

**PUREONE SERVICES®  
FRANCHISE AGREEMENT**

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FRANCHISEE

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DATE OF AGREEMENT

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## PUREONE SERVICES FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Effective Date”), between BAB Ventures Franchising, LLC, a Minnesota limited liability company, with a principal place of business at 5485 Bethelview Road, Suite 360-151, Cumming, GA 30040 (“Company,” “we” or “us”), and \_\_\_\_\_, a \_\_\_\_\_ formed and operating under the laws of the State of \_\_\_\_\_, (“you” or “Franchisee”). If more than one individual is named as “you” or “Franchisee,” the obligations imposed upon each shall be joint and several.

### INTRODUCTION

A. We have developed a unique system for the development and operation of a business that offers crime scene cleaning services, as well as biohazard, disinfection, hoarding, and drug lab cleanup services, water, fire, and mold property restoration services, mold testing, reconstruction services, and related products and services under the Marks (defined in Section 1(G) below) and System (defined in Section 1(K) below).

B. We grant qualified persons the right to develop, own and operate a franchised PureOne Services business using the System within a designated territory.

C. You desire to obtain the right to develop and operate a franchised PureOne Services business using the System within a designated territory.

D. We have agreed to grant to you the right to develop and operate a franchised PureOne Services business subject to the terms and conditions of this Agreement.

### AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

#### 1. DEFINITIONS

A. “Competing Business” means any business that offers or sells any of the authorized services or products that are offered by PureOne Services businesses, or any other business that is competitive with or confusingly similar to a PureOne Services business.

B. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, systems, software, and knowledge of and experience in operating and franchising PureOne Services businesses that we communicate to you or that you otherwise acquire in operating the Franchised Business under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

C. “Designated Account” means those customers or accounts we designate, in our sole and absolute discretion, as desiring central billing accounts, or that have at least 3 locations, and such locations are located in more than one franchised or company-owned territory or market.

D. “Designated Owner” means the Principal Owner we approved who will oversee the Franchised Business operations and represent you in interacting with us. The Designated Owner must

successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner is listed on Exhibit A. The Designated Owner and Operating Manager may be the same person.

E. “Franchised Business” means the franchised PureOne Services business you develop and operate under this Agreement, which offers crime scene cleaning services, as well as biohazard cleanup services, water, fire, and mold property restoration services, and any other related services we designate and require.

F. “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made or provided at or in connection with the Franchised Business. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of this Agreement, a sale occurs at the time the services are performed or the goods are sold. We have the right to adjust your Gross Revenue for uncollected amounts in the event that you are required to adjust an invoice or for any other reasons set forth in the Manuals or otherwise.

G. “Marks” means the PureOne Services trademarks and service marks, and other trademarks, service marks, domain names, logos and commercial symbols that we have designated, or may in the future designate, for use in the System.

H. “Operating Manager” means the designated individual responsible for the day-to-day operation of the Franchised Business. The Operating Manager must successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner and Operating Manager may be the same person.

I. “Principal Owner” means any person or entity who directly or indirectly owns a 10% or greater interest in you. If any Principal Owner is a corporation, limited liability company, trust, or other entity (other than a partnership), the Principal Owner will include any individual person that is a direct or indirect shareholder or owner that owns or holds 10% or more ownership interest in such entity. If any Principal Owner is a partnership, a Principal Owner will include each general partner of such partnership and, if such general partner is an entity, any individual person that is a direct or indirect person that owns or holds 10% or more ownership interest in such general partner.

J. “Protected Territory” means one or more protected territories identified in Exhibit A.

K. “System” means the PureOne Services system which includes providing crime scene cleaning services, as well as biohazard cleanup services, water, fire, and mold property restoration services, and other related services, that we may designate in the future under the Marks, using certain products, equipment, Confidential Information, business techniques, servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

## 2. GRANT OF FRANCHISE

A. Grant of Franchise, Franchised Business Location and Protected Territory. Subject to the provisions contained in this Agreement, we grant you a franchise (the “Franchise”) to own and operate the Franchised Business and to use the Marks in operating the Franchised Business. The location of the Franchised Business and your Protected Territory are identified in Exhibit A. If you do not have an approved location for the Franchised Business at the time you execute this Agreement, then you must locate and lease or acquire premises for the Franchised Business within the Protected Territory, subject to our review and consent (as described in Section 5(A) below).

B. Nature of your Protected Territory.

1. During the Term (as defined in Section 3(A) below), and provided you are in compliance with this Agreement, we will not locate or permit a franchise to locate another PureOne Services business within the Protected Territory, except as permitted under this Agreement. The license granted to you under this Agreement is personal in nature. Unless we otherwise expressly authorize in writing, the Marks licensed to you under this Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle we authorize, provided the vehicle is only used inside the Protected Territory. You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business or from a vehicle that we approve that is operated solely inside the Protected Territory without obtaining our prior written consent. You may not offer or sell any products or services we do not approve. Except as expressly stated in this Agreement, you must concentrate your advertising and marketing efforts inside your Protected Territory. You will not have the right to sub franchise or sublicense any of your rights under this Agreement. You will not use the Franchised Business for any purposes other than the operation of a franchised PureOne Services business.

2. You may not, unless in connection with other PureOne Services franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Protected Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Protected Territory.

3. Except as outlined below or as it relates to Designated Accounts, there are no restrictions on the customers you may service, provided all sales and services must be provided to customers located inside your Protected Territory. If neither we nor another franchisee operates in an area adjacent to your Protected Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service customers located outside of your Protected Territory. In such instances, we reserve the right to require you in the future to cease all direct advertising and marketing efforts to those customers located outside your Protected Territory.

C. Rights Reserved To Us. We (for ourselves and our affiliates) retain the right:

1. to operate, or to grant other persons the right to operate, PureOne Services businesses at locations outside the Protected Territory (except to the extent we may be restricted under a separate PureOne Services franchise agreement to which you are a party);

2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Protected Territory under any trademarks except for the Marks;

3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of an PureOne Services business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Protected Territory;

4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the Marks or other trademarks and may offer or sell products and services that are the same as or

similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Protected Territory;

5. to provide services to, or to grant other persons the right to provide services to, Designated Accounts located inside or outside of your Protected Territory as described further below; and

6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

D. Designated Accounts.

1. In addition to the reserved rights outlined in Section 2(C) above, we or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Protected Territory. You must participate in any regional or national accounts program (the “Designated Accounts Program”) we designate and comply with the terms of the Designated Accounts Program as described in the Manuals or as we otherwise describe in writing. You understand that we will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program and that we may terminate, modify, or replace the Designated Accounts Program at any time. You must pay us any then-current fees associated with the Designated Accounts Program. We have the right to service a Designated Account or grant third parties (including one or more other PureOne Services franchisees) the right to service a Designated Account in your Protected Territory for all of the following reasons: (i) you fail to timely notify us of your acceptance of the Designated Account business; (ii) you cannot or will not service the Designated Account business for any reason; (iii) you are in default of this Agreement; or (iv) the Designated Account objects to you providing the services.

2. If a Designated Account contacts you directly, you must refer the Designated Account to us within 3 days. We will negotiate all contracts with Designated Accounts and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement commences on the Effective Date and ends 10 years after the Effective Date (the “Term”).

