laws of the state of \_\_\_\_\_.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: \_\_\_\_\_, 201\_\_

PUROSYSTEMS, LLC

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_, 201\_\_

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

By \_\_\_\_\_

Its \_\_\_\_\_

\*This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

## RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM (this “Addendum”) is entered into on this \_\_\_ day of \_\_\_\_\_, 20\_\_ between PuroSystems, LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”).

### BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated [\_\_\_\_\_] (the “Prior Franchise Agreement”) pursuant to which Franchisee agreed, among other things, to operate a PUROCLEAN Franchise under Franchisor’s brand (“Franchised Business”).

B. Franchisor and Franchisee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which, among other things, the Prior Franchise Agreement is hereby terminated and replaced with the terms and conditions of the Franchise Agreement. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.

C. Because of Franchise’s preexisting relationship with Franchisor, Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

### AGREEMENT:

NOW, THEREFORE, 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 as follows:

1. No Initial Franchise Fee. Rather than pay an Initial Franchise Fee, Franchisee will pay the renewal fee due under the Franchise Agreement.

2. Termination of Prior Franchise Agreement; Release.

(a) The parties hereby agree that the Prior Franchise Agreement is hereby terminated with no further force and effect, except that Franchisee agrees to comply with the indemnification obligations set forth in the Prior Franchise Agreement, which shall expressly survive as well as Franchisee agrees to remain responsible for any unpaid amounts still due under the Prior Franchise Agreement.

(b) Except as noted in this Section 2(b), Franchisee, for itself, its heirs, successors, assigns, affiliates, directors, officers, shareholders, and employees and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”), hereby release and forever discharge Franchisor, its successors and assigns, affiliates, directors, officers and shareholders, (collectively and individually referred to as the “Franchisor Parties”) from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Prior Franchise Agreement (collectively, “Claims”), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or

other laws, statutes, rules or regulations, and any alleged violations of the Prior Franchise Agreement or any other related agreement between the Franchisee Parties and the Franchisor Parties up through the date of this Addendum. Notwithstanding the above, this release of Claims is not a release of any claims related to the Franchise Agreement signed of even date herewith and the renewal franchise that is subject to said Franchise Agreement.

(c) The release of Claims set forth in Section 3(b) is intended by the to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Franchisee Parties This release of Claims is and shall be and remain a full, complete and unconditional general release.

(d) Franchisee, for itself and its Franchisee Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. Franchisee acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor or released party.”

4. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

PUROSYSTEMS, LLC

FRANCHISEE:

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

\_\_\_\_\_

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

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

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

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

## EXHIBIT P

### MULTI-UNIT OWNERSHIP PROGRAM AMENDMENT

**THIS MULTI-UNIT OWNERSHIP PROGRAM AMENDMENT (“Amendment”)** is effective as of \_\_\_\_\_, \_\_\_\_ (“**Effective Date**”), regardless of the actual date of signatures, and is between PuroSystems, LLC (“**Franchisor**”) and \_\_\_\_\_ (the “**Franchisee**”). Franchisor and Franchisee are sometimes referred to below as the “**parties**.”

### BACKGROUND INFORMATION

Franchisor and Franchisee are parties to a PuroClean franchise agreement dated \_\_\_\_\_ (the “**Current Agreement**”). Franchisee wishes to enter into additional PuroClean franchise agreements (the “**Future Agreements**”), and open additional Franchise Businesses if certain amendments to the franchise agreements are made to provide for operational efficiencies and potential royalty discounts.

Franchisor has established a Multi-Unit Ownership Program (the “**Program**”) to address Franchisee’s requests. Participation in the Program will subject to the conditions described below. Capitalized terms used but not defined herein have the meanings assigned to them in the Current Agreement. Accordingly, the parties agree to amend the Current Agreement and Future Agreements as follows:

### QUALIFICATIONS

In order to be considered for the Multi-Unit Ownership Program, Franchisee must present Franchisor with a business plan demonstrating Franchisee’s ability to successfully expand into additional territories while meeting all requirements of this Agreement. The business plan must detail the source of capital and/or financing for all franchises to be established. In addition, Franchisee must meet the qualifications below:

- a) Compliance with the provisions of all agreements and payment obligations with Franchisor;
- b) At least \$1,000,000 in Mitigation Services Gross Receipts in the previous calendar year;
- c) Certified Priority Response program certification at the Gold level;
- d) At least one year in operation;
- e) PuroClean Brand Identity compliance;
- f) Financial stability (as determined by Franchisor);
- g) Full-time administrative employee in Franchisee’s first location; and
- h) No more than 35% of Franchisee’s total revenue is derived from PuroClean national accounts.