B. Renewal. You will have the right to renew the Franchise for the Franchised Business for up to 1 additional term of 10 years, provided you meet the following conditions:

1. you have given us written notice of your intention to renew at least 180 days before the end of the then-existing term of this Agreement;

2. you have fully complied with all provisions of this Agreement, including the payment of all monetary obligations you owe to us or our affiliates, and have complied with our material operating and quality standards and procedures;

3. your Designated Owner, Operating Manager, and any other employees we designate completes, to our satisfaction, any new training and refresher programs as we may

reasonably require. You are responsible for all travel, living and compensation costs of attendees;

4. you have paid to us a fee equal to \$20,000 (“Renewal Fee”) at least 30 days before the then-existing term of this Agreement expires;

5. you sign our then-current form of PureOne Services franchise agreement, which terms and fees may be materially different from those contained in this Agreement, provided that you will be required to pay the Renewal Fee in lieu of the initial franchise fee stated in the then-current franchise agreement;

6. you and each Principal Owner sign a general release, in a form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents; and

7. you have upgraded and modernized your Franchised Business, including purchasing any new equipment, materials, and supplies we designate, to reflect our then-current requirements and standards.

#### 4. FRANCHISE FEES

A. Initial Franchise Fee. You will pay us an initial franchise fee (the “Initial Franchise Fee”) equal to the amount set forth on Exhibit A. The Initial Franchise Fee is payable when you sign this Agreement, is fully earned by us upon receipt, and is non-refundable.

B. Royalty Fee. Commencing on the Effective Date and continuing during the entire Term of this Agreement, you must pay us a non-refundable 5% royalty fee on all services performed on or before the 5th day of each month based upon the Gross Revenue that you generated in the immediately preceding calendar month (the “Royalty Fee”).

The “Cumulative Gross Revenue of Primary Services” will reset to \$0 on January 1<sup>st</sup> of each calendar year.

1. Minimum Royalty Fee. Commencing as of the 13<sup>th</sup> month of operations, and for each month during the Term of this Agreement thereafter, you must pay us the greater of: (i) the monthly Royalty Fee based upon your Gross Revenue generated in the immediately preceding calendar month; or (ii) \$1,000 per month. Except where otherwise stated, all references to “Royalty Fee” in this Agreement refer to the Royalty Fee on Primary Services plus the Royalty Fee on Reconstruction Services.

2. Gross Revenue Reports. In addition, on or before the 5<sup>th</sup> day of each calendar month, you shall provide to us a written signed report, in the manner and method prescribed by us, which details your Gross Revenues for the immediately preceding calendar month.

C. Technology Fee. We reserve the right to charge you a non-refundable then-current monthly technology fee (the “Technology Fee”). The Technology Fee may be used to develop, implement, and maintain certain technologies used in the Franchised Business, including website maintenance, text programs, and other technologies we determine are necessary for use in the Franchised Business. The Technology Fee is due and payable in the same manner, and at the same time, as the Royalty Fee. We may impose or change the Technology Fee upon written notice to you, and we will not increase the Technology Fee more than once in the same 12-month period.

D. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate, in the form attached as Exhibit C, to authorize your bank to transfer, either electronically or through some other method of payment we designate, directly to our account and to charge your account for all amounts you owe us. Your authorizations will permit us to designate the amount to be transferred from your account. You will maintain a balance in your account sufficient to allow us to collect the amounts owed to us when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

E. Interest; Late Fees. All Royalty Fees, Marketing Fees, Technology Fees, and other amounts which you owe to us or our affiliates will bear interest after the due date at the lesser of: (i) 18% per year; or (ii) the maximum contract rate of interest permitted by law in the state in which the Franchised Business is located. You will also be required to pay us a \$100 late fee each time you fail to pay any amount, or submit any report, owed to us by its respective due date.

F. Application of Payments. We may apply against amounts due to us or any of our affiliates any payments received from you or any indebtedness of us to you.

G. Withholding Payments Unlawful. You agree that you will not withhold payment of any Royalty Fees, Marketing Fees, Technology Fees, or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, Marketing Fees, Technology Fees, or any other amounts due.

H. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Franchised Business is located imposes, or may in the future impose, as a result of your operation of the Franchised Business or the license of any of our intangible property in the jurisdiction in which the Franchised Business is located. If more than one PureOne Services franchisee is located in such jurisdiction, they will share the liability equally. If applicable, this payment is in addition to the Royalty Fee payments described above.

## 5. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

A. Site Selection; Lease for Business Premises. You may commence operating your Franchised Business from a home office, provided that you have a quiet and organized space. However, you must rent or acquire a site for the Franchised Business that meets our standards and specifications upon the earlier of: (i) 9 months from the date you sign the Franchise Agreement; or (ii) within 30 days of you generating at least \$150,000 in Gross Revenue. You are solely responsible for finding a site for your Franchised Business, and obtaining our written approval to the site, upon the earlier of either benchmark described in this Section 5(A). In addition, you and the landlord of the Franchised Business premises (“Landlord”) must sign a “Lease Addendum” in the form attached hereto as Exhibit B.

B. Your Development of the Franchised Business. Before you begin operating the Franchised Business, you will:

1. obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses;
2. obtain all other licenses or certifications required by applicable law to operate the Franchised Business and to provide all required services in connection therewith;

3. obtain an opening inventory of all products, supplies and equipment, and such other products and materials we require for the Franchised Business;
4. purchase or lease a vehicle to carry supplies and equipment that meets our standards and specifications;
5. maintain our then current minimum working capital requirements;
6. obtain all signage that we require for the Franchised Business and vehicle you will use in connection with operating the Franchised Business; and
7. establish filing, accounting and inventory control systems complying with our requirements.

C. Vehicle. Before opening the Franchised Business, you must obtain a vehicle that meets our then-current standards and specifications. Some of the vehicles that you use in operating your Franchised Business, as described in the Manuals, must be approved by us, meet our standards and specifications, and be branded or wrapped as we require.

D. Equipment and Signs. Prior to opening, you must purchase from us the equipment package that we require and that we set forth in the Manuals (the "Equipment Package"). The contents and cost of the Equipment Package will depend upon the size of your Territory, and it is payable in one lump sum and is non-refundable under any circumstances. You will use in operating the Franchised Business only those types of materials, supplies, equipment (including cleaning equipment and computer hardware and software), and signs that we have approved for PureOne Services businesses as meeting our specifications and standards for appearance, function and performance. You may purchase approved types of supplies, materials, equipment, and signs from any supplier we approve or designate (which may include us and/or our affiliates). If you propose to purchase any supplies, materials, equipment, or signs we have not then approved, or any items from any supplier we have not then approved, you must notify us in writing and provide to us (at our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the supplies, materials, equipment, vehicle or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time (generally 14 days). We reserve the right to charge you our then-current evaluation fee to evaluate and analyze the requested suppliers, materials, equipment, or signs, and require you to reimburse us for our reasonable out of pocket costs and expenses that we incur in connection with our review of any alternate supplies or supplier you request.

E. Computer System. You must use in the Franchised Business the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). The Computer System developed for use in your Franchised Business may include one or more proprietary software programs or applications developed for us (the "Proprietary Software"). You must use any Proprietary Software that we designate. The Proprietary Software will remain the confidential property of us or our third party supplier. You may be required to enter into our or a third party supplier's standard form computer software access or license agreement in connection with your use of the Proprietary Software or other software we determine is necessary for the Franchised Business. Prior to opening, you will also have to pay us a start-up technology fee equal to \$1,700 in connection with setting you up to use our designated software and setting up your Franchised Business' website. This start-up technology fee is payable in a lump sum and is not refundable under any circumstances. In addition, you must also pay any other then-current initial and ongoing license fee(s) imposed by us or any third-party licensor related to your use of any Proprietary Software or other required software. We reserve the right to assign our rights, title and interest in

any Proprietary Software or any software license agreement to a third party we designate, or to replace the Proprietary Software. In such event, you may be required to enter into a separate computer software license agreement specified by us or the third party supplier of the Proprietary Software. You must upgrade or replace the Computer System or any component thereof, including the Proprietary Software, as we designate at your sole cost and expense. We may require you to make certain updates and modifications to the Computer System more frequently. We also may access financial information and customer data produced by or otherwise located on your Computer System (collectively the "Customer Data"). We periodically will establish policies respecting the use of the Customer Data. You will have at the Franchised Business, Internet access with a form of high-speed connection as we require, and a dedicated telephone line for the Franchised Business. You will use an e-mail address we designate or approve for communication with us and customers. The computer hardware component of the Computer System must comply with specifications we develop. We have the right to designate a single source from which you must purchase the Computer System, including the Proprietary Software, any other software or hardware components or associated services. You understand and agree that we or our affiliates may be that single, designated source. You will be required to use and, at our direction, pay for all future updates, supplements and modifications to the Computer System.

F. Franchised Business Opening. You will not open the Franchised Business for business without our prior written approval. You agree to complete the development and open the Franchised Business for business within 90 days of the Effective Date.

G. Relocation of Franchised Business. You will not relocate the Franchised Business from the approved site without our prior written consent. If you relocate the Franchised Business under this Section, the "new" franchised location of the Franchised Business, including the real estate and building, must comply with all applicable provisions of this Agreement and with our then-current specifications and standards for PureOne Services businesses. We will not unreasonably withhold our consent to the proposed relocation, provided we have received at least 90 days written notice prior to the closing of the Franchised Business at the existing franchised location, you have obtained a site acceptable to us within the Protected Territory, you otherwise comply with any other conditions that we may require. If you must relocate the Franchised Business because the Franchised Business was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, you must reopen the Franchised Business at the new franchised location in the Protected Territory within 90 days after you discontinue operation at the existing Franchised Business site.

## 6. TRAINING AND OPERATING ASSISTANCE

### A. Training.

1. Before the opening of your Franchised Business, your Designated Owner (and Operating Manager if they are not the same person) must attend and successfully complete, to our satisfaction, our initial training program on the operation of a Franchised Business, which consists of two components: (i) outside training provided by the Institute of Inspection Cleaning and Restoration (IICRC) and any other third party we designate, and (ii) our in-house training program. The first component that consists of IICRC and other training may be conducted at the time and manner offered by the designated company(ies), and you must pay the companies' then-current costs and fees in connection with receiving the required training. Our in-house training program will be provided at a place and time we designate. We will not charge a training fee for up to two individuals on Franchisee's behalf to attend our in-house training program, provided that they all attend our initial training program at the same time. If we require, or you request that we provide the initial training program to any additional individuals we reserve the right to charge you our then-current initial training fee. You are solely responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager, and your employees incur

in attending both components of the initial training program and any supplemental or refresher training programs.

2. The initial training program will take approximately two to three weeks. The training program includes instruction relating to the Franchised Business operations, services offered, state and federal law compliance, customer service and marketing and sales programs. We may reduce the amount of training the Designated Owner (and, if applicable, the Operating Manager) must complete based on a number of factors, including the Designated Owner's and Operating Manager's prior experience. If, during the initial training program, we determine that the Designated Owner or Operating Manager is not qualified to manage the Franchised Business, we will notify you and you must select and enroll a substitute Designated Owner or Operating Manager in the initial training program. In addition, all new or substitute Designated Owners or Operating Managers must complete our designated initial training program. We may charge you a reasonable fee for those new or additional individuals who attend the initial training program.

**B. Onsite Assistance.**

1. Within the first 30 days of opening your Franchised Business, we will provide you with the services of one of our representatives for up to 5 days to assist in the opening of the Franchised Business. One of our representatives will also visit your Franchised Business again within the first 6 months of the opening of your Franchised Business. We will also visit your Franchised Business. We will not charge a training fee for our opening assistance or require you to reimburse us for our representative's costs and expenses in traveling and providing such training to you.

2. Upon your reasonable request, and subject to our availability, we may provide additional onsite assistance to you. If you request, and we provide, any additional on-site assistance, then we reserve the right to charge you our then-current training fee and require you to pay for our representative's travel, lodging and meals costs and expenses in connection with providing such on-site assistance.

**C. Required Ongoing Training.** We may require your Designated Owner, Operating Manager, and/or such other employees we designate to attend or, when available, participate by Internet in, such additional training that we designate. You are responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager and your employees incur in attending any required ongoing training. We reserve the right to charge a reasonable fee in connection with any ongoing training we offer.

**D. Operating Assistance.** As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business. We will, however, provide you with operational advice and assistance in operating the Franchised Business as we deem appropriate. Operating assistance may include advice regarding the following:

1. products and services authorized for sale at PureOne Services businesses;
2. marketing and sales promotion programs;
3. selecting and purchasing supplies, equipment and materials for the Franchised Business;

4. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures to properly operate a PureOne Services business;
5. providing reports to you regarding your general performance and conformity with the System;
6. conducting on-site visits of the Franchised Business; and
7. providing back off-support, such as assisting you with invoicing and helping you manage accounts receivables.

We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business. We will also provide you with additional assistance or support as needed. We reserve the right to charge you a fee for such additional support or assistance.

E. Conventions and Meetings. We periodically may hold or sponsor optional franchise conventions and meetings relating to new services or products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. If we host any franchise conventions or meetings, you will not be required to pay any registration fees provided that you attend, but you will still be responsible for all of your and your attendees' travel and living expenses. We reserve the right to charge you our then-current fee if you fail to attend any franchise conventions or meetings.

F. Manuals. We will provide on loan to you, during the Term of this Agreement, one manual copy or electronic (Internet) access to an operations manual and other handbooks, manuals and written materials (collectively, the "Manuals") for PureOne Services businesses. The Manuals will contain mandatory and suggested specifications, standards and operating procedures that we develop for PureOne Services businesses and information relating to your other obligations. We may add to, and otherwise modify, the Manuals to reflect changes in authorized products and services, and specifications, standards and operating procedures of a PureOne Services business. The master copy of the Manuals that we maintain electronically or at our principal office and make available to you will control if there is a dispute involving the contents of the Manuals.

## 7. MARKS

A. Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the Term of this Agreement. You agree that your use of the Marks and any goodwill established exclusively benefits us, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the Term of this Agreement or after termination or expiration of this Agreement, contest or assist any other person in contesting the validity or ownership of any of the Marks.

B. Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Franchised Business, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, and you cannot use any Mark in selling any unauthorized product or service or in any other manner unless we have expressly authorized such use in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) except through a webpage that we approve; (3) create or register any Internet domain name in any connection with your Franchise; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval.

D. Notification of Infringements and Claims. You must notify us in writing within 24 hours of learning of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

E. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, within 24 hours of learning of any alleged claim or complaint, notify us of such claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. Subject to our right of indemnification (as described in Section 9(B) below), we will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks.

F. Changes to Marks. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

## 8. CONFIDENTIAL INFORMATION/IMPROVEMENTS

### A. Confidential Information.

1. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, is our trade secret, and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information,

including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information in limited circumstances, as specified in the Manuals.