### OPERATIVE TERMS

1. **Initial Franchise Fee.** The Initial Franchise Fee in Section 5 of any Future Agreements entered into by the parties will be \$25,000 as long as this Amendment remains in effect. Franchisee must have a majority interest in each Franchise Business receiving the discounted Initial Franchise Fee.

2. **Transfer Fee.** Section 11 of the Current Agreement and any Future Agreements entered into by the parties is amended to provide for the discounted transfer fees described below:

- a) The transfer fee will be reduced to \$10,000 if Franchisee transfers a single Franchise Business to a minority partner in the Franchise Business who also acts as a full time manager of the Franchise Business.
- b) The transfer fee will be reduced to \$20,000 if a single Franchise Business is sold to a third-party.
- c) The transfer fee for each Franchise Business will be reduced to \$10,000 if Franchisee transfers more than two Franchise Businesses in a single transaction.

3. **Mitigation Services Royalty Fee.** Franchisee will file a separate royalty report for each Franchise Business as provided in Section 5 of each franchise agreement. Beginning January 1, 2025, the total Mitigation Services Gross Receipts for all Franchise Businesses owned by Franchisee will be aggregated and charged a Royalty Fee according to the scale below based upon Franchisee’s cumulative Gross Receipts each calendar year. Franchisee must be a majority owner of each Franchise Business participating in the aggregate royalty scale below.

<b><u>On Cumulative Gross Receipts for Each Calendar Year</u></b>	<b><u>Franchisee Pays</u></b>
For your first \$0 to \$399,999.99 of Mitigation Services Gross Receipts	10%
For your next \$400,000 to \$799,999.99 of Mitigation Services Gross Receipts	9%
For your next \$800,000 to \$1,199,999.99 of Mitigation Services Gross Receipts	8%
For your next \$1,200,000 to \$1,599,999.99 of Mitigation Services Gross Receipts	7%
For your next \$1,600,000 to \$1,999,999.99 of Mitigation Services Gross Receipts	6%
For your next \$2,000,000 to \$2,399,999.99 of Mitigation Services Gross Receipts	5%
For your next \$2,400,000 to \$2,799,999.99 of Mitigation Services Gross Receipts	4%
For any remaining Mitigation Services Gross Receipts of \$2,800,000 and over	3%

Franchisee’s Royalty Fee Rate for Mitigation Services will reset to 10% on January 1<sup>st</sup> of each new calendar year, and Franchisee will restart the process of earning royalty rate reductions based on its cumulative aggregate Gross Receipts.

4. **Reconstruction Services Royalty Fee.** Gross Receipts from Franchisee’s Reconstruction Services will be reported and paid as required by each franchise agreement. Franchisor

has chosen to temporarily reduce the Reconstruction Services Royalty Fee to 2% but reserves the right to charge the Reconstruction Services Royalty Fee described in each franchise agreement in the future.

5. **Marketing Fee.** Nothing in this amendment alters Franchisee's obligation to pay the Marketing Fee described in Section 6 of the Current Agreement and any Future Agreements. The marketing fee for each Franchise Business will be subject to Franchisor's then current marketing fee cap, which may be adjusted each year.

6. **PuroLogic Software.** Each Franchise Business owned by Franchisee must obtain a license for and use PuroLogic (DASH) or other operating system designated by Franchisor.

7. **Operational Requirements.** The parties agree that each Franchise Business owned by Franchisee must maintain the following:

- a) Its own physical office and warehouse location within its designated POL;
- b) A Clarity telephone number with a local area code and prefix reflective of the approved office location;
- c) Equipment equal to the then current full Initial Equipment Package required for new PuroClean franchisees;
- d) A dedicated production vehicle that meets the standards applicable for new PuroClean franchisees;
- e) A full-time operations manager dedicated to the individual Franchise Business (preferably with equity);
- f) A full-time marketing employee who is dedicated to the individual Franchise Business and utilizing Luxor or such other system designated by Franchisor;
- g) A unique XactNet address.

8. **Hub and Spoke Model.** The requirement for a physical office and warehouse location will be waived for any POL located entirely within a 15-mile radius of the office location of another Franchise Business owned by Franchisee that meets all of the requirements in Section 7 above.