2. The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Improvements. You must fully and promptly disclose to us all ideas, concepts, products, process methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of PureOne Services business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Franchised Business, or any advertising or promotion ideas related to the Franchised Business (collectively, the “Improvements”) that you, the Principal Owners or your employees or agents conceive or develop during the term of this Agreement. You and your Principal Owners, agents and employees acknowledge and agree that: (1) all Customer Data is jointly owned during the term of this Agreement and becomes our property upon expiration or termination of this Agreement; and (2) any other Improvement immediately becomes our property. You and your Principal Owners, agents or employees must sign all documents necessary to evidence the assignment of each Improvement to us without any additional compensation. We may use the Improvement and disclose and/or license the Improvement for use by others. You must not introduce any Improvement or any additions or modifications of or to the System into the Franchised Business without our prior written consent.

## 9. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. Your Indemnification Obligations. You shall, to the fullest extent permissible under applicable law, indemnify and hold us and our affiliates, and each of their respective officers, directors, employees, and agents harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Agreement, the Franchised Business, your operation of the Franchised Business, the business conducted under this Agreement, your and your employees’ actions and inaction, or your breach of this Agreement, including, without limitation, those alleged to be caused by our negligence or brought by you, as well as the costs, including attorneys’ fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event we incur any costs or expenses, including, without limitation, legal fees (including, but not limited to, attorneys’ fees, costs, and expenses (and interest on such fees, costs,

and expenses)), travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. We shall have the right to control any matter in which we are named or directly affected in such manner as we deem appropriate or desirable in our sole discretion. Such an undertaking by us shall, in no manner or form, diminish your and each of you Principal Owners' indemnification obligations under this Section 9(B).

C. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

## 10. FRANCHISED BUSINESS IMAGE AND OPERATING STANDARDS

### A. Condition of Franchised Business and Vehicle.

1. You agree to replace worn out or obsolete equipment, fixtures, furniture, or signs, repair the interior and exterior of the Franchised Business and periodically clean and redecorate the Franchised Business as we require. If at any time in our reasonable judgment, the general state of the fixtures, equipment, furniture or signs used in operating the Franchised Business do not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

2. You also agree to maintain the condition and appearance of the vehicle(s) you use in connection with operating the Franchised Business, and repair or replace the vehicle(s) as we may require, including any rebranding of the vehicle consistent with our requirements. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the vehicle does not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

B. Your Personnel. You shall comply with all applicable employment and wage and hour laws and regulations. You are solely responsible for all employment decisions and functions of the Franchised Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by you, without any influence or advice from us, and such decisions and actions shall not be, nor be deemed to be, a decision or action of ours. As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business, including all employment related matters and issues that may arise. You will implement a training program for Franchised Business employees in compliance with our requirements. You will maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with our standards and applicable law. Further, it is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason. If we incur any cost, loss, or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for such loss.

C. Products, Supplies and Materials. You agree that the Franchised Business will only offer for sale those products and services which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. We periodically may modify the lists of approved services, as described in the Manuals. You agree to immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals. Certain products, supplies, equipment, and

services must be purchased from suppliers we have approved (which may include us and/or our affiliates). You may be required to enter into a supply agreement with such suppliers. We periodically may modify the lists of approved products, supplies, equipment, brands and suppliers, and you will comply with such modified lists of approved products, supplies, equipment, brands and suppliers. If you propose to offer for sale any products or services which we have not approved, you must first notify us in writing and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within a reasonable time (generally within 14 days) whether or not the proposed product, brand and/or supplier is approved. We reserve the right to charge you our then-current evaluation fee to evaluate or analyze the requested brand or supplier, as we may require you to reimburse us for our reasonable out of pocket costs and expenses that we incur in connection with this process. We may develop procedures for the submission of requests for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). We may impose limits on the number of suppliers and/or brands for any products and services to be used in the Franchised Business. You agree that certain products may only be available from one source, and we or our affiliates may be that source. You must, at all times, maintain an inventory of products sufficient in quantity and variety to realize the full potential of the Franchised Business or as we require or suggest in the Manuals. Neither we nor our affiliates, however, guaranty that product will be available from us or any third party supplier. YOU ACKNOWLEDGE AND AGREE THAT WITH RESPECT TO ANY GOODS OR SERVICES SUPPLIED OR SOLD BY APPROVED SUPPLIERS OTHER THAN US OR OUR AFFILIATES, NOW AND IN THE FUTURE, WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE.

D. Standards of Service. You must at all times give prompt, courteous and efficient service to your customers. You must, in all dealings with your customers, suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

E. Specifications, Standards and Procedures. While you are solely responsible for the day-to-day operation of your Franchised Business, you acknowledge that we will impose certain mandatory specifications, standards and operating procedures (whether contained in the Manuals or any other written communication to you) that must be met to protect the Marks, customer experience and other PureOne Services businesses. You agree to comply with all mandatory specifications, standards and operating procedures we impose, including:

1. type and quality of products and services offered through the Franchised Business;
2. quality and uniformity of service and sales of all products and services at the Franchised Business;
3. methods and procedures relating to marketing, dealing with customers and providing services;
4. the hours and days during which the Franchised Business is open for business as specified in the Manuals;
5. the safety, maintenance, cleanliness, function and appearance of the Franchised Business and its vehicles, equipment and signs;
6. the style, make and/or type of equipment (including computer equipment) used in operating the Franchised Business;

7. use of promotional or branded signs, posters, displays, standard formats and similar items;
8. Franchised Business advertising and promotion;
9. complying with all laws and regulations relating to privacy and data protection and complying with any and all privacy policies or data protection and breach response policies we periodically may establish; and
10. complying with all laws, regulations and certifications as we deem relevant.

F. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us in writing within 24 hours of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, or award of decree by any court, agency or other governmental instrumentality, that may adversely affect the operation or financial condition of you or the Franchised Business. You are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures or attacks. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. You will not conduct any business or advertising practice which injures other PureOne Services businesses, the System or the goodwill associated with the Marks.

G. Management of the Franchised Business/Conflicting Interests. The Franchised Business must at all times be under the direct supervision of an Operating Manager who has completed our initial training program to our satisfaction. The Operating Manager must at all times faithfully, honestly and diligently perform your obligations and continuously use his/her best efforts to promote and enhance the business of the Franchised Business. In addition, the Operating Manager must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments or otherwise may conflict with your obligations.

H. Insurance. You agree to purchase and maintain in force, at your expense, all of the insurance coverage we require in the types and amounts described in the Manuals. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us and each of our affiliates, directors, agents, and employees as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the minimum insurance coverage that we designate in the Manuals or otherwise in writing for each PureOne Services franchised business that you operate, including this Franchised Business; and (5) provide that we will receive 30 days' prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur, together with an administrative fee equal to five percent (5%) of the insurance premium. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at least 2 weeks before you take possession and commence

development of the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require. Your obligation to obtain and maintain these insurance policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 9. We do not represent or warrant that any insurance that you are required to purchase will provide you with adequate coverage. The insurance requirements specified in this Agreement are for our protection. You should consult with your own insurance agents, attorneys and other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits we require.

I. Participation in Internet Website. We require you to participate in a PureOne Services website listed on the Internet or other online communications and participate in any extranet system we designate. We will determine the content and use of a PureOne Services website and extranet system and will establish rules under which franchisees will participate. We will retain all rights relating to the PureOne Services website and extranet system and may alter or terminate the website or extranet system upon 30 days' notice to you. Your general conduct on the Internet and any extranet system we designate, and specifically your use of the Marks or any advertising on the Internet (including the domain name and any other Marks we may develop as a result of participation in the Internet), will be subject to the provisions of this Agreement. You acknowledge that certain information obtained through your online participation in the website or extranet system is considered Confidential Information, including access codes and identification codes. Your right to participate in the PureOne Services website or extranet system or otherwise use the Marks or the System on the Internet will terminate when this Agreement expires or terminates.

J. National Receptionist System. You must participate in a receptionist support center program (the "National Receptionist System") as described in the Manuals. You must pay our then-current National Receptionist System fee, which is included in our Business Development Fee. You must pay this Business Development fee at the same time and in the same manner that you pay Royalty Fees. We reserve the right to modify or cancel the National Receptionist System at any time. You must comply with all standards and instructions that we impose in connection with the National Receptionist System, including the timeliness of responding to customers, purchasing or upgrading necessary equipment to enable participation, and any other standards and instructions described in the Manuals. We reserve the right to exclude you from participation in the National Receptionist System if you fail to comply with any standards and/or instructions.

## 11. ADVERTISING

A. Marketing Fund. During the Term of this Agreement, we may require you to pay to us for deposit in a marketing and promotional fund (the "Marketing Fund") a monthly fee (the "Marketing Fee"). Your contribution to the Marketing Fund is waived the first year but starting on month 13 of your franchised business, 1% of your total monthly Gross Revenue is payable via ACH at the same time the Royalty Fee is due. The Marketing Fund may be capped at \$50,000. We will place all Marketing Fees we receive in a Marketing Fund account, and we will manage such Marketing Fund. Reasonable disbursements from the Marketing Fund will be made solely to pay expenses we incur in connection with the general promotion of the Marks and the System; market research; customer retention; incentive programs; sales development programs; media planning; media buying fees; creating and producing advertising materials; outside advertising agency fees for creating advertising programs; public relation activities; outside public relations agency fees; technology investments; website development and maintenance; digital marketing; search engine optimization; as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. We cannot ensure that any

individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. We may spend in any fiscal year an amount greater or less than the aggregate contributions of PureOne Services businesses to the Marketing Fund in that year. We will determine the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Marketing Fund for the most recent calendar year. Any end-of-year surpluses or shortages in the Marketing Fund in a given year will carry over to the next year.

**B. Local Advertising Requirements.**

1. Each month you must pay a Business Development Fee. This fee covers part of the cost for a number of business development services that we offer. We manage the Search Engine Optimization (SEO) for all locations. You have the option of having us manage your Pay Per Click (PPC) (Adwords) advertising programs and/or your third-party telemarketing services for your Franchised Business. Business Development Fee does not cover any amounts that you must pay in connection with purchasing Adwords, and you are responsible for purchasing any Adwords directly from the third party PPC vendor, the cost of which will depend upon your territory size, market, number of words purchased, and other factors.

C. Approved Advertising and Franchised Business Promotion Materials. You will use only our approved advertising and promotional materials approved by us in promoting the Franchised Business. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, it must be submitted to us and you must obtain written approval from us at least 10 days before using any such materials, which approval will not be unreasonably withheld. If we do not approve those advertising or promotional materials within 7 days after you submit those materials to us, then the proposed materials will be deemed rejected. We may revoke our approval of any previously-approved advertising materials upon notice to you, at which time you must immediately cease using such materials at your sole expense.

D. Participation in Certain Programs and Promotions. You will use your best efforts to promote and advertise the Franchised Business and will participate in all advertising and promotional programs we establish in the manner we direct. We may require you to purchase advertising templates and marketing materials from us or our affiliates, and we reserve the right to charge you a fee, plus any shipping expenses we incur. You will have the right to advertise and sell your services at the prices you determine, provided such prices are consistent with our general marketing and advertising guidelines.

## 12. RECORDS AND REPORTS

A. Accounting and Records. During the Term of this Agreement, you will, at your expense, maintain and retain for a minimum of 5 years from the date of their preparation, complete and accurate books, records and accounts (using such methods of bookkeeping and accounting as we may require) relating to the Franchised Business (the "Records"), in the form and manner we direct in the Manuals or otherwise in writing. The Records will include the following: (i) Gross Revenue Reports; (ii) monthly profit and loss statements, (iii) a monthly chart of accounts and income statements in a format we designate; (iv) all tax returns relating to the Franchised Business; and (v) such other records and information as we periodically may request. You will be permitted to preserve Records and submit reports electronically, consistent with our requirements. As noted in Section 5(C) of this Agreement, we may electronically access all financial information, Records and Customer Data located on your Computer System. We reserve the right to require you to work with a third-party accounting firm we designate if you fail to maintain the Records in the form we require.

B. Reports and Tax Returns. You will deliver to us, or provide us access to, the following: (1) within 15 days following the end of calendar month, monthly financial statements for the previous calendar month that include a complete profit and loss statement and a balance sheet, a chart of accounts, and an income statement; (2) within 30 days following your Franchised Business' fiscal year end, an annual profit and loss statement and source and use of funds statement for the Franchised Business for the preceding calendar year and a balance sheet for the Franchised Business as of the end of the year, (3) at our request, profit and loss statements for the Franchised Business at such intervals as we periodically may require; (4) by May 1<sup>st</sup> of each year a copy of all federal, state, and local tax returns for the Franchised Business for the preceding calendar year; and (5) at our request, all tax returns relating to each Principal Owner. If your or a Principal Owners' filing date is extended, a copy of extension request must be submitted to us within 15 days of its filing. You also will provide to us copies of all Records and other information and supporting documents as we designate. All financial statements, reports and information must be on forms we approve and that you have signed and verified.

### 13. INSPECTION AND AUDITS

A. Our Right to Inspect the Franchised Business. To determine whether you are complying with this Agreement, we may, during regular business hours, inspect the Franchised Business. You will fully cooperate with our representatives making any inspection and will permit our representatives to interview employees and customers of the Franchised Business.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records (including the books, records and state and/or federal income tax records of the Franchised Business) and the federal income tax returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Franchised Business premises. You will make financial and other information available at a location we reasonably request and will allow us (and our agents) full and free access to any such information at the Franchised Business or your corporate office. You must make copies of any Records we request and deliver those Records to us or our designee. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Gross Revenue. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Revenue for any month is understated by more than 2%. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

### 14. COVENANTS

A. Non-Solicitation of Customers. You and each Principal Owner and their respective spouses will not, during the Term of this Agreement, and for a period of 2 years thereafter, directly or indirectly, divert or attempt to divert any business, account or customer of the Franchised Business or any other PureOne Services business or the System to any Competing Business.

B. Covenant Not to Compete During Term. You (and each Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director, manager, member, or shareholder of any other person, firm, entity, partnership or business: (i) solicit or divert, or attempt to solicit or divert, any customers, or business of the Franchised Business to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any

person or entity engaged in any Competing Business (including any e-commerce or Internet-based business), except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us.

C. Post-Term Covenant Not to Compete. You (and each Principal Owners) will not, for a period of 2 years after this Agreement expires or is terminated or the date on which you cease to operate the Franchised Business, whichever is later, directly or as an employee, agent, consultant, partner, officer, director, manager, member or shareholder of any other person, firm, entity, partnership or corporation: (1) solicit or divert, or attempt to solicit or divert, any customers, or business of the Franchised Business to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business which is located in the former Territory of the Franchised Business; or (3) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located within a 5-mile radius of any part of the former Territory of the Franchised Business or any other then-existing PureOne Services business territory, whether the then-existing business is owned by an PureOne Services franchisee, us, or our affiliate. This Section 14(C) will not apply to: (a) other PureOne Services businesses that you operate under PureOne Services franchise agreements; or (b) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of that class of securities. You agree that the length of time in this Section 14(C) will be tolled for any period during which you are in breach of the covenants or we must seek to enforce your obligations in this Section.