9. **Performance Standards.** In order to remain eligible for participation in the Program, including but not limited to, the royalty rates described in this Amendment, Franchisee must meet all performance standards below:

- a) Each Franchise Business must be certified in PuroClean's Certified Priority Response program at the Gold level.
- b) The Franchise Business granted under the Current Agreement must continue to generate a minimum of \$1,000,000 in annual Mitigation Services Gross Receipts.
- c) Each subsequent Franchise Business established by Franchisee must remain in compliance with the terms of its franchise agreement, and reach the following annual levels of Mitigation Services Gross Receipts in its first five years of operation:
  - i. Year one: \$200,000
  - ii. Year two: \$300,000
  - iii. Year three: \$500,000
  - iv. Year five: \$1,000,000
- d) After five years of operation, a Franchise Business must maintain \$1,000,000 in annual Mitigation Services Gross Receipts. If any Franchise Business fails to achieve

\$1,000,000 annual Mitigation Services Gross Receipts, it will have a one-year probationary period to return to the required revenue level.

- e) In order to expand beyond three Franchise Businesses, each of Franchisee’s existing Franchise Businesses must be generating a minimum of \$1,000,000 in annual Mitigation Services Gross Receipts before additional franchises will be approved.

10. **Compliance with Requirements and Standards.** Without limiting any of its rights under each franchise agreement, if operational requirements, performance standards, and other conditions of this Amendment are not met, Franchisor may, in its discretion, take any of the following actions:

- a) Eliminate the Halo for any location not meeting performance or operational requirements;
- b) Disqualify Franchisee from participation in President’s Circle and/or PuroClean awards;
- c) Provide Franchisee with written notice that Franchisee is being removed from the Program, terminate this Amendment, and each Franchise Business will operate and pay fees according to its corresponding franchise agreement.

11. **Miscellaneous:** This Amendment is not valid until signed by all parties. Except as expressly modified by this Amendment, the Franchise Agreement and any amendments thereto will be construed and enforced pursuant to their terms. This Amendment, the Franchise Agreement, and any other written amendments thereto contain the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties.

**"FRANCHISOR":**

**"FRANCHISEE":**

**PuroSystems, LLC**

By: \_\_\_\_\_  
Print Name: Steven P. White  
Its: President and COO  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT Q

### (Territory Name) DEVELOPMENT PLAN AGREEMENT (RESERVATION AGREEMENT)

This (Territory Name) Development Plan (the “Plan”) is entered into \_\_\_\_\_ by and between PuroSystems, LLC, a Florida limited liability company with its principal business address at 6001 Hiatus Road, Suite 13, Tamarac, FL 33321 (“Franchisor”) and (Franchisee Name) (“Franchisee”).

1. Future Development: Franchisee will execute a franchise agreement for the (Territory Name) territory identified on the attached “Exhibit A” on or before \_\_\_\_\_, \_\_\_\_\_.

2. Exclusivity: If Franchisee meets the development timeline outlined in this Plan, Franchisor will not establish or operate, nor license any person other than Franchisee the right to establish or operate, a PuroClean business from an office location within the (Territory Name) territory identified in attached “Exhibit A.” Failure to meet the timeline above will result in the (Territory Name) territory being offered to third parties.

3. Fees: Franchisee will pay Franchisor a non-refundable down payment of **\$25,000** upon the execution of this Plan in consideration of the development and exclusivity rights granted under this Plan. This down payment will be applied to the (Territory Name) Initial Franchise Fee. The Initial Franchise Fee for the (Territory Name) territory is currently \$59,000 but may be discounted to \$25,000 based on Franchisor’s then current Multi-Unit program if Franchisee meets the applicable qualifications.

4. Operational Requirements. The parties agree that each franchise owned by Franchisee must maintain the following:

- h) Either its own physical office and warehouse location within its designated POL, or comply with Franchisor’s Hub and Spoke model for office locations;
- i) A telephone number with a local area code and prefix reflective of the approved office location through a PuroClean approved provider;
- j) Equipment equal to the then current full Initial Equipment Package required for new PuroClean franchisees;
- k) A dedicated production vehicle that meets the standards applicable for new PuroClean franchisees;
- l) A full-time operations manager dedicated to the individual Franchise Business (preferably with equity);
- m) A full-time marketing employee who is dedicated to the individual Franchise Business and utilizing Luxor or such other system designated by Franchisor;
- n) A unique XactNet address.

5. Entire Agreement: This Plan and each franchise agreement constitute the entire, full, and complete agreement between the parties concerning their relationship and supersede any and all prior agreements. In the event of a conflict between the terms of any franchise agreement

and the terms of this Plan, the terms of this Plan shall control. Except as amended hereby, all the other terms and conditions of each franchise agreement are ratified and confirmed. Intending to be legally bound, the parties hereby execute this Plan on the date set forth above.

(SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Plan the date and year first written above.

(Franchisee)  
Franchisee Name

(Franchisor)  
PuroSystems, LLC

\_\_\_\_\_  
Franchise Owner

\_\_\_\_\_  
Steven P. White, President/COO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## EXHIBIT R

### 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
CALIFORNIA	<del>April 19, 2024</del> <a href="#">[PENDING]</a>
HAWAII	<a href="#">[PENDING]</a>
ILLINOIS	<del>April 24, 2024</del> <a href="#">[PENDING]</a>
INDIANA	<del>April 23, 2024</del> <a href="#">[PENDING]</a>
MARYLAND	<del>SEE SEPARATE FDD</del> <a href="#">[PENDING]</a>
MICHIGAN	<del>April 24, 2024</del> <a href="#">[PENDING]</a>
MINNESOTA	<del>May 21, 2024</del> <a href="#">[PENDING]</a>
NEW YORK	<del>July 17, 2024</del> <a href="#">[PENDING]</a>
NORTH DAKOTA	<del>June 4, 2024</del> <a href="#">[PENDING]</a>
RHODE ISLAND	<del>May 13, 2024</del> <a href="#">[PENDING]</a>
SOUTH DAKOTA	<del>April 24, 2024</del> <a href="#">[PENDING]</a>
VIRGINIA	<del>SEE SEPARATE FDD</del> <a href="#">[PENDING]</a>
WASHINGTON	<del>April 23, 2024</del> <a href="#">[PENDING]</a>
WISCONSIN	<del>April 24, 2024</del> <a href="#">[PENDING]</a>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT S**  
**RECEIPT**

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 PuroSystems, 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.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship.

Iowa and Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If PuroSystems, 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 agency listed on Exhibit B.

The franchisor is PuroSystems, LLC, located at 6001 Hiatus Road, Suite 13, Tamarac, FL 33321. Its telephone number is (800) 775-7876.

Issuance Date: ~~April 22~~ May 16, 2024 ~~2025~~

The name, principal business address and telephone number of each franchise seller offering the franchise: \_\_\_\_\_

\_\_\_\_\_

PuroSystems, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I received a Disclosure Document dated ~~April 22~~ May 16, 2024 ~~2025~~, that included the following Exhibits: (A) List of Franchisees; (B) List of State Agencies and Administrators; (C) Audited Financial Statements; (D) Table of Contents for Manuals; (E) Franchise Agreement; (F) State Addenda; (G) Franchisee Compliance Certification; (H) Affirmation; (I) Telephone Number Release Agreement; (J) Telephone Service Agreement; (K) DASH User Agreement; (L) XactAnalysis License Agreement; (M) Xactware Solutions, Inc. License Agreement; (N) Sample [Puro Drying Solutions Rental Agreement/Sample](#) Third Party Lease Agreements; (O) Sample Release; (P) Multi-Unit Ownership Program Amendment; (Q) Development Plan Agreement; (R) State Effective Dates; and (S) Receipts.

Date: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone ( ) \_\_\_\_\_

Date: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone ( ) \_\_\_\_\_

Copy for Franchisee

**EXHIBIT S**  
**RECEIPT**

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 PuroSystems, 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.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship.

Iowa and Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If PuroSystems, 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 agency listed on Exhibit B.

The franchisor is PuroSystems, LLC, located at 6001 Hiatus Road, Suite 13, Tamarac, FL 33321. Its telephone number is (800) 775-7876.

Issuance Date: ~~April 22~~ May 16, 2024 ~~2025~~

The name, principal business address and telephone number of each franchise seller offering the franchise: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PuroSystems, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I received a Disclosure Document dated ~~April 22~~ May 16, 2024 ~~2025~~, that included the following Exhibits: (A) List of Franchisees; (B) List of State Agencies and Administrators; (C) Audited Financial Statements; (D) Table of Contents for Manuals; (E) Franchise Agreement; (F) State Addenda; (G) Franchisee Compliance Certification; (H) Affirmation; (I) Telephone Number Release Agreement; (J) Telephone Service Agreement; (K) DASH User Agreement; (L) XactAnalysis License Agreement; (M) Xactware Solutions, Inc. License Agreement; (N) Sample Puro Drying Solutions Rental Agreement/Sample Third Party Lease Agreements; (O) Sample Release; (P) Multi-Unit Ownership Program Amendment; (Q) Development Plan Agreement; (R) State Effective Dates; and (S) Receipts.

Date: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone ( ) \_\_\_\_\_

Date: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone ( ) \_\_\_\_\_

Copy for PuroSystems, LLC