D. Covenants from Individuals. In order to protect our legitimate business interests in and to the Confidential Information and trade secrets, each individual who attends our training program or has access to any Confidential Information or trade secrets shall be required to sign a confidentiality and non-competition agreement substantially in the form attached as Exhibit E to this Agreement. You shall be responsible for ensuring compliance with such agreements.

E. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

## 15. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement.

B. Your Assignment to Corporation or Limited Liability Company. You (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Franchised Business (or other PureOne Services business under franchise agreements with us), provided: (1) you or the Operating Manager actively manage the Franchised Business; (2) you own at least fifty-one percent (51%) of the ownership interest in the corporation or limited liability company and we approve all Principal Owners; (3) you and all Principal Owners of the assignee entity sign the Guaranty and Assumption of Obligations Agreement attached hereto as Exhibit D; (4) you provide us at least 15 days' prior written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; (5) you provide to us a certified copy of the articles of incorporation, bylaws, operating agreement, organizational documents, and a list of all shareholders or members having beneficial

ownership, reflecting their respective interest in the assignee entity; and (6) the organizational documents and all issued and outstanding stock or membership certificates will bear a legend, in form acceptable to us, reflecting or referring to the assignment restrictions stated in Section 15(C) below. You will not pay a transfer fee for an assignment under this Section 15(B).

C. Your Assignment or Sale of Substantially All of Your Assets. You understand that we have granted the Franchise under this Agreement in reliance on your individual or collective character, attitude, business ability and financial capacity. You and your Principal Owners will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, the Franchised Business, substantially all or all of the assets of your business, this Agreement or any interest of 25% or more in you unless you obtain our prior written consent. We will not unreasonably withhold our consent to an assignment, provided you comply with any or all of the following conditions which we may deem necessary:

1. You have satisfied all of your accrued monetary obligations to us, our affiliates and your vendors, and you otherwise are in good standing under this Agreement;
2. The transferee-franchisee (or its Principal Owners) is approved by us and demonstrates to our satisfaction that he/she meets our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the Franchised Business. You understand that we may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets our qualifications;
3. The transferee-franchisee enters into a written agreement, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations and covenants under this Agreement for the remainder of the Term or, at our option, signs our then-current standard form of franchise agreement (although such agreement may contain materially different terms than those provided in this Agreement);
4. The transferee-franchisee and Operating Manager (if applicable) successfully completes the initial training program required of new franchisees;
5. If required, the lessor of the Franchised Business premises consents to your assignment or sublease of the premises to the transferee-franchisee;
6. You or the transferee-franchisee at your expense make such reasonable capital expenditures necessary to replace and modernize the supplies, signs and equipment used in operating the Franchised Business so that your business meets our then-current standards and requirements;
7. You pay us an assignment fee equal to \$20,000 and you are responsible for any broker fees associated with any sale;
8. You (and each Principal Owner, if applicable) sign a general release, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;
9. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and

10. You (and each Principal Owner, if applicable) sign an agreement, in form and substance satisfactory to us, in which you and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

D. Your Death or Disability.

1. If you (or the Operating Manager) die or are permanently disabled, your executor, administrator or other personal representative, or the remaining Principal Owners, must appoint (if necessary) a competent Operating Manager within a reasonable time, not to exceed 30 days, from the date of death or permanent disability. The appointed Operating Manager must satisfactorily complete our designated training program. If you have been the designated Operating Manager and an approved Operating Manager is not appointed within 30 days after your death or permanent disability, we may, but are not required to, immediately appoint an Operating Manager to maintain Franchised Business operations on your behalf until an approved assignee can assume the management and operation of the Franchised Business. Our appointment of an Operating Manager does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses you incur in operating the Franchised Business or to any creditor of yours for any products, materials, supplies or services purchased by the Franchised Business while it is managed by our appointed manager. We may charge a reasonable fee for management services and may cease to provide management services at any time.

2. If you (or the Designated Owner) die or are permanently disabled, your executor, administrator, or other personal representative must transfer your interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person we approve. Such transfers, including transfers by devise or inheritance, will be subject to conditions contained in Section 15(C) above, provided no transfer fee will be charged.

E. Public or Private Offerings. Subject to Section 15(C) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any of your affiliates, you agree to submit to us any written information we request before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

**“NEITHER BAB VENTURES FRANCHISING, LLC NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER BAB VENTURES FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER BAB VENTURES FRANCHISING, LLC NOR ANY OF ITS AFFILIATES**

ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

F. Our Right of First Refusal. If you or your Principal Owners at any time during the Term of this Agreement desire to sell or assign for consideration the Franchise, the Franchised Business, an ownership interest representing (in the aggregate) 50% or more of the ownership in you or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within 30 days following receipt of the proposed offer, to purchase the interest in the Franchised Business or your ownership interest for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of 60 days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 15. If the sale to the proposed purchaser is not completed within 180 days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again have the right of first refusal.

G. Guaranty. All Principal Owners of you will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit D (the “Guaranty Agreement”). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of you under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. You will furnish to us at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form we reasonably require, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a franchisee.

## 16. OUR TERMINATION RIGHTS

A. Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following defaults:

1. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business;

2. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Franchised Business without your consent, and the appointment is not vacated within 60 days; or

3. If you purport to sell, transfer or otherwise dispose of you or any interest in this Agreement or the Franchised Business in violation of Section 15 hereof.

B. Termination Upon Notice. We have the right to terminate this Agreement upon notice to you without providing you an opportunity to cure for any of the following breaches or defaults:

1. If you (or the Operating Manager) fail to satisfactorily complete the initial training program or fail to open and commence operations of the Franchised Business at such time as provided in this Agreement;

2. If you or any of your managers, directors, officers or any Principal Owner make a material misrepresentation or omission in the application for the Franchised Business;

3. If you or any of your managers, directors, officers or any Principal Owner are convicted of, or plead guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or the goodwill associated therewith, or if we reasonably believe that you have committed such a felony, crime or offense;

4. If you voluntarily or otherwise abandon the Franchised Business without our prior written consent. The term “abandon” means your failure to operate the Franchised Business during regular business hours for a period of 5 consecutive days without our prior written consent unless such failure is due to an event of “*force majeure*” as further described in Section 20(H) below;

5. If you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name PureOne Services or any of the Marks or the System, or otherwise violate any provision hereof pertaining to Marks or Confidential Information or misuse the Marks or Confidential Information;

6. If you develop or use an unapproved website in connection with the Franchised Business or otherwise conduct any unauthorized activity on the Internet in violation of Section 7(C) above;

7. If you fail to pay us, our affiliate(s), or any approved or designated supplier any amount that is due and owed to that party within 10 days of the date you receive written notice from us (or any other party that is owed money) of the outstanding amount that is due and owed;

8. If there are insufficient funds in your designated bank account to cover a check or EFT payment to us 3 or more times within any 12 month period;

9. If you (or any Principal Owner) violate any in-term restrictive covenant set forth in Section 14 of this Agreement, or any of the other restrictive covenants set forth in this Agreement;

10. If you fail, within 15 days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Franchised Business;

11. If you fail to comply with one or more material requirements of this Agreement on 3 separate occasions within any 12-month period (regardless if you cured such defaults); or

12. If the nature of your breach makes it not curable.

C. Termination upon Notice and 30 Days’ Notice to Cure. Except for those defaults set forth in Sections 16(A)-(B) of this Agreement, we may terminate this Agreement upon notice to you in the event you: (i) breach or violate any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including your failure to comply with any other term or condition of this Agreement, the Manuals, or any ancillary agreement between you and us (or our affiliate); and (ii) fails to cure such default(s) within 30 days after being provided with notice thereof.

D. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

## 17. YOUR TERMINATION RIGHTS

You may terminate this Agreement if we violate any of our material obligations to you and fail to cure such violation within 60 days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time you give such notice of termination. Your written notice must identify the violation and demand that it be cured.

## 18. YOUR OBLIGATIONS UPON TERMINATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason other than a termination as a result of our breach, you will:

1. within 10 days after termination or expiration, pay all amounts due and owing to us or our affiliates, including all Royalty Fees, Marketing Fees and accrued interest due under this Agreement;
2. discontinue using, and return to us by first class prepaid United States mail any hard copies of, and delete all electronic copies of, the Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;
3. cease using and assign to us or, at our discretion, disconnect the telephone number for the Franchised Business. You acknowledge that we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks or used in connection with operating the Franchised Business, and you authorize us, and appoint us as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to us;
4. cease using and assign to us all email addresses or social media accounts used in connection with the Franchised Business;
5. remove from the Franchised Business premises and from any vehicle used in operating the Franchised Business, all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a Franchised Business or bear the name PureOne Services or other Marks or any name or mark substantially similar to any Mark;
6. discontinue using the Proprietary Software, including the return of all materials relating to the Proprietary Software, and provide us or our designee with full access to your Computer System hard drive to delete the Proprietary Software and related content;
7. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks;
8. immediately cease using Confidential Information and return to us all documents, including those documents in electronic format, that contain Confidential Information;
9. cease using and transfer to us all Customer Data; and
10. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination of this Franchise Agreement for any reason, your right to use the name PureOne Services and the other Marks and the System will immediately terminate and you (and the Principal Owners)

will not in any way associate yourself/themselves as being associated with us. If you fail to remove all signs and other materials bearing all or any portion of the Marks, we may do so at your expense.

**B. Our Option To Purchase Franchised Business.**

1. If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon 60 days' written notice from the date of expiration or termination, to purchase from you any or all the tangible and intangible assets relating to the Franchised Business, including the Franchised Business premises if you own the Franchised Business premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Franchised Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Franchised Business. If the landlord respecting the lease for the Franchised Business premises is an affiliate of you (controlling, controlled by or under common control with you) we will have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Franchised Business location. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement. While we have the option to have the lease for the Franchised Business premises assigned to us, we do not have the obligation to take over the lease for the Franchised Business premises.

2. The purchase price for the Franchised Business will be the fair market value of the Purchased Assets; provided that: (1) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) we may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, we will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between you and us. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed 60 days, after the fair market value is determined. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Franchised Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Franchised Business, we may, pending the closing, appoint a manager to maintain Franchised Business operations.

3. If we assume the lease for the Franchised Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interest and will pay in full all amounts due the lessor under the lease existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume the lease.

**C. Continuing Obligations.** All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

**19. DISPUTE RESOLUTION**

**A. Mediation.** Except as otherwise stated in this Section 19(A), the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the

relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within 15 days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation in Fulton County, Georgia. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within 45 days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 19(B) below. Either party may bring an action under the applicable provisions of this Section 19 without first submitting the action to mediation under this Section 19(A): (i) for monies owed, (ii) for injunctive relief, or (iii) involving the possession or disposition of, or other relief relating to, real property.

B. Arbitration. Except to the extent either party elects to enforce the provisions of this Agreement by injunction as provided in Section 19(C) below, all disputes, claims and controversies between the parties, whether arising under or in connection with this Agreement or the negotiation, making, performance, breach or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 19(A) above will be resolved by arbitration under the authority of the Federal Arbitration Act in Fulton County, Georgia. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rule of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision. The arbitrator will have a minimum of 5 years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The arbitration will be on an individual basis only and not consolidated with any other proceeding. The decision of the arbitrator will be final and binding on all parties; provided, however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. The binding or preclusive effect of any award will be limited to the actual dispute or claim arbitrated, and to the parties, and will have no collateral effect on any other dispute or claim of any kind. This Section 19 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement.

C. Injunctive Relief. Notwithstanding Sections 19(A) and 19(B) above, you recognize that a single franchisee's failure to comply with the terms of this Agreement could cause irreparable damage to us and/or to some or all other PureOne Services franchisees. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or 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 such equitable relief, until such time as a final and binding determination is made by the arbitrators.

D. Attorneys' Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

E. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or your Franchised Business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this

Agreement; provided that where the one year limitation of time is prohibited or invalid under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

## 20. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required, or the taking of some other action not required, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach. In addition, acceptance by us of any payments or partial payments due to us under this Agreement shall not be deemed a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

C. Rights of Parties are Cumulative. The rights that we and you have are cumulative and no exercise or enforcement by either party of any right or remedy precludes such party from exercising or enforcing any other right or remedy to which such party is entitled by law or equity to enforce.

D. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought in the federal or state court located in Fulton County, Georgia. We and you irrevocably consent to the jurisdiction of such courts. The provisions of this Section 20(D) will survive the termination of this Agreement.

E. Governing Law. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act respecting Section 19 above, all claims arising out of or relating to this Agreement and/or the parties' relationship will be governed by, and will be interpreted in accordance with, the procedural and substantive laws of the State of Georgia, irrespective of any conflict of laws. The parties agree that any state law or regulation applicable to the offer or sale of franchises, business opportunities, or the franchise relationship, will not apply unless the jurisdictional provisions are independently met. You waive, to the fullest extent permitted by law, the rights and protections provided by such laws or regulations.

F. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

G. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of our individual interests. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

**H. WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.**

**I. WAIVER OF JURY TRIAL. YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

J. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, pandemics, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

K. Notice of Our Potential Profit. We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Franchised Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights licensed to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

L. Entire Agreement. The “Introduction” section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we provided to you.

## 21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been

designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

## 22. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Operating Manager's) ability as an independent businessman, and your (or the Operating Manager's) active participation in the daily affairs of the Franchised Business as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this franchise and sign this Agreement.

C. Receipt of Documents. You represent and acknowledge that you have received our Franchise Disclosure Document at least 14 calendar days before the date of the execution of this Agreement. In addition, you represent and acknowledge that you received from us a copy of this Agreement with all material blanks filled in at least 7 calendar days before the date of execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that our other franchisees of the Company have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

*[Signatures Appear on Following Page]*

The parties have signed this Agreement on the date stated in the first paragraph.

**WE:**

**YOU:**

BAB VENTURES FRANCHISING, LLC

\_\_\_\_\_  
Name of corporation or limited liability company

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

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

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

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

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

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

**EXHIBIT A  
TO FRANCHISE AGREEMENT**

**FRANCHISED BUSINESS LOCATION AND PROTECTED TERRITORY**

**EXHIBIT A**

**FRANCHISED BUSINESS LOCATION, PROTECTED TERRITORY  
AND INITIAL FRANCHISE FEE**

This Exhibit is attached to and is an integral part of the PureOne Services Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”), between us and you.

1. Franchised Business Location. The Franchised Business will be located at the following premises: \_\_\_\_\_.

If the premises for the Franchised Business has not been designated as of the Effective Date, we will update this Exhibit A to include the address for the Franchised Business premises once determined.

2. Protected Territory. The Protected Territory consists of the following geographic area(s):  
\_\_\_\_\_  
\_\_\_\_\_

3. Designated Owner. The Designated Owner is: \_\_\_\_\_.

4. Initial Franchise Fee. The initial franchise fee described in Section 4(A) of the Franchise Agreement is equal to \$\_\_\_\_\_.

5. Defined Terms. All capitalized terms contained in this Exhibit A and not defined herein will have the same meaning as provided in the Franchise Agreement.

**WE:**

BAB VENTURES FRANCHISING, LLC

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

**YOU:**

\_\_\_\_\_  
Name of corporation or limited liability company

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

**EXHIBIT B**  
**TO FRANCHISE AGREEMENT**  
**ELECTRONIC TRANSFER OF FUNDS FORM**

## EXHIBIT B TO FRANCHISE AGREEMENT

### LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between \_\_\_\_\_ (“Landlord”) and \_\_\_\_\_ (“Tenant”).

Landlord and Tenant are parties to that certain Lease of even date (the “Lease”) covering the premises located at \_\_\_\_\_ (the “Leased Premises”), which Tenant will use to operate a PureOne Services® business under a Franchise Agreement (the “Franchise Agreement”) between Tenant and BAB Ventures Franchising, LLC (“Franchisor”). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Leased Premises only for a PureOne Services business and Tenant may offer for sale and sell at the Leased Premises only those services and products which Franchisor approves. Landlord further agrees that so long as the Lease is in effect, it will not permit any tenant within the same multi-tenant mall or building to operate any a business that offers crime scene cleaning services, as well as biohazard, hoarding, and drug lab cleanup services, water, fire, and mold property restoration services, and related products and services, or any other business that is competitive with a PureOne Services business, other than businesses in existence in the mall or building as of the effective date of the Lease or upon the written consent of Franchisor and Tenant.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 8, a minimum thirty (30) day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the thirty (30) day notice period described in Section 2, and if Franchisor thereafter diligently completes such cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant’s rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor’s written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three (3) months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Right of Entry and Subordination. Landlord will give Franchisor access to the Leased Premises at reasonable times on not less than twenty-four (24) hours' notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Leased Premises for compliance with Franchisor's requirements, to remove from the Leased Premises any items bearing Franchisor's marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor's rights as licensor of the marks or logos displayed on items.

7. Vacating Premises. Upon vacating the Leased Premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of Franchisor's marks or logos.

8. Notices. Any notices to Franchisor hereunder will be sent to:

BAB Ventures Franchising, LLC  
5485 Bethelview Road, Suite 360-151  
Cumming, GA 30040

9. Benefit. Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

10. Supremacy. This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Agreement the day and year first above written.

LANDLORD:

\_\_\_\_\_

TENANT:

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

**EXHIBIT C TO FRANCHISE AGREEMENT**

**ACH AUTHORIZATION**

Date: \_\_\_\_\_, 20\_\_

I, the undersigned officer of \_\_\_\_\_ (“Franchisee”), hereby authorize BAB Ventures Franchising, LLC to withdraw or deposit funds, utilizing the following account, by ACH draft or electronic debit for payment or receipt of funds relating to Royalty Fees, Marketing Fees, Technology Fees, system marketing fees, contributions or payment of goods or services. If Franchisee has not established an account for ACH/debit payments as of the execution date of the Franchise Agreement, Franchisee agrees to provide to BAB Ventures Franchising, LLC the missing information before commencement of the initial training program.

Name on the Account: \_\_\_\_\_

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

City, State, Zip: \_\_\_\_\_

Bank Routing Number: \_\_\_\_\_

Bank Account Number: \_\_\_\_\_

E-mail Confirmation: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

**EXHIBIT D  
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT**

## GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT

In consideration of the execution of the Franchise Agreement dated \_\_\_\_\_ (the "Agreement") by BAB Ventures Franchising, LLC (the "Company," "we" or "us"), each of the undersigned (a "Guarantor") personally and unconditionally guarantees to us, and our successors and assigns, for the Term of the Agreement and thereafter as provided in the Agreement that \_\_\_\_\_ (the "Franchisee" or "you") will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against you or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and your other Guarantors;

(2) Guarantor will make any payment or perform any obligation required under the Agreement upon demand if you fail to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of you or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and

(6) Guarantor will be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete provisions in Section 14 and the dispute resolution provisions contained in Section 19 of the Agreement.

(7) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses we incur in enforcing this Guaranty and Assumption of Obligations Agreement (this "Guaranty Agreement") against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Guarantor(s), Company, and Franchisee agree that the following Sections of the Agreement apply to Guarantor(s) and to this Guaranty Agreement: Section 20(A) (Survival); Section 19(D) (Attorneys' Fees); Section 20(B) (Waiver of Obligations); Section 19(D) (Venue); Section 19(E) (Governing Law); Section 19(C) (Injunctive Relief); Section 19(E) (Claims); Section 20 (H) (Waiver of Punitive Damages); Section 20(I) (Waiver of Jury Trial); Section 20(F) (Binding Effect); Section 20(G) (Interpretation of Rights and Obligations); Section 20(L) (Entire Agreement); and Section 21 (Notices).

Each of the undersigned has signed this Guaranty Agreement as of the same day and year as the Agreement was executed.

**GUARANTOR(S) (PERCENTAGE OF OWNERSHIP)**

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

## EXHIBIT E

### CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**(For Principal Owners, Operating Managers, and trained employees of Franchisee or for employees with access to Confidential Information or trade secrets)**

In accordance with the terms of this Confidentiality and Non-Competition Agreement (“Confidentiality Agreement”) and in consideration of my being a \_\_\_\_\_ of \_\_\_\_\_ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Franchisee has acquired the right and franchise from BAB Ventures Franchising, LLC, (“Franchisor”) to establish and operate a Franchised Business (the “Franchised Business”) and the right to use in the operation of the Franchised Business Franchisor’s trade names, trademarks, service marks, including the service mark PureOne Services® (the “Marks”) and the system developed by Franchisor and/or its affiliates for operation and management of PureOne Services businesses (the “System”), as they may be changed, improved, and further developed from time to time in Franchisor’s sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Manuals, trade secrets, and copyrighted materials, methods, and other techniques and know-how (the “Confidential Information”).

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. As \_\_\_\_\_ of the Franchisee, Franchisor and/or Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor’s operations manual (the “Manuals”) and other general assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as \_\_\_\_\_ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for a two (2) year period thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business that engages in a Competing Business (as defined below in this Section 7) that is located

within a 25-mile radius of any part of the Franchisee's designated territory or any other then-existing PureOne Services business territory. This restriction does not apply to my ownership of less than one percent (1%) beneficial interest in the outstanding securities of any publicly-held corporation. "Competing Business" means any business that offers or sells any of the authorized services or products that are offered by PureOne Services businesses, or any other business that is competitive with or confusingly similar to a PureOne Services business.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Confidentiality Agreement.

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Confidentiality Agreement.

11. This Confidentiality Agreement shall be construed under the laws of the State of Georgia. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in Fulton County, Georgia, and the United States District Court for the District of Georgia. I acknowledge that this Confidentiality Agreement has been entered into in the state of Georgia, and that I am to receive valuable information emanating from Franchisor's headquarters in Georgia. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Georgia as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

**[EMPLOYEE]**

**ACKNOWLEDGED BY FRANCHISEE**

Signature: \_\_\_\_\_

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

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

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

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

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

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

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

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

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